BHK MINING CORP.

(formerly BHK Resources Inc.)

Consolidated Financial Statements

For the Years Ended December 31, 2015 and 2014

(Stated in Canadian Dollars Unless Noted Otherwise)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the directors to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board/Committee and management to discuss their audit findings.

April 27, 2016

“Tim Sudjie”

Sobali (Tim) Sudjie
Chief Executive Officer

“Michael O’Brien”

Michael O’Brien
Chief Financial Officer

MNP LLP

Independent Auditors' Report

To the Shareholders of BHK Mining Corp.:

We have audited the accompanying consolidated financial statements of BHK Mining Corp., and its subsidiary, (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of BHK Mining Corp. and its subsidiary as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which discloses matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

MNP LLP

April 27, 2016

Vancouver, BC

Chartered Professional Accountants

BHK MINING CORP.
(formerly BHK Resources Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2015	December 31, 2014
ASSETS		
Current		
Cash and cash equivalents	$ 837,272	$ 483,058
Other receivables	9,580	76
Prepaid and deposits	17,863	2,095
Total Current Assets	**864,715**	**485,229**
Equipment (Note 3)	179,951	568
Deferred financing costs	-	120,000
Deposit on investment	-	26,590
Exploration property (Note 4)	2,121,533	-
Total Assets	**$ 3,166,199**	**$ 632,387**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 167,186	$ 139,163
Total Liabilities	**167,186**	**139,163**
SHAREHOLDERS' EQUITY		
Share capital (Note 5)	5,651,341	1,012,174
Reserves (Note 5)	287,351	110,611
Accumulated other comprehensive income	(31,880)	-
Deficit	(2,907,799)	(629,561)
Total Shareholder's Equity	$ 2,999,013	$ 493,224
Total Liabilities and Shareholders' Equity	**$ 3,166,199**	**$ 632,387**

Approved by the Board of Directors:

"Tim Sudjie"
Director

"Davide Salvatore"
Director

The accompanying notes are an integral part of these consolidated financial statements

BHK MINING CORP.
(formerly BHK Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended December 31, 2015	Year Ended December 31, 2014
EXPENSES		
Bank charges and interest expense	$ 40,827	$ 1,511
Consulting and director fee	265,075	19,110
Depreciation	63,654	568
Due diligence costs	-	103,005
Exploration expenses	1,192,132	-
Filing fees and related charges	54,158	20,504
Loss (gain) on foreign exchange	(7,242)	(14,692)
Office expenses	204,567	36,681
Professional fees	144,413	185,486
Salaries and benefits	144,445	-
Share-based payments	126,687	-
Travel	53,258	124,306
Loss before other item	$ (2,281,974)	$ (476,479)
OTHER ITEM		
Interest income	3,736	4,773
NET LOSS	$ (2,278,238)	$ (471,706)
Currency translation difference	(31,880)	-
COMPREHENSIVE LOSS FOR THE PERIOD	$ (2,310,118)	$ (471,706)
LOSS PER SHARE, Basic and Diluted	$ (0.06)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Basic and Diluted)	36,054,763	15,500,000

BHK MINING CORP.
(formerly BHK Resources Inc.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital			Accumulated Other Comprehensive Income (loss)		Total Shareholders' Equity
	Number	Amount $	Reserves $	$	Deficit $	$
Balance at December 31, 2013	**15,500,000**	**1,012,174**	**110,611**	**-**	**(157,855)**	**964,930**
Net loss for the year	-	-	-	-	(471,706)	(471,706)
Balance at December 31, 2014	**15,500,000**	**1,012,174**	**110,611**	**-**	**(629,561)**	**493,224**
Shares issued at $0.20 per share	16,135,000	3,227,000	-	-	-	3,227,000
Shares issued at $0.05 per share	35,000,000	1,750,000				1,750,000
Share issued, corporate finance fee	325,000	65,000	-	-	-	65,000
Share issued, finders' fees	209,063	41,813	-	-	-	41,813
Share issuance costs	-	(444,646)	50,053	-	-	(394,593)
Share based payments	-	-	126,687	-	-	126,687
Currency translation adjustment	-	-	-	(31,880)	-	(31,880)
Net loss for the year	-	-	-	-	(2,278,238)	(2,278,238)
Balance at December 31, 2015	**67,169,063**	**5,651,341**	**287,351**	**(31,880)**	**(2,907,799)**	**2,999,013**

The accompanying notes are an integral part of these consolidated financial statements

BHK MINING CORP.
(formerly BHK Resources Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year Ended December 31, 2015		Year Ended December 31, 2014
Cash Flows From (Used In) Operating Activities				
Net loss for the year	$	(2,278,238)	$	(471,706)
Items not affecting cash:				
Depreciation		63,564		568
Share based payments		126,687		-
Exchange gain/loss		(31,880)		-
Changes in non-cash working capital items:				
Other receivables		(9,504)		9,142
Prepaid and deposits		10,822		955
Accounts payable and accrued liabilities		9,359		103,493
Due to a related party		-		(316)
Net cash used in operating activities		(2,109,190)		(357,864)
Cash Flows Used In Investing Activities				
Acquisition of Dome International Global Inc., net of cash acquired		(2,125,735)		-
Acquisition of equipment		(220,081)		-
Net cash used in investing activities		(2,345,816)		-
Cash Flows From Financing Activities				
Issue of share capital, net of share issuance costs		4,809,220		-
Deferred financing cost		-		(120,000)
Net cash provided by financing activities		4,809,220		(120,000)
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		354,214		(477,864)
CASH AND CASH EQUIVALENTS, Beginning of Year		483,058		960,922
CASH AND CASH EQUIVALENTS, End of Year	$	837,272	$	483,058

The accompanying notes are an integral part of these consolidated financial statements.

l. NATURE OF OPERATIONS AND GOING CONCERN

BHK Resources Inc. was incorporated under the Business Corporations Act (British Columbia) on December 10, 2012 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") policy 2.4. The Company changed its name to BHK Mining Corp. (the "Company") effective January 21, 2015. On January 23, 2015, the Company completed its Qualifying Transaction ("QT" as defined in the TSX-V Policy 2.4). The QT consisted of the acquisition of Dome International Global Inc. ("Dome"), which indirectly owns the Ndjole manganese gold exploration property in Gabon (the "Property"). The principal business of the Company is the exploration and evaluation of the Property. The Company's shares trade on the TSX-V under the symbol "BHK.V".

The head office of the Company is located at Suite 717, 1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3. The registered office of the Company is located at Suite 1700, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8. As at December 30, 2015, the Company owns 100% of Dome International Global Inc. and its 100% owned subsidiary, Dome Gabon SARL ("Dome Gabon"), which in turn holds the exploration license for the Property.

The Company's continuing operations as intended and its ability to continue as a going concern is dependent upon its ability to continue to raise financing. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statements of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

As at December 31, 2015, the Company has a cumulative deficit of $2,907,799 (December 31, 2014 - $629,561) and working capital of $697,529 (December 31, 2014 - $346,066). The Company expects to incur further losses in the development of its business. Management has estimated that the Company has sufficient financing to complete current work plans; however, future development will require additional financing in order to complete all planned exploration and other programs during the year ending December 31, 2016 and thereafter. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward. The business of mining and exploration involved a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of resource property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company will need access to capital to continue advancing its primary project located in Gabon called the Ndjole property.

These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee, effective for the Company's reporting year ended December 31, 2015. These consolidated financial statements were authorized for issuance by the Board of Directors on April 27, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and of its two 100% owned subsidiaries: Dome International Global Inc. (incorporated in BVI) and Dome Gabon SARL (incorporated in Gabon). All intercompany transactions have been eliminated upon consolidation.

Significant accounting judgments, estimates and assumptions

Estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The key estimates applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

i) Decommissioning and rehabilitation liabilities

Decommissioning and rehabilitation costs have been estimated based on the Company's interpretation of current regulatory requirements and have been measured at the net present value of expected future cash expenditure upon reclamation and closure. Such costs are capitalized as exploration and evaluation assets. Because the fair value measurement requires the input of subjective assumptions, including reclamation and closure costs, changes in subjective input assumptions can materially affect the fair value estimate. Based on the assessment, the Company did not have any significant decommissioning and rehabilitation liabilities at the reporting dates.

ii) Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in the future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

iii) Share-based payments

Share-based payments are valued using the Black-Scholes option pricing model at the date of grant and expensed in profit or loss over vesting period of each award. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

i) The determination of the Company and its subsidiaries' functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions, which determine the primary economic environment.

ii) Impairment of exploration and evaluation assets

Exploration and evaluation assets are considered for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Assessment of impairment indicators involves the application of a number of significant judgment over the internal and external factors. External factors include future commodity prices, investors' sentiment and changes in environmental and mineral tenure regulations. Internal factors include technical data interpretation of the mineral resources estimates and the Company's exploration plans for the properties. As new data comes up and economy and market continually change, the recoverable amounts of the assets and the impairment loss might be different from these judgments and estimates. Management has determined that there is no impairment as of December 31, 2015.

iii) The assessment of the acquisition of Dome as an asset acquisition or business combination

Management has had to apply judgments relating to its acquisition during the year with respect to whether the acquisition of Dome was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. Management has determined that the acquisition of Dome is an asset acquisition.

Foreign currency translation

i. Functional and presentation currency

The consolidated financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars.

The functional currency of the Company is in Canadian dollars. The functional currency of Dome International Global Inc. is in U.S Dollars ("US$"). The functional currency of Dome Gabon is in Central African CFA franc.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statements of operation and comprehensive income (loss).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash and cash equivalents. There were no cash equivalents as at December 31, 2015 and 2014.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

Share-based payments

The Company grants stock options to buy common shares of the Company through its stock option plan as described in note 5c. The Company accounts for share-based payments using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the grantees earn the options.

The Company recognizes share-based payment expense for the estimated fair value of stock options granted to both employees and non-employees. Accordingly, compensation costs are measured at fair value at the grant date and recognized over the expected vesting period.

The Black-Scholes valuation model was developed for use in estimating the fair value of traded options which are fully transferable and freely traded. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock options. Share-based payment calculations have no effect on the Company's cash position.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Equipment is depreciated to write off the cost of the assets to operations using straight-line method over their estimated useful life at the following annual rates:

Mining equipment	5 years
Computers and vehicles	3 years
Software	2 years

Exploration and evaluation costs

Exploration and evaluation costs include costs to acquire exploration rights, geological studies, exploratory drilling and sampling and directly attributable administrative costs. Exploration and evaluation costs relating to non-specific projects or properties or those incurred before the Company has obtained legal rights to explore an area are expensed in the period incurred. In addition, exploration and evaluation costs, other than direct acquisition costs, are expensed before a mineral resource is identified as having economic potential.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation costs (continued)

Exploration and evaluation costs are capitalized as mineral interests when a mineral resource is identified as having economic potential on a property. A mineral resource is considered to have economic potential when it is expected that documented resources can be legally and economically developed considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met:

i) There is a probable future benefit that will contribute to future cash inflows;
ii) The Company can obtain the benefit and control access to it; and
iii) The transaction or event giving rise to the benefit has already occurred.

Once the technical feasibility and commercial viability of the extraction of resources from a particular mineral property has been determined, mineral interests are reclassified to mine properties within property, plant and equipment and carried at cost until the properties to which they relate are placed into commercial production, sold, abandoned or determined by management to be impaired in value.

Costs relating to any producing mineral interests would be amortized on a unit of production basis over the estimated ore reserves. Costs incurred after the property is placed into production that increase production volume or extend the life of a mine are capitalized.

Proceeds from the sale of properties or cash proceeds received from option payments are recorded as a reduction of the related mineral interest, or if no amounts are capitalized, then the proceeds are recorded in the consolidated statements of operations and comprehensive income (loss).

Impairment of non-financial assets

The Company reviews and evaluates its property and equipment for indications of impairment when events or changes in circumstances indicate that the related carrying amount may not be recoverable or at least at the end of each reporting period. The asset's recoverable amount is estimated if an indication of impairment exists.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Impairment losses reducing the carrying value to the recoverable amount are recognized in profit and loss.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as foreign exchange on translation, unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net income (loss).

Loss per share

The Company presents basic loss per share for its common shares, dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding because the effect is anti- dilutive.

Financial instruments

Financial assets

Financial assets are classified into one of four categories:

a) Fair value through profit or loss;
b) Held-to-Maturity;
c) Loans and receivables; and
d) Available for sale.

Financial assets at fair value through profit or loss ("FVTPL")
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss. The Company classified its cash and cash equivalents as FVTPL which is measured at fair value.

Held to maturity
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of loss and comprehensive loss.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Available for sale
Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations and comprehensive loss.

Financial liabilities

Financial liabilities are classified into one of two categories:

a) Fair value through profit or loss; and
b) Other financial liabilities.

Fair value through profit or loss
This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with the changes in fair value recognized in the statements of operations and comprehensive loss.

Other financial liabilities
This category includes accounts payable and accrued liabilities, which are recognized at amortized cost.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or
b) default or delinquency in interest or principal payments; or
c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statements of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects nether the taxable profit nor the accounting profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Standards adopted

Changes in Accounting Policies

The Company has adopted the following revised standards, effective January 1, 2015. There was no consequential impact upon adoption.

IAS 24 – Related Party Transactions
The amendments to IAS 24, issued in December 2013, clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key arrangement personnel compensation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards adopted (continued)

IFRS 13 Fair value measurement
On July 1, 2014, the Company adopted the amendments to IFRS 13, which clarify that the portfolio exception applies to all contracts within the scope of IFRS 9 Financial instruments or IAS 39 Financial instruments: Recognition and measurement, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 Financial instruments: Presentation.

IFRIC 21 Levies
IFRIC 21 Levies, issued in May 2013, provides guidance on the accounting for levies within the scope of IAS 37 Provisions, contingent liabilities and contingent assets. The main features of IFRIC 21 are as follows:

- The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

IFRS 7 Financial instruments: disclosures and IAS 32 Financial instruments: presentation
Financial assets and financial liabilities may be offset, with the net amount presented in the statement of financial position, only when there is a legally enforceable right to set off and when there is either an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. The amendments to IAS 32, issued in December 2011, clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

Future IFRS Pronouncements

Standards issued but not yet effective up to the date of issuance of the Company’s consolidated financial statements are listed below except those which the Company does not expect any impacts on the consolidated financial statements.

IFRS 9 – Financial Instruments
IFRS 9 was issued in November 2009 and subsequently amended as part of an ongoing project to replace IAS 39 Financial instruments: Recognition and measurement. The standard requires the classification of financial assets into two measurement categories based on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. The two categories are those measured at fair value and those measured at amortized cost. The classification and measurement of financial liabilities is primarily unchanged from IAS 39. However, for financial liabilities measured at fair value, changes in the fair value attributable to changes in an entity’s “own credit risk” is now recognized in other comprehensive income instead of in profit or loss. This new standard will also impact disclosures provided under IFRS 7 Financial instruments: disclosures.

In November 2013, the IASB amended IFRS 9 for the significant changes to hedge accounting. In addition, an entity can now apply the “own credit requirement” in isolation without the need to change any other accounting for financial instruments. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of IFRS 9, issued in July 2014, moved the mandatory effective date to January 1, 2018. The Company does not expect this amendment to have a material impact on its consolidated financial statements.

(Expressed in Canadian Dollars)

3. EQUIPMENT

Cost	Computers	Software	Mining equipment	Vehicles	Total
	$	$	$	$	$
December 31, 2014 and 2013	1,705	-	-	-	1,705
Assets acquired in Transaction (Note 4)	-	-	445	11,294	11,739
Additions	3,330	16,279	82,228	122,859	224,696
Exchange difference	-	-	5,193	4,966	10,159
December 31, 2015	5,035	16,279	87,866	139,119	248,299
Accumulated amortization					
December 31, 2013	568	-	-	-	568
Additions	569	-	-	-	569
December 31, 2014	1,137	-	-	-	1,137
Additions	1,123	7,461	17,023	38,047	63,654
Exchange difference	-	-	1,100	2,457	3,557
December 31, 2015	2,260	7,461	18,123	40,504	68,348
Net book value					
December 31, 2014	568	-	-	-	568
December 31, 2015	2,775	8,818	69,743	98,615	179,951

4. ACQUISITION OF THE NDJOLE EXPLORATION PROPERTY

On January 23, 2015, BHK acquired all of the outstanding shares of Dome (the "Transaction"). The Transaction accounted for as an acquisition of assets as the activities of Dome did not meet the definition of a business in accordance with IFRS 3. The primary asset of Dome is the 100% owned Ndjole manganese gold project in Gabon. The Ndjole Property is situated in the Moyen Ogooue province, located in the western half of central Gabon. Dome Ventures SARL Gabon was originally granted a prospecting permit for 10,910 km2 on September 14, 2006 that was valid for 2 years. On July 14, 2008 the prospecting permit was reduced and converted to a 2,000 km2 Exploration Permit. When the Exploration Permit was renewed for the first time on 21 June, 2012 the Minister de L'Industrie et Des Mines reduced the area that could be explored for manganese to 1500km2. In June 2015, the Ndjole licence was renewed for a second time and reduced to 1496km2 for all substances (Mn, Fe, Pb, Cu, Zn,Au and Ag). The second renewal is valid for 3 years and includes work commitments totaling USD4.92m for the period June 2015 to June 2018 using an exchange rate of CFA595/USD.

As consideration for the Transaction, the Company paid in cash an aggregate of $1,931,554 (US$1,500,000 plus US$72,559 for expenses) of which $26,590 (US$25,000) was paid as a non-refundable deposit in December 2013. The Company paid finders fees upon completion of the Transaction in the amount of $56,180 (US$48,750) and of $30,000. These fees were paid 50% in cash and 50% by way of issuing 209,063 of the Company's common shares. In addition, the Company incurred $112,451 for other expenses related to the Transaction.

The purchase consideration has been assigned based on the relative fair value of the assets acquired and liabilities assumed as follows:

(Expressed in Canadian Dollars)

4. ACQUISITION OF THE NDJOLE EXPLORATION PROPERTY (continued)

Fair value of consideration paid:

Cash	$ 1,931,554
Transaction costs	198,631
Total consideration	$ 2,130,185

Net assets acquired:

Cash	$ 4,450
Equipment	11,739
Other assets	11,127
Ndjole property	2,121,533
Accounts payable	(18,664)
Net assets acquired	$ 2,130,185

5. SHARE CAPITAL

a) Authorized share capital:

As at December 31, 2015, the authorized share capital of the Company was an unlimited number of common shares without par value.

b) Issued and outstanding share capital:

On January 23, 2015, the Company raised gross cash proceeds of $3,227,000 by the issuance of 16,135,000 common shares at a price of $0.20 per share (the "Financing"). The Company issued 325,000 shares as a corporate finance fee, 777,150 warrants exercisable at $0.20 per share for a period of 24 months as commission (see Note 5d) and paid commissions and other expenses of $284,585 related to the Financing, of which $120,000 was included in deferred financing costs at December 31, 2014.

In relation to the Transaction, the Company issued 209,063 shares as transaction cost (see Note 4).

On November 11, 2015 the Company completed its non-brokered private placement with First Resources Corporation Limited by issuing 35,000,000 common shares of the Company at $0.05 per share, for gross proceeds received of $1,750,000. These shares are subject to a four-month hold until March 11, 2016. The Company incurred $45,010 share issuance expense.

c) Stock options

Previously, the Company had a stock option plan under which it could grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. In June 2015 the Company amended the plan to limit the number of options issuable to a maximum of 2,750,000 options.

The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of up to ten years and vest as determined by the board of directors.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

On January 23, 2015, the Company issued 1,600,000 stock options to officers and directors to be vested immediately. These options have an exercise price of $0.20 per share and expire on January 23, 2020. Issuance of these options was recorded as share-based payments in the amount of $121,641 based on a Black Scholes calculation using a risk-free interest rate of 0.79%, a volatility of 121%, an expected life of five years and no vesting period nor forfeitures. On April 9, 2015 the Company issued 100,000 options to an officer an exercise price of $0.20 per share expiring on April 9, 2020. Issuance of these options was recorded as share-based payments in the amount of $5,046 based on a Black Scholes calculation using a risk-free interest rate of 0.78%, a volatility of 121%, an expected life of five years and no vesting period nor forfeitures.

The following Stock Options were outstanding as at December 31, 2015:

Expiry Date	Weighted Average Exercise Price	Number of Options	Weighted Average Remaining Contractual Life (Years)	Weighted Average Fair Value of Options
September 27, 2018	$0.10	1,050,000	2.74	$0.09
January 23, 2020	$0.20	1,600,000	4.07	$0.09
April 9, 2020	$0.20	100,000	4.28	$0.05
Total	$0.16	2,750,000	3.57	$0.07

d) Agents' Warrants

In connection with the Company's equity issuance on January 23, 2015, agents received 777,150 non-transferable warrants to acquire 777,150 common shares at a price of $0.20 per common share for a period of 24 months. Issuance of these warrants was recorded as share issuance cost in the amount of $50,052 based on a Black Scholes calculation using a risk-free interest rate of 0.54%, volatility of 159%, an expected life of two years and no vesting period nor forfeitures.

At December 31, 2015 all of the above agent's warrants were outstanding. The weighted average fair value of these warrants was determined to be $0.06 per warrant. They have a remaining contractual life of 1.06 years as at December 31, 2015.

On September 27, 2015, 300,000 agent warrants granted in 2014 that were exercisable at $0.10 per share expired unexercised.

e) Escrowed shares

As at December 31, 2015, 9,269,673 common shares remain held in escrow and will be released pro-rata to the shareholders in five equal tranches every six months starting January 23, 2016. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

6. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at December 31, 2015 the Company's shareholders' equity was $2,999,013. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels. The capital for expansion was mostly from proceeds from the issuance of common shares.

7. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

At December 31, 2015, the Company's financial instruments consist of cash and cash equivalents and accounts payable and accrued liabilities. The fair values of cash and cash equivalents and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term to maturity. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy. The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk, the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at December 31, 2015, the Company had cash and cash equivalents of $837,272 and had current liabilities of $167,186.

Interest rate risk

The Company has cash balances and is not exposed to any significant interest rate risk.

Foreign currency exchange risk

Certain purchases of labor, operating supplies and capital assets are determined in $CFA. As a result, currency exchange transactions may impact the costs of the Company's operation.

(Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISK (continued)

Foreign currency exchange risk (continued)

A significant change in the currency exchange rates between the $CFA relative to the Canadian dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations. A 1% strengthening in the Canadian dollar against $CFA would have a before-tax effect of $2,110 decrease in accumulated other comprehensive income, based on amounts held at the year end.

8. SEGMENTED INFORMATION

The Company's business of exploration and development of mineral interest is considered as operating in one segment. The geographical division of the Company's non-current assets is as follows:

Exploration and evaluation assets:

	Canada	Gabon	B.V.I.	Total
December 31, 2015	$ -	$ 2,121,533	$ -	$ 2,121,533
December 31, 2014	$ -	$ -	$ -	$ -

Equipment:

	Canada	Gabon	B.V.I.	Total
December 31, 2015	$ 11,594	$ 168,357	$ -	$ 179,951
December 31, 2014	$ 568	$ -	$ -	$ 568

The Company has significant assets in Gabon, Africa. Although Gabon is generally considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations. The Gabonese government does not require foreign entities to maintain cash reserves in their country.

9. RELATED PARTY TRANSACTIONS

As at December 31, 2015 the Company owed a total of $27,979 (2014- $Nil) to directors in respect of Directors' fees and expense reimbursements.

All amounts due to a related party were unsecured and have no specified terms of repayment. These transactions are in the normal course of operations on normal commercial terms and conditions and at market rates, which is the amount of consideration established and agreed to by the related parties.

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

	2015	2014
Director fee	$ 22,500	$ -
Consulting fee	168,945	-
Bonus	64,102	-
Share-based payments	87,430	-
	$ 342,977	$ -

10. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended December 31, 2015 and 2014:

	December 31, 2015	December 31, 2014
Income (loss) before taxes	$ (2,278,238)	$ (471,706)
Statutory tax rate of 26%	(592,342)	(122,644)
Non-deductible items	(61,207)	163
Foreign tax rate difference	(176,930)	-
Share issuance costs	(84,408)	(31,200)
Other items	35,463	-
Change in deferred tax asset not recognized	879,423	153,681
Total income taxes (recovery)	$ -	$ -

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets (liabilities) at December 31, 2015 and 2014 are comprised of the following:

	December 31, 2015	December 31, 2014
Non capital loss carryforwards	$ 671,365	$ 163,019
Equipment	2,974	296
Exploration and evaluation assets	391,802	-
Financing costs	103,180	50,361
	1,169,321	213,675
Deferred tax asset not recognized	(1,169,321)	(213,675)
Net deferred tax asset (liability)	$ -	$ -

The Company has non capital loss carryforwards of approximately $1,287,666 (2014: $626,955) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in 2033 to 2035.

Expiry	
2033	$ 99,919
2034	527,076
2035	660,670
Total	$1,287,666

(Expressed in Canadian Dollars)

10. INCOME TAXES (continued)

The deferred tax assets have not been recognized because at this stage of the Company's development, it is not determinable that deferred taxable profit will be available against which the Company can utilize such deferred tax assets.

11. COMMITMENTS

Dome Gabon entered into office lease agreement for its premises in Ndjol on July 1, 2015. The lease expires on June 30, 2017. The remaining minimum lease payments are as follow:

2016	$ 25,853
2017	12,927
Total	$ 38,780

Dome Gabon entered into office lease agreement for its premises in Libreville on July 1, 2015. The lease expires on June 30, 2016. The remaining minimum lease payments as of December 31, 2015 is $12,233.

The Company entered into a consulting agreement dated Jan 23, 2015 to pay Claus Andrup a fee of $5,500 per month plus GST for a one year term. As of December 31, 2015, the remaining minimum payments is $5,500.

The Company entered into a consulting agreement dated Jan 23, 2015 to pay Brian A. Richardson a fee of $4,500 per month plus GST for a one year term. As of December 31, 2015, the remaining minimum payments is $4,500.

The Company entered into a consulting agreement dated Jan 23, 2015 to pay Jennifer Hanson a fee of $2,800 per month plus GST for a one year term. As of December 31, 2015, the remaining minimum payments is $2,800.

In June 2015, the Ndjole licence was renewed for a second time, with a prospecting permit for 1,496km2 for all substances (Mn, Fe, Pb, Cu, Zn,Au and Ag). The second renewal is valid for 3 years and includes work commitments totaling USD4.92 million for the period June 2015 to June 2018 using an exchange rate of CFA595/USD. As of December 31, 2015, the remaining minimum payments is $5.18 million.

12. SUBSEQUENT EVENTS

None.