NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2016 and 2015

(Unaudited – Expressed in Canadian Dollars)

Index

Notice of non-review of condensed interim consolidated financial statements

The attached condensed interim consolidated financial statements for the three month period ended March 31, 2016 have not been reviewed by the Company’s auditors.

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Note	March 31, 2016	December 31, 2015
Assets			
Current assets:			
Cash		$ 372,679	$ 1,041
Sales tax receivable		57,749	8,065
Loan receivable	5	13,969	-
Prepaid expense and deposits		67,399	-
		511,796	9,106
Investments	6	40,000	40,000
		$ 551,796	$ 49,106
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 431,687	$ 96,804
Current loans payable	8	10,000	-
Loans payable to related parties	12	2,000	-
Flow-through premium liability		37,504	-
		481,191	96,804
Shareholders' equity:			
Capital stock	9	4,133,139	2,120,948
Subscriptions receivable	9	(90,000)	-
Reserves	9	593,495	290,168
Deficit		(4,566,029)	(2,458,814)
		70,605	(47,698)
		$ 551,796	$ 49,106

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

On behalf of the Board:

"Raymond Strafehl" Director *"Abraham Drost"* Director

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

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss for the Three Months ended March 31,

(Unaudited - Expressed in Canadian Dollars)

	Note	2016	2015
Expenses			
Consulting		$ 20,000	$ -
Professional fees		123,112	155
Transfer agent and filing fees		4,831	-
Investor relations		35,000	-
Exploration and evaluation	7	252,332	162
General and administrative		3,994	89
Share-based compensation	9	8,593	-
Travel and promotion		4,625	-
Results from operations		(452,487)	(406)
Other items			
Interest income	5	340	-
Non-cash listing expense on completion of Transaction	4	(1,695,064)	-
Amortization of flow-through premium liability		39,996	-
		(1,654,728)	-
Net and comprehensive loss for the year		(2,107,215)	(406)
Loss per share – basic and diluted		$ (0.11)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		18,930,306	13,036,966

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

NICKEL ONE RESOURCES INC.
(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Cash Flows for the Three Months Ended March 31,
(Unaudited – Expressed in Canadian Dollars)

	Note	2016	2015
OPERATING ACTIVITIES			
Net income (loss) for the year		$ (2,107,215)	$ (406)
Items not involving cash			
Share-based compensation	9	8,593	-
Interest income	5	(340)	-
Amortization of flow-through premium liability		(39,996)	-
Non-cash listing expense on completion of Transaction	4	1,695,064	-
Change in non-cash working capital items:			
Sales tax receivable		(41,659)	2,932
Prepaid expense and deposits		(7,399)	-
Accounts payable and accrued liabilities		190,244	(572)
		(302,708)	1,954
FINANCING ACTIVITIES			
Proceeds from private placement	9	800,000	-
Private placement share issuance costs	9	(57,576)	
Proceeds from options exercised	9	20,000	-
Loan repayment	8	(22,000)	-
Transaction costs included in equity	4	(66,592)	-
Cash acquired in the Transaction	4	515	-
		674,347	-
Increase in cash		371,638	1,954
Cash, beginning of the period		1,041	24,877
Cash, end of the period		$ 372,679	$ 26,831
Non-cash items:			
Shares for debt	9	$ 197,212	$ -

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

NICKEL ONE RESOURCES INC.

(An Exploration Stage Company)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

		Share Capital						
	Notes	Shares	Amount	Subscriptions Received	Subscriptions Receivable	Reserves	Deficit	Total shareholders' equity
Balance at December 31, 2014		13,036,966	$ 2,120,948	$ -	$ -	$ 290,168	$ (2,365,646)	$ 45,470
Loss for the period		-	-	-	-	-	(406)	(406)
Balance at March 31, 2015		13,036,966	$ 2,120,948	$ -	$ -	$ 290,168	$ (2,366,052)	$ 45,064
Balance at December 31, 2015		13,036,966	$ 2,120,948	$ -	$ -	$ 290,168	$ (2,458,814)	$ (47,698)
Reverse take-over of Redline	4	3,050,000	691,769	615,000	-	166,758	(1,150,470)	323,057
Elimination of Redline's equity accounts	4	-	(691,769)	-	-	(166,758)	1,150,470	291,943
Redline share consideration to Tyko	4	13,036,966	1,303,696	-	-	-	-	1,303,696
Tyko shares acquired by Redline	4	(13,036,966)	-	-	-	-	-	-
Transaction finder's fee shares	4	976,848	97,685	-	-	-	-	97,685
Transaction share issuance costs	4	-	(66,592)	-	-	-	-	(66,592)
Private placement	9	8,066,667	890,000	(615,000)	(90,000)	-	-	185,000
Allocation of warrant reserves	9	-	(267,433)	-	-	267,433	-	-
Private placement issuance costs	9	-	(93,470)	-	-	35,894	-	(57,576)
Flow-through share premium, net issuance costs		-	(77,500)	-	-	-	-	(77,500)
Shares for debt	9	1,972,115	197,212	-	-	-	-	197,212
Share-based compensation	9	-	-	-	-	8,593	-	8,593
Options exercised	9	200,000	28,593			(8,593)	-	20,000
Loss for the period		-	-	-	-	-	(2,107,215)	(2,107,215)
Balance at March 31, 2016		27,302,596	$ 4,133,139	$ -	$ (90,000)	$ 593,495	$ (4,566,029)	$ 70,605

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

1. Nature and continuance of operations

Nickel One Resources Inc. ("Nickel One" or the "Company") is a mineral exploration and development company listed on the TSX Venture Exchange ("TSX-V") under the symbol "NNN" and is engaged in the exploration of mineral properties located near Manitouwadge, Ontario. The address of the Company's corporate head office and principal place of business is 1110-1111 West Georgia Street, Vancouver, BC, V6E 4M3.

On February 23, 2016, Redline Resources Inc. ("Redline") completed its share exchange transaction (the "Transaction") between Tyko Resources Inc. ("Tyko") and Redline, pursuant to which Redline acquired all of the issued and outstanding common shares of Tyko (being 13,036,966 common shares, the "Tyko Shares") in exchange for the issuance of common shares of Redline on the basis of one common share of Redline for each of Tyko's common shares outstanding. Upon completion of the Transaction, Redline changed its name to "Nickel One Resources Inc." and Tyko became a wholly-owned subsidiary of the Company. Substantially all of the Company's efforts are devoted to financing and developing its mineral property.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company's ability to continue as a going concern is dependent upon its ability to fund its exploration and evaluation programs. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of business operations. Such adjustments could be material.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 – *Interim Financial Reporting*. In addition, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2015. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected of the year ended December 31, 2016.

The condensed interim consolidated financial statements were approved by the Board of Directors on May 30, 2016.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss or available for sale, which are stated at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Summary of significant accounting policies

Principles of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Tyko Resources Inc. All inter-company transactions and balances have been eliminated upon consolidation.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, tentatively effective for annual periods beginning on or after January 1, 2018.

4. Non-cash Listing Expense on Completion of Transaction

As consideration for 100% of the outstanding common shares of Tyko, Redline issued 13,036,966 common shares in the capital of Redline to Tyko's shareholders. At the time of closing, Redline paid transaction costs of $66,592 in addition to the $1,740 deferred acquisition costs, and a finder's fee of 976,848 common shares (the "Finder's Fee Shares") valued at $0.10 per share, in compliance with TSX-V policies and subject to TSX-V approval, to arm's length parties for introducing Redline to Tyko.

The acquisition has been accounted for as a reverse take-over and is not considered to be a business combination as defined in IFRS 3 *Business Combinations* since Redline was inactive prior to the acquisition and its activities were limited to the management of cash resources and the maintenance of its listing. Accordingly, the acquisition has been accounted for as a share-based payment transaction in accordance with IFRS 2 *Share-based Payment*.

As the share and share-based consideration allocated to the former shareholders of Tyko on closing of the acquisition is considered within the scope of IFRS 2, and the Company cannot identify specifically some or all of the goods or services received in return for the allocation of the common shares, the value in excess of the net identifiable assets acquired on closing was expensed in the statement of comprehensive loss as non-cash listing expense as Tyko shareholders acquired Redline's public listing as a result of the transaction. Upon completion of the Transaction, Redline's equity accounts were eliminated. The fair value of the consideration was determined based on the fair value of the common shares which was determined in relation to the common shares issued in the private placement (see note 9).

(Expressed in Canadian Dollars)

4. Non-cash Listing Expense on Completion of Transaction (continued)

The fair value of all the consideration given and charged to non-cash listing expense was comprised of:

Share consideration to Tyko	$	1,303,696
Finder's fee shares		97,685
Deferred acquisition costs		1,740
	$	1,403,121
Identifiable net assets assumed:		
Cash	$	515
Prepaid, expense, deposits, and deferred costs		676,638
Receivables		21,654
Accounts payable and accrued liabilities		(234,825)
Loans payable		(140,924)
		323,057
Adjustment for subscription received		(615,000)
Net deficiency		(291,943)
Unidentified asset acquired		
Non-cash listing expense		1,695,064
Total identifiable assets acquired and non-cash listing expense	$	1,403,121

Transaction costs of $66,592 comprised of $13,753 TSX filing fees and $52,839 legal and advisory fees were incurred and have been recorded in share capital as share issuance costs.

5. Loan Receivable

Upon completion of the Transaction, the Company acquired a $13,629 loan receivable from Redline Minerals Inc. ("RMI") comprised of a principal balance of $4,175 and accrued interest of $9,454. The Chief Executive Officer of RMI was also the Chief Executive Officer of Redline prior to the completion of the Transaction, and is a director of Nickel One. Interest is payable on the loan at the rate of 10% per annum and the principal plus interest is due at the earliest of twelve months following the first advance on May 4, 2012 under the loan agreement or the date RMI obtains financing sufficient to repay the loan amount outstanding. The loan is secured against RMI's current and hereafter-acquired assets.

At March 31, 2016, the total outstanding amount of the loan plus accrued interest was $13,969 (December 31, 2015 - $13,629).

6. Investments

The Company has an investment in common shares of Canadian International Minerals Inc. The fair value of the listed investment has been determined directly by reference to published price quotations in an active market. Realized and unrealized gains and losses are reflected in profit or loss.

(Expressed in Canadian Dollars)

7. Exploration and Evaluation Expenditures

The Company performed the following work on their properties during the period:

		March 31, 2016		March 31, 2015
Manitouwadge:				
Geological consulting	$	10,505	$	-
Drilling		227,972		-
Field costs		13,787		-
Claims		68		162
	$	252,332	$	162

Manitouwadge
The Company conducts exploration and evaluation expenditures on a property consisting of 52 unpatented mining claims in Northwestern Ontario that are held 100% by the Company.

8. Loans Payable

		March 31, 2016		December 31, 2015
Loans payable and accrued interest acquired from the Transaction	$	140,924	$	-
Shares for debt settlement		(108,924)		-
Repayment of loans payable		(22,000)		-
	$	10,000	$	-

Upon closing of the Transaction, Nickel One inherited $140,924 in loans payable and accrued interest to arm's length parties with the following terms:

Loans payable and accrued interest	Interest per annum	Maturity date
$ 2,500	0%	No specific repayment terms
10,000	0%	Earlier of the closing of the Transaction, or March 31, 2016
1,002	0%	November 15, 2015
61,566	10%	December 31, 2017
43,856	12%	December 31, 2017
22,000	10%	December 31, 2017
$ 140,924		

Concurrent with the Transaction, the Company settled $108,924 of loans payable as part of the Company's shares for debt transaction (note 9), and repaid $22,000 owing to a Company with common officers on February 25, 2016.

The remaining $10,000 balance in loans payable is non-interest bearing, unsecured, and matured upon completion of the Transaction. The loan has been classified as a current loan on the statement of financial position.

(Expressed in Canadian Dollars)

9. Capital Stock

Share Capital

Tyko was authorized to issue an unlimited number of common shares with no par value. Pursuant to the closing of the Transaction on February 23, 2016, Redline acquired all the issued and outstanding shares of Tyko as described in Notes 1 and 4 in exchange for the13,036,966 common shares of Redline, which subsequently changed its name to Nickel One Resources Inc. A finder's fee of 976,848 common shares was issued in connection with the Transaction.

The authorized share capital of Nickel One consists of an unlimited number of common shares with no par value.

Private Placement

Concurrent with the closing of the Transaction on February 23, 2016, the Company closed a financing of $890,000 comprising of:

- 4,166,667 flow-through units ("FT unit") at $0.12 per FT unit for gross proceeds of $500,000. Each FT unit consists of one flow-through common share and one-half of one non-flow through share purchase warrant ("Warrant"); and
- 3,900,000 non-flow-through units ("NFT unit") at $0.10 per NFT unit for gross proceeds of $390,000. Each NFT unit consists of one NFT common share and one-half of one warrant.

Each whole warrant entitles the holder to purchase one additional common share at a price of $0.15 for 24 months.

The warrants attached to this issuance have been valued at $267,433 based upon the Black-Scholes option pricing model using the following assumptions:

	2016
Estimated risk-free rate	0.47%
Expected volatility	157%
Estimated annual dividend yield	0.00%
Expected life of warrants	2 years

In aggregate, the financing was subject to the following finders' fees: $57,576 of cash commission and other fees and 541,333 finder's warrants with an exercise price of $0.15 exercisable for a period of two years from the date of this private placement. The Company has recorded the fair value of these finder warrants as share issuance costs. The finder warrants attached to this issuance have been valued at $35,894 based upon the Black-Scholes model using the following assumptions:

	2016
Estimated risk-free rate	0.47%
Expected volatility	157%
Estimated annual dividend yield	0.00%
Expected life of warrants	2 years

Of the $890,000 gross proceeds raised in the private placement, $90,000 is outstanding and is recorded as subscriptions receivable as at March 31, 2016.

Shares for Debt

Concurrent with the closing of the Transaction on February 23, 2016, the Company issued 1,972,115 common shares at a deemed price of $0.10 per share to settle $197,212 past debt owed to former directors and officers of Redline (note 12(b)), comprising of $108,924 in loans payable (note 8), $80,610 in accounts payable, and $7,678 in loans payable to related parties.

(Expressed in Canadian Dollars)

9. Capital Stock (continued)

Share Capital (continued)

No shares were issued during the year ended December 31, 2015.

Warrants

The number and weighted average exercise prices of warrants are as follows:

	Number of warrants	Weighted average exercise price
Outstanding warrants, December 31, 2015 and 2014	-	-
Granted	4,574,667	$0.15
Outstanding warrants, March 31, 2016	4,574,667	$0.15

As at March 31, 2016, warrants enabling the holders to acquire common shares are as follows:

Expiry date (mm/dd/yyyy)	Number of warrants	Weighted average remaining life in years	Weighted average exercise price
02/23/2018	4,574,667	1.90	$0.15
	4,574,667	1.90	$0.15

Stock Options

Share-based payments relating to options vested during the period ended March 31, 2016 using the Black-Scholes option pricing model was $8,593 (2014 - $nil), which was recorded as reserves on the statements of financial position and as share-based compensation expense on the statement of operations and comprehensive loss. The associated share-based compensation expense for the options granted during the period was calculated based on the following assumptions:

	2016
Forfeiture rate	0.00%
Estimated risk-free rate	0.51%-0.71%
Expected volatility	157%
Estimated annual dividend yield	0.00%
Expected life of options	0.08-5.00 years

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	Weighted average exercise price
Outstanding options, December 31, 2015 and 2014	-	-
Granted	2,275,000	$0.15
Exercised	(200,000)	($0.10)
Outstanding options, March 31, 2016	2,075,000	$0.15

200,000 stock options were exercised during the three months ended March 31, 2016. Accordingly, the related share-based compensation expense of $8,593 was reallocated to share capital.

(Expressed in Canadian Dollars)

9. Capital Stock (continued)

Stock Options (continued)

As at March 31, 2016, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
03/29/2021	2,075,000	5.00	$0.15	-
	2,075,000	5.00	$0.15	-

10. Nature and Extent of Risks Arising from Financial Instruments

The Company's financial instruments are exposed to certain risks, including credit risk, liquidity risk, market risk and interest rate risk. Management believes the Company's not exposed to significant market or interest rate risk.

The Company's financial instruments consist of cash, sales tax receivable, loan receivable, loans payable, loans payable to related parties, and accounts payable and accrued liabilities. The fair values of financial assets and financial liabilities approximate their carrying amounts due to the short term maturity of the instruments.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and receivables. The Company's cash is held through a large Canadian financial institution. The Company’s receivables consist of sales tax receivable due from the Government of Canada of $57,749 (December 31, 2015 - $8,065), a loan receivable of $4,175 (December 31, 2015 - $nil) and accrued interest receivable of $9,794 (December 31, 2015 - $nil).

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure, as outlined in note 11 of these financial statements. As at March 31, 2016, the Company had a cash balance of $372,679 (December 31, 2015 - $1,041) to settle accounts payable and accrued liabilities of $431,687 (December 31, 2015 - $96,804), loans payable of $10,000 (December 31, 2015 - $nil), and loans payable to related parties of $2,000 (December 31, 2015 - $nil). The Company will need to raise sufficient funds to meet its obligations.

Other Market Price Risk
The Company's investments are subject to equity price risk as they are listed on public stock exchanges (TSX-V). The values of these investments will fluctuate as a result of changes in market prices. Recently, the markets have experienced extreme volatility; therefore the sensitivity analysis is performed using 15%. For such investments, a 15% increase in the equity prices at the reporting date would have increased equity by $6,000; an equal change in the opposite direction would have had the equal but opposite effect on the amounts shown above.

Fair Value of Financial Instruments
The Company applies a three-tier hierarchy framework for disclosing fair value of financial instruments, based on whether the inputs into the various valuation techniques are observable or unobservable. Observable techniques reflect market data obtained from independent sources, while unobservable inputs reflect management's assumptions.

(Expressed in Canadian Dollars)

10. Nature and Extent of Risks Arising from Financial Instruments (continued)

Changes in valuation techniques of financial instruments may result in transfers of assigned levels. The hierarchy of inputs is as follows:

Level I – Quoted prices in active markets for identical assets or liabilities;
Level II – Inputs other than quoted prices included in Level I that are observable, either directly or indirectly; and
Level III – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
March 31, 2016 – Cash	$ 372,679	$ -	$ -	$ 372,679
March 31, 2016 – Investments	40,000	-	-	40,000
	$ 412,679	$ -	$ -	$ 412,679
December 31, 2015 – Cash	$ 1,041	$ -	$ -	$ 1,041
December 31, 2015 – Investments	40,000	-	-	40,000
	$ 41,041	$ -	$ -	$ 41,041

11. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Company defines capital to include all components of equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. There were no changes in the Company's approach to capital management during the three months ended March 31, 2016. The Company is not subject to externally imposed capital requirements.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements.

12. Related Party Transactions

a) Definitive Acquisition

On December 31, 2010 the Company entered into a Definitive Acquisition Agreement with certain shareholders (the Vendor). Under the terms of the agreement the Company has the option to acquire certain surface and mineral rights subject to the following conditions:

i. The Company issue common shares to the Vendor as follows:

Upon signing of the agreement December 30, 2010	3,000,000 common shares
On December 30, 2011	3,000,000 common shares
On December 30, 2012	3,000,000 common shares

(Expressed in Canadian Dollars)

12. Related Party Transactions (continued)

a) Definitive Acquisition (continued)

ii. During the 109 day period ended December 31, 2010, the company issued 1,500,000 warrants to the Vendor to purchase one common share per warrant at the exercise price of $0.10 per share. If there is a public unit offering of shares with included warrants in the Company's common stock, within 12 months prior of a stipulated anniversary payment, the Vendor shall receive an additional one-half share purchase warrant for each consideration share due at the particular anniversary date with an exercise price per share at the rate set in the public unit offering for the same time frame as offered to the public. During the year ended December 31, 2013, the 1,500,000 warrants expired unexercised.

iii. The Company incur exploration expenditures on the property within the following times:

Prior to December 30, 2011	$200,000
Prior to December 30, 2012	$600,000 additional
Prior to December 30, 2013	$1,000,000 additional

As additional consideration for the sale of the property the Vendor shall receive a 3% net smelter return royalty, one-half of which may be purchased by the Company at any time for $1,500,000.

Upon completion of the above conditions the title to the properties will be transferred to the Company. The Company may at any time let the option lapse by not meeting the above conditions. The Company may also accelerate any or all of the share consideration or exploration expenditures.

During the option period, the Company will have the sole and exclusive right to enter on and conduct mining on the properties provided the option is in good standing.

During 2011, the Company did not meet the exploration expenditure requirement of $200,000; the Vendors waived the condition.

During 2012, the Company did not meet the exploration expenditure requirement of $600,000; the Vendors waived the condition.

During 2013, the Company did not meet the exploration expenditure requirement of $1,000,000; the Vendors waived the condition.

On January 21, 2015, the Company and Vendors agreed to the following acknowledgments pursuant to the Definitive Acquisition Agreement:

- The Company has not incurred the required exploration expenditures by December 31, 2013.
- The Vendors do not release the Company of its obligation to incur such exploration expenditures but do hereby waive the requirement for the Company to incur such exploration expenditures within the time frame set out.
- The Company shall be required to proceed diligently and to exercise its best efforts with respect to incurring the exploration expenditures required.

As at March 31, 2016, the Company has spent $928,421 since the acquisition of the property by Tyko in 2010

12. Related Party Transactions (continued)

b) Due to Related Parties

The balance payable to related parties as at March 31, 2016 was $30,918 (December 31, 2015 - $40,596) and is included in accounts payable and accrued liabilities. This amount comprises $3,515 payable to the President (December 31, 2015 - $nil), $3,750 (December 31, 2015 - $3,750) payable to the former President, $23,653 (December 31, 2015 - $11,250) payable to current and former directors, and $nil (December 31, 2015 - $25,596) payable to a law firm of which one of the partners is a director. These payables are unsecured, non-interest bearing and are expected to be repaid under normal trade terms.

Concurrent with the closing of the Transaction on February 23, 2016, the Company issued 1,972,120 common shares at a deemed price of $0.10 per share to settle $197,212 of past debt owed to former directors and officers of Redline (note 9).

Loans payable to related parties as at March 31, 2016 consists of a $2,000 (December 31, 2015 - $nil) loan from a former director. The loan is non-interest bearing, unsecured and has no fixed terms of repayment.

c) Other Transactions

During the three months ended March 31, 2016, the Company incurred $10,000 (2015 - $nil) in Transaction fees to the President (2014 - $nil).

13. Subsequent Events

On April 1, 2016, the Company entered into an office lease agreement with a company controlled by the Chief Financial Officer for a 12 month term at $1,000 per month.