FARAFINA GOLD GROUP

GROUP CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2015

(Expressed in American Dollars)

Approved

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Prepared
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Reviewed
Member of the board Numukeh TUNKARA

FARAFINA GOLD GROUP

BALANCE SHEET

(Unaudited - Expressed in American Dollars)

ASSETS	December 31, 2015	December 31, 2014
Current		
Cash and cash equivalents (Note 3)	$ 4,000	$ 218,000
Investments (Note 4)	-	10,250
Receivables	-	-
Differed capital expenditures (Note 5)	3,256,603	1,968,600
Total current assets	**3,260,603**	**2,196,850**
Non-current		
Restricted cash	-	-
Property and equipment (Note 6)	4,000	4,000
Investment in associated companies	-	-
Strategic investments	-	-
Exploration and evaluation assets	-	-
Mineral reserves and Royalty interest (Note 7)	17,701,000	13,760,000
Reclamation bonds	-	-
Goodwill	-	-
Other assets	-	-
Total non-current assets	**17,705,000**	**13,764,000**
TOTAL ASSETS	**$ 20,965,603**	**$ 15,960,850**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 1,720,750	$ 319,000
Advances from joint venture partners	-	-
Total current liabilities	**1,720,750**	**319,000**
Non-current		
Deferred income tax liability	-	-
TOTAL LIABILITIES	**1,720,750**	**319,000**

FARAFINA GOLD GROUP

SHAREHOLDERS' EQUITY	2,012,421	2,012,421
Capital stock (Note 9)		
Commitment to issue shares	-	-
Profit attributed proved Reserves (Note 10)	17,701,000	13,781,111
Retuned earning	(450,088)	(151,683)
TOTAL SHAREHOLDERS' EQUITY	**19,263,333**	**15,641,850**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 20,984,083**	**$ 15,960,850**

Nature of operations and going concern (Note 1)

The accompanying notes are an integral part of these GROUP CONSOLIDATED FINANCIAL STATEMENTS.

FARAFINA GOLD GROUP

PROFIT&LOSS STATEMENT

(Unaudited - Expressed in American Dollars)

	Period ended December 31, 2015	Period ended December 31, 2014
ROYALTY INCOME	$ -	$ -
Cost of sales		
Gold tax	-	-
Depletion	-	-
Net royalty income	**-**	**-**
EXPLORATION EXPENDITURES	-	-
Less: recoveries	-	-
Net exploration expenditures	**-**	**-**
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative and office	-	4,000
Depreciation	-	-
Investor relations and shareholder information	-	-
Professional fees (Note 11)	24,950	10,250
Salaries and consultants (Note 12)	206,100	36,000
Share-based payments	-	-
Transfer agent and filing fees	2,006	726
Travel (Note 13)	66,350	100,707
Total general and administrative expenses	299,406	151,683
Loss from operations	**(299,406)**	**(151,683)**
Change in fair value of fair value through profit or loss investments	-	-
Gain on acquisition and sale of exploration and evaluation assets	-	-
Equity loss in associated companies	-	-
Foreign exchange gain (loss)	-	-
Realized loss on sale of investments	-	-
Write down of goodwill	-	-
Gain on de recognition and sale of property and equipment	-	-
Loss before income taxes	**(299,406)**	**(151,683)**
Deferred income tax recovery	-	-
Loss for the period	**$ (299,406)**	**$ (151,683)**

The accompanying notes are an integral part of these GROUP CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

FARAFINA GOLD GROUP

GROUP CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in American Dollars)

	Period ended December 31, 2015	Period ended December 31, 2014
Loss for the period	**$ (299,406)**	**$ (151,683)**
Other comprehensive gain (loss)		
Change in fair value of available-for-sale investments	-	-
Currency translation adjustment	-	-
Comprehensive loss for the period	**$ (299,406)**	**$ (151,683)**

The accompanying notes are an integral part of these GROUP CONSOLIDATED FINANCIAL STATEMENTS.

FARAFINA GOLD GROUP

STATEMENT OF CASH FLOWS

	December 31,2014	June 30, 2015	December 31,2015
	USD		
Cash flows from operating activities	-100 707	-66 350	-16 000
License fees	-3 000		
legal fees	-7 250		-24 950
Cash paid to employees	-36 000		-26 750
PN - administrative expenses (unpaied)	70 000		93 000
Net cash from operating activities	**-76 957**	**-66 350**	**25 300**
Purchase of geological data	-1 940 900		
PN payables	0		
Account payable *(for Faralako and Konguela data)*	49 000		37 000
Equipment purchasing *(yours 1.4k and my around the same)*	-4 000		
Proceeds from sale of equipment			
Exploration activity			-267 250
Feasebility study			-481 000
Cash flows from investing activities	**-1 895 900**	**-253 703**	**-711 250**
Proceeds from issuance of common stock	2 012 421		
Proceeds from issuance of short-term debt *(PN from IK, paid in May)*	200 000	91 874	563 000
Principal payments under capital lease obligation			
Cash income		10 000	112 000
Cash flows from financing activities	**2 212 421**	**101 874**	**675 000**
Net increase in cash	103 000	10 000	
Net increase in cash equivalents	115 000		
Cash and cash equivalents at beginning of period	**0**	**218 000**	**812**
Increase of cash and cash equivalents at the end of period	**218 000**	**812**	**4 000**
Adjustments due to Currency translation operations	**21 564**	**-991**	**-14 138**
Reconciliation of net income to net cash provided by operating activities:			
Net income			
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization			
Provision for losses on accounts receivable			
Increase in other liabilities			
Total adjustments (difference caused by currency exchange operations	***21 564***	***-991***	***-14 138***

1. NATURE OF OPERATIONS AND GOING CONCERN

FARAFINA GOLD GROUP (the "Group" or "Company" or "Farafina") is a consortium of three (3) limited companies : Farafina Minerals, Farafina Ressources and Lions Head Resources Guinea. The Group and its subsidiaries are engaged in the acquisition, exploration and evaluation of mineral assets in Guinea and intended to extend to West Africa Region. The Group's head office is located at Miniere, Commune de Dixinn, Conakry, Guinea.

These GROUP CONSOLIDATED FINANCIAL STATEMENTS have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Group will be able to realize its assets, discharge its liabilities and continue in operation for the following twelve months.

With its current plans for the year and the budgets associated with those plans, in order to continue funding its administrative and exploration expenditures from the date of these GROUP CONSOLIDATED FINANCIAL STATEMENTS, the Group will need to obtain additional cash and anticipates either financing or selling one or more of its assets. These material uncertainties may cast significant doubt upon the Group's ability to continue as a going concern.

Most of the Group's activities for exploration and evaluation assets are located in Guinea (non-developed country in West Africa Region) and, consequently, may be subject to a higher level of risk compared to other developed countries. Operations, the status of mineral property rights and the recoverability of investments in non-developed nations can be affected by changing economic, legal, regulatory and political situations.

At the date of these consolidated financial statements, the Group has not identified a known body of commercial grade mineral on any of its exploration and evaluation assets. The ability of the Group to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Group identifying a commercial mineral body,

to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets.

These consolidated financial statements of the Group are presented in American Dollars.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These GROUP CONSOLIDATED FINANCIAL STATEMENTS have been prepared in accordance with International Accounting Standard using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These results include all the information required for the full annual financial statements, and should be read as the consolidated financial statements of the Group for the year ended December 31, 2015.

Summary of Significant Accounting Policies

The accounting policies applied by the Group in these unaudited GROUP CONSOLIDATED FINANCIAL STATEMENTS are consistent with those applied in the previous year ended December 31, 2015.

2. STATEMENT OF COMPLIANCE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (continued)

Accounting pronouncements not yet effective

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. The Group is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. The IASB has determined that the revised effective date for IFRS 9 will be January 1, 2018. The Group is currently evaluating the impact the final standard is expected to have on its consolidated financial statements.

Significant Judgments and Estimates

The critical judgments and estimates applied in the preparation of the Company’s unaudited consolidated financial statements for the year ended December 31, 2015 are consistent with those applied in the Company’s December 31, 2014 unaudited consolidated financial statements..

3. CASH AND CASH EQUIVALENT

At December 31, 2015, the balance of cash and cash equivalent is as follows:

	December 31, 2015	December 31, 2014
Balance at the beginning of the period	218,000	-
Net increase in cash	-103,000	103,000
Net increase in cash equivalent	-111,000	115,000
Total net increase	-214,000	218,000
Balance at the end of the period	**4,000**	

4. OTHER INVESTMENTS

The Group had the following other investments as of December 31, 2015:

	December 31, 2015	December 31, 2014
Legal fees	24,950	7,250
Licenses fees		3,000
Total investment	**24,950**	**10,250**

5. DIFFERED CAPITAL EXPENDITURES

At December 31, 2015, the Group had the following differed capital expenditures:

	December 31, 2015	December 31, 2014
Balance at the beginning of the period	1,968,600	
Net increase in paid	1,888,903	1,053,950
Net increase in prepaid	-600,900	914,650
Balance at the end of the period	**3,256,603**	**1,968,600**

6. PROPERTY AND EQUIPMENT

During the period of six months ended December 31, 2015, the balance of assets is as follows:

	December 31, 2015	December 31, 2014
Balance at the beginning of the period	4,000	
Additions		4,000
Disposals and de recognition		
Balance at the end of the period	**4,000**	**4,000**

7. MINERALS RESERVES AND ROYALTY INTEREST

At December 31, 2015, the balance of Mineral reserves & Royalty Interest is as follows:

	December 31, 2015	**December 31, 2014**
Minerals reserves and royalty interest	17,701,000	13,760,000
Total Minerals reserves and royalty interest	**17,701,000**	**13,760,000**

OZ cat of grade 0,5g/t	**01.01.2016**					$/g (01.012.2016)		$/OZ
	Proved	**Inferred**	**Unclassified**	**Total**		44.3		1255
Faralako								
Nzima site	197,000	175,000		372,000				
Faralako N			125,000	125,000				
Faralako S			150,000	150,000				
Total								
Konguela								
Wodokodoni	90,000		170,000	260,000				
Gressifalani			100,000	100,000				
Total								
Paramangui	80,000	100,000		180,000				
Total								
TOTAL	**367,000**	**275,000**	**545,000**	**1,187,000**				
ADJUSTMNT in USD	**16,246,384**	**12,173,721**	**24,126,102**	**17,705,018**				

Comments 1: Inferred reserves counted with coefficient 0.1, Unclassified - with coefficient 0.01
Comments 2: potentially reserves can be 4 to 20 times higher due to exploration till 400m (current result based on drilling up to 80-120 m. on roughly 20% of discovered gold fields. So potential reserves could be 4 to 20 mil OZ and adjusted price of reserves could be $ 80-400 mil
Comments 3: average gold price for April 2016

8. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

At December 31, 2015, the balances of Account payables & Accrued Liabilities are as follows:

	December 31, 2015	**December 31, 2014**
Balance at the beginning of the period	319,000	
Increase	1,401,750	319,000
Balance at the end of the period	**1,720,750**	**319,000**

9. CAPITAL STOCK

As at December 31, the balance of capital stock is as follows:

	December 31, 2015	December 31, 2014
Balance at the beginning of the period	2,012,421	
Investment		2,012,421
Balance at the end of the period	**2,012,421**	**2,012,421**

10. PROFIT ATTRIBUTED TO PROVED RESERVES

As at December 31, 2015, the reserves are comprised of:

Title		December 31, 2015	December 31, 2014
Profit attributed to proved reserves	$	17,701,000	13,770,250
Foreign currency translation reserve		18,480	10,861
Total Reserves	**$**	**17,719,480**	**13,781,111**

11. PROFESSIONAL FEES

As at December 31, 2015, the professional fees are as follows :

Title		December 31, 2015	December 31, 2014
Administrative expenses	$	24,950	10,250
Other		2006	-
Total Professional fees	**$**	**26,956**	**10,250**

12. SALARIES & CONSULTANTS

As at December 31, 2015, salaries & Consultants are comprised of:

Title		December 31, 2015		December 31, 2014
Wages & salaries	$	206,100		36,000
Other		-		-
Total Salaries & consultants	**$**	**206,100**		**36,000**

13. TRAVEL

As at December 31, 2015, the balance of travel is as follows:

Title		December 31, 2015		December 31, 2014
Sales & Marketing expenses	$	66,350	$	100,707
Other		-		-
Total Travel	**$**	**66,350**	**$**	**100,707**

14. RISK AND CAPITAL MANAGEMENT: FINANCIAL INSTRUMENTS

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they come due. The Group manages this risk by careful management of its working capital to ensure the Group's expenditures will not exceed available resources.

Commodity Risk

The Group's royalty revenues will be derived from a royalty interest and will be based on the extraction and sale of precious and base minerals and metals. Factors beyond the control of the Group may affect the marketability of metals discovered. Metal prices have historically fluctuated widely. Consequently, the economic viability of the Group's royalty interests cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices.

Currency Risk

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group operates in Guinea and other developed countries. The Group funds cash calls to its subsidiary companies outside of Guinea in U.S. dollars ("USD") and a portion of its expenditures are also incurred in local currencies (Guinean franc, "GNF").

15. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There is no significant non-cash investing and financing transactions during the six month period ended December 31, 2015.

16. EVENT AFTER THE REPORTING DATE

Subsequent to December 31, 2015

No significant event has been noticed after the reporting date.