

**Klatassine Resources Ltd.**  
**Financial Statements**  
**For the Year Ended March 31, 2016**  
**(Unaudited - see Notice to Reader)**

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**Contents**

<b>Notice to Reader</b>	<b>2</b>
<b>Financial Statements</b>	
Balance Sheet	3
Statement of Operations and Retained Earnings	4



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## Notice to Reader

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On the basis of information provided by management, we have compiled the balance sheet of Klatassine Resources Ltd. as at March 31, 2016 and the statement of operations and retained earnings for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

The financial statements of Klatassine Resources Ltd. for the year ended March 31, 2015, were compiled by RHB Schmitz de Grace.

  
Chartered Professional Accountants

Kamloops, British Columbia  
September 27, 2016

**Klatassine Resources Ltd.**  
**Balance Sheet**  
(Unaudited - see Notice to Reader)

March 31	2016	2015
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 7,715	\$ 56,698
Prepaid expenses	55,660	64,906
	63,375	121,604
Property, plant and equipment	134,702	175,347
Related party balances	2,814	-
	\$ 200,891	\$ 296,951
<b>Liabilities and Shareholder's Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,536	\$ 11,253
Income taxes payable	-	7,788
Logging taxes payable	-	4,005
	1,536	23,046
Related party balances	-	96,439
	1,536	119,485
<b>Shareholder's Equity</b>		
Share capital	1	1
Retained earnings	199,354	177,465
	199,355	177,466
	\$ 200,891	\$ 296,951

On behalf of the Board:

\_\_\_\_\_ Director

**Klatassine Resources Ltd.**  
**Statement of Operations and Retained Earnings**  
**(Unaudited - see Notice to Reader)**

For the year ended March 31	2016	2015
Logging revenue	\$ 185,561	\$ 277,168
<b>Operating expenses</b>		
Administration (recovery)	13,125	(15,514)
Amortization	54,145	78,634
Bad debt expense	-	1,317
Consulting fees	8,000	43,720
Equipment rental (recovery)	24,178	(27,392)
Fuel and oil	1,994	84,629
Insurance	17,777	13,177
Interest and bank charges	470	678
Professional fees	1,124	2,914
Rent - office	12,000	23,778
Repairs and maintenance	12,154	12,359
Sub-contracts	-	7,519
Supplies (recovery)	17,501	(26,799)
Telephone	-	132
Travel (recovery)	-	(1,123)
Wages and benefits	1,204	1,263
	<u>163,672</u>	<u>199,292</u>
<b>Income before income taxes</b>	<u>21,889</u>	<u>77,876</u>
<b>Income taxes</b>		
Logging	-	7,788
Corporate	-	4,005
	<u>-</u>	<u>11,793</u>
<b>Net income</b>	<u>21,889</u>	<u>66,083</u>
<b>Retained earnings, beginning of the year</b>	<u>177,465</u>	<u>111,382</u>
<b>Retained earnings, end of the year</b>	<u>\$ 199,354</u>	<u>\$ 177,465</u>