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**BRS VENTURES LTD.**

Condensed Interim Financial Statements

(Unaudited - expressed in Canadian Dollars)

For the three and six months ended April 30, 2016 and 2015

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# BRS Ventures Ltd.

## Condensed Interim Statements of Financial Position

Unaudited - Expressed in Canadian dollars

	Note	April 30 2016	October 31 2015
		\$	\$
<b>Assets</b>			
Current			
Cash		7,311	31,253
Prepaid assets		833	875
		<b>8,144</b>	<b>32,128</b>
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	5, 7	14,539	14,861
<b>Shareholders' Equity</b>			
Share capital	6	988,145	988,145
Contributed surplus		92,150	92,150
Deficit		(1,086,690)	(1,063,028)
		<b>(6,395)</b>	<b>17,267</b>
		<b>8,144</b>	<b>32,128</b>

Going concern – Note 2

Subsequent event – Note 8

### APPROVED BY THE DIRECTORS

“Luke Norman”

Director

“Robert McMorran”

Director

*The accompanying notes are an integral part of these condensed interim financial statements*

## BRS Ventures Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss  
For the three and six months ended April 30

*Unaudited - Expressed in Canadian dollars*

		Three months ended April 30		Six months ended April 30	
	Note	2016	2015	2016	2015
		\$	\$	\$	\$
Expenses					
Accounting and audit	7	9,123	3,703	11,195	11,398
Corporate secretary and legal		932	105	1,475	429
Listing		8,243	4,198	10,857	7,558
Office and miscellaneous		50	50	135	144
<b>Net loss and comprehensive loss for the period</b>		<b>(18,348)</b>	<b>(8,056)</b>	<b>(23,662)</b>	<b>(19,529)</b>
<b>Loss per share</b>					
Basic and diluted		<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Weighted average number of shares outstanding</b>					
Basic and diluted		<b>12,941,659</b>	12,941,659	<b>12,941,659</b>	12,941,659

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## **BRS Ventures Ltd.**

Condensed Interim Statements of Cash Flows

For the six months ended April 30

*Unaudited - Expressed in Canadian dollars*

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	<b>2016</b>	<b>2015</b>
	\$	\$
<b>Cash (used in) provided by:</b>		
<b>Operating activities</b>		
Net loss for the period	(23,662)	(19,529)
Changes in non-cash working capital items		
Prepaid assets	42	875
Accounts payable and accrued liabilities	(322)	(12,041)
<b>Cash used in operating activities</b>	<b>(23,942)</b>	<b>(30,695)</b>
<b>Cash - beginning of period</b>	<b>31,253</b>	<b>70,658</b>
<b>Cash - end of period</b>	<b>7,311</b>	<b>39,963</b>

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## **BRS Ventures Ltd**

### Condensed Interim Statements of Changes in Shareholders' Equity

*Unaudited - Expressed in Canadian dollars*

	<b>Share capital number</b>	<b>Share capital \$</b>	<b>Contributed surplus \$</b>	<b>Deficit \$</b>	<b>Total \$</b>
<b>Balance, October 31, 2014</b>	<b>12,941,659</b>	<b>988,145</b>	<b>92,150</b>	<b>(1,039,555)</b>	<b>40,740</b>
Net loss	-	-	-	(19,529)	(19,529)
<b>Balance, April 30, 2015</b>	<b>12,941,659</b>	<b>988,145</b>	<b>92,150</b>	<b>(1,059,084)</b>	<b>21,211</b>
Net loss	-	-	-	(3,944)	(3,944)
<b>Balance, October 31, 2015</b>	<b>12,941,659</b>	<b>988,145</b>	<b>92,150</b>	<b>(1,063,028)</b>	<b>17,267</b>
Net loss	-	-	-	(23,662)	(23,662)
<b>Balance, April 30, 2016</b>	<b>12,941,659</b>	<b>988,145</b>	<b>92,150</b>	<b>(1,086,690)</b>	<b>(6,395)</b>

*The accompanying notes are an integral part of these condensed interim financial statements*

# **BRS Ventures Ltd.**

## **(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
Three and six months ended April 30, 2016 and 2015

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*Unaudited - Expressed in Canadian Dollars*

### **1. Organization, nature and continuation of operations**

BRS Ventures Ltd. (the "Company" or "BRS") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007 and was classified as a capital pool company ("CPC") as defined by TSX Venture Exchange Policy 2.4 ("Policy 2.4"). Under Policy 2.4, as a CPC, the Company was required to complete a Qualifying Transaction ("QT") as defined under Policy 2.4 by identifying and evaluating potential business acquisitions and to subsequently negotiate acquisition or participation agreements subject to regulatory and shareholder approvals. To date, the Company has not completed a QT. Accordingly it is currently trading on the NEX board of the TSX Venture Exchange (the "Exchange") under the trading symbol "BRV.H".

The Company's corporate office is located at Suite 880, 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

### **2. Going concern**

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. For the six months ended April 30, 2016, the Company incurred operating losses in the amount of \$23,662, had accumulated losses of \$1,086,690, a working capital deficiency of \$6,395 and had not completed a Qualifying Transaction. In the event the Company is successful in securing a Qualifying Transaction, there can be no assurance that the required additional financing to complete a Qualifying Transaction can be secured. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Subsequent to April 30, 2016 the Company signed an option agreement. Refer to Note 8.

### **3. Basis of preparation**

#### **Statement of compliance and functional currency**

These condensed interim financial statements for the six months ended April 30, 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's October 31, 2015 annual financial statements which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

These condensed interim financial statements have been prepared on an accrual basis, under the historical cost convention except for financial assets and liabilities which have been measured at fair value as set out in the relevant accounting policies within the Company's October 31, 2015 annual audited financial statements. These condensed interim financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's October 31, 2015 annual audited financial statements.

These financial statements were approved by the board of directors on June 27, 2016.

#### **Use of estimates and judgments**

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's October 31, 2015 annual audited financial statements.

# **BRS Ventures Ltd.**

## **(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
Three and six months ended April 30, 2016 and 2015

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#### **4. Accounting standards issued but not yet effective**

##### **IFRS 9 – Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. IFRS 9 also amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. The mandatory effective date of IFRS 9 will be annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is in the process of determining the impact of IFRS 9 on its financial statements.

#### **5. GST / HST payments not recovered**

During the year ended October 31, 2014, CRA advised the Company that it had re-assessed GST Input Tax Credits refunded related to the 2009 and 2010 fiscal years and determined that the Company was not eligible to recover these GST Input Tax Credits. During the year ended October 31, 2014, the Company had recorded an accrued liability of \$11,000 of GST / HST Input Tax Credits refunded related to this matter pending final resolution with CRA.

During the six months ended April 30, 2016, the CRA notified the Company that \$9,144 of GST / HST Input Tax Credits for the 2009 and 2010 fiscal years were eligible to be recovered. The Company had recorded a reduction to the accrued liability as at October 31, 2015. As at April 30, 2016, all amounts due for GST / HST Input Tax Credits have been fully repaid.

The Company currently reports all GST amounts to the appropriate expense classification on the Statement of Loss.

#### **6. Share capital**

**a) Authorized:** Unlimited common shares without par value.

**b) Options:**

The Company has established a stock option plan in accordance with the policies of the Exchange pursuant to which the Company is authorized to grant share purchase options up to 10% of its outstanding shares. The exercise price of options granted equals the market price of the Company's stock on the date of the grant. The options are for a maximum term of five years.

As at April 30, 2016 and October 31, 2015 there were no stock options outstanding.

**c) Escrow shares:**

Pursuant to the regulatory requirements as at April 30, 2016 and October 31, 2015, 724,997 issued and outstanding common shares were held in escrow. The shares will be released as to 10% on the completion of the Company's Qualifying Transaction and the remainder will be released in 6 equal tranches of 15% each every 6 months thereafter.

# **BRS Ventures Ltd.**

## **(A Capital Pool Company)**

Notes to the Condensed Interim Financial Statements  
Three and six months ended April 30, 2016 and 2015

*Unaudited - Expressed in Canadian Dollars*

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### **7. Key management compensation and related parties**

Key management includes officers and directors (executive and non-executive) of the Company. Other related parties include companies associated with officers and directors.

The Company did not have any compensation paid or payable to the Board of Directors and corporate officers for services provided during the six months ended April 30, 2016 and 2015.

During the six months ended April 30, 2016 and 2015 the Company incurred the following additional related party expenditures for accounting and corporate secretary services provided to the Company:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>April 30</b>		<b>April 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
			\$	\$
Accounting and audit	2,305	2,054	5,963	6,623

As at April 30, 2016, directors, officers or their related companies were owed \$1,949 (October 31, 2015 - \$229) in respect of services. The amounts due to related parties are unsecured, non-interest-bearing and due on demand.

### **8. Subsequent event**

The Company entered into an option agreement with Anstag Mining Ltd., a private British Columbia Company, to acquire 100% interest in the Margurete Gold Property. Under terms of the option agreement, the Company is required to make the following payments and incur the following exploration expenditures to earn the 100% interest in the Margurete Gold Property:

- Pay \$10,000 and issue 200,000 shares within 5 days of Exchange approval of the option agreement; and
- Incur \$1,000,000 exploration expenditures on the Margurete Gold Property within 5 years of signing the option agreement.

During the term of the option agreement, the Company is responsible for the annual claim maintenance fees.

The vendor will retain a 1% Gross Overriding Royalty which may be purchased by the Company for \$1,000,000.