OFFERING MEMORANDUM

TULLOCH RESOURCES LTD.

Date:	December 29, 2015
The Issuer	**TULLOCH RESOURCES LTD.** to be renamed TULLOCH VINEYARDS LTD. (the “**Issuer**”) Suite 202 – 1235 West Broadway Vancouver, BC V6H 1G7 Telephone: 604-817-0534 Email: stuart@tullochvineyards.com
Currently listed or quoted?	**These securities are Conditionally Listed on the Canadian Stock Exchange**
Reporting Issuer?	Yes, British Columbia and Ontario
SEDAR filer?	Yes
THE OFFERING	
Securities Offered:	Up to 4,000,000 common shares (the “**Offering**”)
Price per share:	$0.10 per common share (each a “**Share**”)
Minimum/Maximum Offering:	**There is no minimum and $400,000 maximum. You may be the only purchaser. Funds available under the Offering may not be sufficient to accomplish our proposed objectives.**
Minimum Subscription Amount	The minimum subscription amount from each investor is $1,000.00.
Payment Terms:	Bank draft or cheque payable to Clark Wilson LLP, in trust.
Proposed Closing Date:	From time to time on or before December 29, 2015
Selling Agent: Exchange Listing:	The Issuer has not engaged a registered dealer, financial advisor or sales person to assist in the sale of this Offering, however, a registered dealer, financial advisor or sales person may be engaged as an agent of the Issuer in connection with the distribution of the shares. See Item 7. On November 12, 2015 the Canadian Stock Exchange (“CSE”) approved Tulloch Vineyards Ltd. for listing subject to the following conditions: evidence of shareholder consent for the change of business; completion of a minimum financing of $125,000; and completion of any and all outstanding CSE application documentation and payment of fees pursuant to the Policies
Resale Restrictions:	The Issuer’s Shares are not currently listed on a stock exchange and are illiquid securities. You will be restricted from selling your securities for 4 months and a day after the distribution date. See item 10.
Purchaser’s Rights:	You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this offering memorandum, you have the right to sue either for damages or to cancel the agreement. See item 11

NO SECURITIES REGULATORY AUTHORITY OR REGULATOR HAS ASSESSED THE MERITS OF THESE SECURITIES OR REVIEWED THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE. THIS IS A RISKY INVESTMENT. SEE ITEM 8.

Item 1: Use of Available Funds

1.1 *Funds*

.		Assuming min. offering	Assuming max. offering
A.	Amount to be raised by this offering	$0	400,000
B.	Selling commissions and fees[(1)]	$0	$20,000
C.	Estimated offering costs and listing fee (e.g., legal, accounting, audit.)	$0	$20,000
D.	Available funds: D = A - (B+C)	$0	$360,000
E.	Additional sources of funding required	$0	$0
F.	Working capital deficiency	-$70,000	-$70,000
G.	Total: G = (D+E) - F	$-70,000	$290,000

1. See “Compensation Paid to Sellers and Finders.” The Issuer may pay up to 10% commission to any person for services that result in the sale of the Shares. In addition, the Issuer may incur expenses that equal up to 5% of the funds raised in the offering.

1.2 *Use of Available Funds*

Description of intended use of available funds listed in order of priority	Assuming min. offering	Assuming max. offering
Initial Wine Inventory Deposit	$0	$70,000
Marketing Expenses (Including Travel)	$0	$50,000
Management and Consulting Fees[(1)]	$0	$108,000
General, Administrative, and Professional Expenses	$0	$40,000
General Working Capital	$0	$22,000
Total: Equal to G in the Funds table above	$-70,000	$290,000

(1) See “Directors, Management, Promoters and Principal Holders” for a description of the estimated management fees of the corporation.

(2) Including listing fee for CSE.

1.3 ***Reallocation*** - We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons.

Item 2: Business of the Issuer

2.1 ***Structure*** - Between1985 and 2000, the Issuer was involved in precious metals exploration and production, and was listed initially on the Vancouver Stock Exchange and subsequently on the TSE. On September 4, 2001, the Issuer’s shares were delisted from the TSE for failure to meet Continued Listing Requirements. Cease Trade Orders (“**CTO’s**”) were imposed on the Issuer by the Ontario Securities Commission and British Columbia Securities Commissions (the “**Commissions**”) on January 11, 2002 and

January 3, 2002, respectively. Between April 2001 and July 2010, the Issuer was inactive and did not carry on any business. On October 11, 2011 the Issuer changed its name to Tulloch Resources Ltd.

On January 16, 2012, pursuant to Section 171 of the Securities Act, R.S.B.C and Section 144 of the Securities Act, R.S.O, the British Columbia and Ontario Securities Commissions each issued a revocation order in respect to the CTO's issued against the Issuer. As part of the revocation, the Issuer undertook not to complete a transaction that would result in a Reverse Takeover while the Issuer is not listed on a Recognized Stock Exchange unless prior to closing of such transaction, the Issuer provides the British Columbia Securities Commission with 10 business days' notice of the transaction.

Since 2012, the Issuer has undertaken equity financing through private placements of its shares to cover expenses involved in the restoration of the Issuer, ongoing costs, and expenses involved in searching for an appropriate project. In 2014, the Issuer identified opportunities in the British Columbia ("**BC**") wine industry, and commenced project planning, initial analysis, and assembling a team to implement its business plan.

On November 12, 2015 the Canadian Stock Exchange ("CSE") approved Tulloch Vineyards Ltd. for listing subject to the following conditions: evidence of shareholder consent for the change of business; completion of a minimum financing of $125,000; and completion of any and all outstanding CSE application documentation and payment of fees pursuant to the Policies

2.2 *Our Business*

The Issuer's objective is to export premium BC wine to China. Its initial suppliers are Black Hills Estate Winery, Okanagan Crush Pad Winery, and Poplar Grove Winery. The Issuer expects that exports will occur initially direct from the BC wineries to buyers in China and later through a wholly owned subsidiary that will be established in the Shanghai Free Trade Zone ("SFTZ") as a Wholly Foreign Owned Entity ("WFOE") under Chinese laws. In the future, the Issuer may seek to forge closer relationships with BC wineries, potentially backward integrating up the supply chain.

The Issuer's initial marketing campaign ran from October 30th to November 18, 2015. It has shipped 5 SKU's from its three represented wineries to Shanghai. FOB prices range from $12 to $40 per bottle. Issuer representatives in China handled customs clearance, storage, and other logistical items. Management arranged numerous meetings with importers, distributors, and food and beverage managers. The Issuer participated in an event in Shanghai sponsored by the Canadian Export Development Corporation and the Consulate General, and attended the ProWine trade show in Shanghai.

The BC wine industry has been very successful overall and over the past 30 years has become a significant contributor to the BC economy, with total contributions estimated at $2 billion per year. More than 800,000 "wine tourists' visit wineries in the Okanagan Valley yearly. Growing infrastructure for tourism (direct flights, winery-based restaurants, varied accommodation options), coupled with wines that have won international acclamation, point to this trend continuing. In several global wine- and travel- related publications, the Okanagan Valley has consistently been ranked in the top five areas, along with perennial favourites Napa Valley, Finger Lakes (New York), Mendoza (Argentina), etc.

BC wines enjoy great loyalty from domestic wine consumers – 95% of BC VQA wine is consumed in the province. Globally, wine is enjoying a surge in popularity as a healthy and natural drink compared with other alcoholic beverages. Notably, China has become the world's largest market for red wine.

While the industry in BC on the whole is healthy and growing, the success of small and medium-sized wineries (less than 10,000 cases per year) varies. BC's industry stands out for having a preponderance of small wineries when compared with Washington State, Ontario or California. Small and medium wineries depend on high-margin tasting room sales, and with the growth in the number of wineries, it can prove difficult to attract customers, resulting in the availability of wine for resale. Costs of production of VQA red wine varies fairly widely, but overall variable cost of a premium red wine including direct and indirect costs averages between $10 and $14 per bottle.

The Market

China has become the world's largest consumer of red wine, and although BC sales to that market are very small (not ranking in the top ten importing countries), indications are that demand is growing. Canada in general, and British Columbia specifically, enjoy a favoured reputation among most Chinese citizens as a place of political freedom, property rights, clean air and water, and safety. China has a growing wine culture. In the upscale restaurants and hotels of the Tier 1 and Tier 2 cities, consumers prefer to drink imported wines, and although both old- and new-world wines are enjoying success, it is believed that quality British Columbia wines can also find a niche.

Wine Intelligence Ltd., a leading wine research group, has estimated that there are 38 million regular Chinese consumers of imported wine. The Issuer's focus is on the Adventurous Connoisseur segment and also those upscale consumers that have a particular affinity for Canada in general and BC in particular. Although sales volume of BC wine is increasing, the results are dominated by individual winery activities and 'one-off' sales.

2.3 *Development of Business*

On September 4, 2001, the Issuer's Shares were delisted from the TSE for failure to meet Continued Listing Requirements. Cease Trade Orders ("**CTOs**") were imposed on the Issuer by the Ontario Securities Commission and British Columbia Securities Commission (the "**Commissions**") on January 11, 2002 and January 3, 2002, respectively. Between April 2001 and July 2010, the Issuer was inactive and did not carry on any business. On October 11, 2011 the Issuer changed its name to Tulloch Resources Ltd. On January 16, 2012, pursuant to Section 171 of the *Securities Act*, R.S.B.C and Section 144 of the *Securities Act*, R.S.O, the British Columbia and Ontario Securities Commissions each issued a revocation order in respect to the CTO's issued against the Issuer. As part of the revocation, the Issuer undertook not to complete a transaction that would result in a Reverse Takeover while the Issuer is not listed on a Recognized Stock Exchange unless prior to closing of such transaction, the Issuer provides the British Columbia Securities Commission with 10 business days' notice of the transaction.

Since 2012, the Issuer has raised $100,000 in private placement subscriptions to cover expenses involved in the restoration of the Issuer, ongoing costs, and expenses involved in searching for an appropriate project. In 2014, the Issuer identified opportunities in the BC wine industry, and commenced project planning, initial analysis, and assembling a team to implement its business plan. In addition to its directors, the Issuer has established an advisory board consisting of industry experts.

2.4 *Long Term Objectives*

What we must do	Activity	Milestone	Expense	Timeframe
Marketing	Activities within China to push wine down distribution channel to the end users(upscale Hotels/Restaurants, Corporate Customers, Online Winesellers)	Initial and re-orders from both direct and indirect customers	$50,000	0-3 months, then ongoing
Establishment of WFOE in Shanghai	Issuer will complete paperwork to establish a wholly-owned subsidiary that will represent the Issuer in China	Business Licences acquired, capital contributed for expenditures in China	$10,000	0-3 months
Wine Shipments	Assembly of wine and transhipment to Port of Vancouver for shipping. 50% downpayment required on wine	Physical wine transshipped to Warehouse in STFZ	$70,000	0-3 months

2.5 *Sufficient Funds*

The funds available as a result of the maximum offering will be sufficient to fund the Issuer's business plan for the first twelve (12) months. Revenues from wine are anticipated to commence in month three. If revenues do not commence at least before six (6) months, or are significantly below projections, there is no assurance that alternative financing will be available. If less than the maximum is received, the Issuer will be required to obtain additional financing to implement its business plan. There can be no assurance that funding will be available. See Risk Factors.

2.6 *Material Agreements* - Disclose the key terms of all material agreements

On November 28, 2014, the Issuer entered a consulting contract with Haywire Management Group Ltd. ("**HMG**"), 1193 W 23rd Street, North Vancouver, BC V7P 2H2 under which Christine Coletta provides consulting advice to the company. Under the contract, the Issuer remitted a $5,000 retainer to HMG. There are no ongoing obligations to the Issuer should it wish to terminate the contract.

The Issuer has a contract executed October 20, 2015 with the Okanagan Crush Pad Winery that provides for the Issuer's exclusive right to sell products from that winery in Mainland China at FOB prices to be agreed annually. The contract further contains provisions for marketing support, samples, and other assistance from the winery. The Issuer has short term marketing engagement contracts from Poplar Grove Winery and Black Hills Estate Winery.

Item 3: Interests of Directors, Management, Promoters and Principal Holders

3.1 ***Compensation and Securities Held*** - The following table contains information about each director, officer and promoter of the Issuer and each person who, directly or indirectly, beneficially owns or controls 10% or more of any class of voting securities of the Issuer (each a "**principal holder**"). Compensation includes any form of remuneration including cash, Shares and options.

Name and municipality of principal residence	Positions held (e.g., director, officer, promoter and/or principal holder) and the date of obtaining that position	Compensation paid by issuer or related party in the most recently completed financial year and the compensation anticipated to be paid in the current financial year	Number, type and percentage of securities of the issuer held after completion of min. offering	Number, type and percentage of securities of the issuer held after completion of max. offering
Stuart Wooldridge, Vancouver BC	President, CEO and Director as of 2001	2015 compensation: $60,000 Anticipated to be paid a base salary of $60,000/year	600,000 5.7%	700,000 5.6%
Rob Trenaman, North Vancouver, BC	CFO, Director	2015 compensation: Nil Anticipated to be paid: Nil	706,620 6.7%	706,620 5.6%
Saeed Otufat Shamsi, North Vancouver, BC	Director	2015 compensation: $5,000 Anticipated to be paid: Nil	200,000 1.9%	200,000 1.6%
Michael Cheng, Saskatoon, Saskatchewan	VP Sales and Director	2015 compensation: NIL Anticipated to be paid a base salary of $2,000 per month plus bonus based on cases exported	100,000 0.9%	200,000 1.6%`
Steve Paquin North Vancouver, BC	Director	2015 compensation: Nil Anticipated to be paid: Nil	0 0.0%	0 0.0%

3.2 ***Management Experience*** - Using the following table, disclose the principal occupations of the directors and executive officers over the past five years. In addition, for each individual, describe any relevant experience in a business similar to the issuer's.

Name	Principal occupation and related experience
Stuart Wooldridge, Vancouver BC	Experienced with financing and managing publicly listed companies, new listings, and regulatory reporting. WSET level one. Extensive experience in business in China. Since April 2014, immersed in the BC wine business.
Michael Cheng	China country manager for Grupo Matarromera, a premium Spanish winery, where he was directly responsible for importation and ultimate distribution of thousands of cases of wine to upscale hotels, restaurants and retail locations.
Rob Trenaman, North Vancouver, BC	President; director and President of Eastern Resources, Inc. (OTC BB: ESRI) April 2012 to present.
Saeed Otufat Shamsi, North Vancouver, BC	Co-founder and CEO of NovoTech Software Ltd., a leading software development company in the geotechnical engineering field. Also provided business development, strategic planning, product and project management services through SABA, a private management consulting company. WSET level one.
Steve Paquin	Self-employed Management Consultant from May 2008 to present. Formerly manager of the Corporate Finance Department at Golden Capital Securities Ltd. and Gateway Securities Ltd.

In addition to the above, the Issuer has an advisory board that has 5 individuals with cumulatively 50 years of experience in winemaking, winery operations, vineyard management and marketing.

Penalties, Sanctions and Bankruptcy

Stuart Wooldridge was an independent director of VendTek Systems Inc. ("VendTek"). In 2009, the British Columbia Securities Commission and Alberta Securities Commission issued a cease trade order against VendTek for failure to file financial statements. In 2010, the order was revoked.

Robert Trenaman and Stuart Wooldridge were directors and officers of the Issuer when Cease Trade Orders were issued in 2002. The cease trade orders were imposed after the Issuer failed to file its comparative financial statements for the year ended July 31, 2001. The cease trade orders were revoked on January 16, 2012.

3.3 ***Loans***

The Issuer has no loans outstanding.

Item 4: Capital Structure

4.1 ***Share Capital***

Description of security	Number authorized to be issued	Price per security	Number outstanding as at December 29, 2015	Number outstanding after min. offering	Number outstanding after max. offering
Common shares	Unlimited	N/A	7,980,907	7,980,907	11,980,907
Preferred shares	Unlimited	N/A	None	None	None

4.2 ***Long Term Debt Securities*** – The Issuer does not have any long term debt securities outstanding.

4.3 ***Prior Sales*** – The following table summarizes issuance of common shares (and any securities convertible or exchangeable into common shares) within the last 12 months.

Date of issuance	Type of security issued	Number of securities issued	Price per security	Total funds received
January 30, 2015(1)	Common Shares	1,400,000	$0.05	$70,000

(1) Issuance date of PP subscriptions received between April and November 2014

Item 5: Securities Offered

5.1 ***Terms of Securities***

The class of securities being offered under the offering memorandum by the Issuer is the common shares of the Issuer.

The Issuer is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

The holders of common shares are entitled one vote per common share. The common shares also entitle the holders thereof to dividends, if, as and when declared by the board of directors, entitled to one vote per share at meetings of the shareholders of the Issuer and, upon dissolution, entitled to share equally in such assets of the Issuer as are distributable to the holders of common shares and subject to the rights of the holders of preferred shares. All common shares to be outstanding after completion of this Offering will be fully paid and non-assessable.

The Issuer is also authorized to issue an unlimited number of preferred shares without par value of which, as at the date hereof, no preferred shares are issued and outstanding. Preferred shares may be issued in one or more series. Subject to the *Business Corporations Act* (British Columbia), the directors may, by resolution, if none of the shares of any particular series are issued, alter the articles of the Issuer and authorize the alteration of the notice of articles of the Issuer, as the case may be, to do one or more of the following: (a) determine the maximum number of shares of that series that the Issuer is authorized to issue, determine that there is no such maximum number, or alter any such determination; (b) create an identifying name for the shares of that series, or alter any such identifying name; and (c) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

Subscription Procedure

The Issuer's common shares may only be issued to Subscribers who purchase as principal, and on the condition that at the same time or before the Subscriber signs the Subscription Agreement, the Issuer delivers this Offering Memorandum to the Subscriber, and the Issuer obtains the applicable signed Rick Acknowledgement Form from the Subscriber.

You may subscribe for the Shares by returning the following documents to the Issuer at Suite 202 – 1235 West Broadway, Vancouver, BC V6H 1G7 or to Clark Wilson LLP, legal counsel for the Issuer, at 900-885 West Georgia Street, Vancouver, BC V6C 3H1.

1. A completed subscription agreement substantially in the form accompanying this Offering Memorandum

2. If you are a resident of any jurisdiction other than Saskatchewan, a completed Risk Acknowledgment in the form attached to the subscription agreement (Form 45-106F4) – <u>you must keep a signed copy of this form.</u>

3. If you are a resident of Saskatchewan and a close personal friend or close business associate of the directors or officers of the Issuer, you must also complete and sign two copies of the Form 45-106F5.

4. A certified cheque or bank draft in the amount of your investment payable to "Tulloch Resources Ltd." or "Clark Willson LLP, in trust", as legal counsel for the Issuer.

The Issuer will hold your subscription funds in trust until midnight on the second business day after the day on which the Issuer accepts your signed subscription agreement. If funds are paid to legal counsel of the Issuer, you irrevocably authorize such legal counsel to transfer such funds to the Issuer following expiration of the second business day after the Issuer accepts your signed subscription agreement.

The Issuer reserves the right to accept or reject subscriptions in whole or in part at its sole and absolute discretion and to close the subscription books at any time without notice. Any subscription funds for subscriptions that the Issuer does not accept will be returned promptly after the Issuer has determined not to accept the funds.

This Offering will commence immediately and shall remain in effect until such earlier date as the maximum offering has been sold. Notwithstanding the foregoing, the Issuer may in its sole discretion elect to extend the period of this Offering if the board of directors determines that the proposed business plan of the Issuer would not be jeopardized by such delay or, alternatively, close this Offering after the sale of any number of the Shares. It is the present intention of the Issuer to have closings of this Offering from time to time as sufficient numbers of Shares are sold to warrant such a closing. As this Offering is not subject to any minimum subscription level, it may be completed upon the sale of such number of Shares as the Issuer, in its sole discretion, determines. <u>You may be the only purchaser.</u>

At the closing of this Offering, the Issuer will deliver to you a copy of your share certificate representing fully paid Shares, provided the subscription price has been paid in full. The original share certificate will remain with the Issuer and can be delivered to you upon request.

Item 6: Income Tax Consequences and RRSP Eligibility

6.1 You should consult your own professional advisers to obtain advice on the income tax consequences that apply to you.

6.2 Not all securities are eligible for investment in a registered retirement savings plan (RRSP) or Tax Free Savings Account (TFSA) until listed on an exchange. You should consult your own professional advisers to obtain advice on the RRSP eligibility of these securities."

Item 7: Compensation Paid to Sellers and Finders

The Shares are being offered for sale by the Issuer directly through directors and officers and other duly authorized agents of the Issuer in reliance upon exemptions from the registration and prospectus requirement of applicable securities legislation. The Issuer may appoint one or more registered dealers to serve, or a non-exclusive basis, as the Issuer's agents to offer the Shares for sale to eligible subscribers on a best-efforts basis. As of the date of this Offering Memorandum, the Issuer has not entered into any agency offering agreement with any person registered to trade in securities pursuant to applicable securities legislation whereby the Shares will be offered for sale.

Except where prohibited under applicable securities legislation, a cash commission of up to 10% of the offering price of the Shares may be paid to all dealers and other duly authorized agents, whether registered or otherwise, in respect of any Shares sold by such dealers and agents, whether registered or otherwise.

The Issuer has made allowances for marketing expenses not to exceed 5% of the total funds raised.

Item 8: Risk Factors

There are numerous and varied risks, known and unknown, that may prevent the Issuer from achieving its goals. If any of these risks actually occur, the Issuer's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Issuer's common Shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that may be applicable to the Issuer and its shareholders:

Investment Risk

There is no market or an illiquid market for the securities

There is no market through which the Shares may be sold currently and there are no assurances that any market will develop in the future. If the Issuer is unable to obtain a listing on an Exchange (see below) then it may be difficult or impossible to sell the Shares.

There are risks associated with obtaining a listing on an Exchange

The Issuer intends to obtain a listing on an Exchange for its Shares, and to do so requires that the Issuer meet initial listing requirements of an Exchange and obtain Exchange approval. There is no assurance that the Issuer will be able to obtain sufficient working capital to obtain Exchange approval. In the event that the Shares are not listed on an Exchange, shareholders will have limited opportunities for re-sale of the Shares, and the Issuer's ability to obtain further capital will be limited.

No Regulatory Authority has reviewed this offering memorandum

This Offering Memorandum constitutes a private offering of the common Shares of the Issuer only in those jurisdictions where and to those persons to whom they may be lawfully offered for sale under exemptions under applicable securities legislation. Subscribers to this Offering Memorandum will not have the benefits of a review of the material by any regulatory authority

The offering price for the Issuer's Shares was arbitrarily determined

The Issuer has arbitrarily determined the subscription price for the Shares. This price may not reflect the true value of the investment in the Issuer.

There can be no assurance that the Issuer's shareholders or purchasers of the Issuer's common Shares will be able to resell their Shares at prices equal to or greater than their cost.

The market price of the Issuer's common Shares could be subject to significant fluctuations in response to various factors, many of which are beyond the Issuer's control. In addition, the stock markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Issuer's common Shares. There can be no assurance that the holders or purchasers of the Issuer's common Shares will be able to resell their Shares at prices equal to or greater than their cost.

Emergent Market Risks

The Issuer will be receiving most of its revenue from wine sales in China. It therefore may face challenges from operations in emerging markets as identified in Ontario Security Commission Staff Notice 51-720 Issuer's Guide for Companies Operating in Emerging Markets, including potentially in the business and operating environment, language and cultural differences, corporate structure, related parties, risk management and disclosure, internal controls, use and reliance on experts, and oversight of the external auditor.

The Issuer could face risks in the business and operating environment.

Although the Issuer has a board member familiar with beverage alcohol sales in China, alcohol sales are tightly regulated in most markets, and specific rules and regulations apply and may frequently change. There are risks that the Issuer's shipments, sales, and promotional activities could be affected by Chinese national, city and state regulations. Similarly, the business and operating environment within China can be significantly different than in Canada, hampering the Issuer's operations.

The Issuer could face risks in language and cultural differences.

The Issuer has three board members familiar with risks in language and cultural differences, one who is a Chinese national now living in Canada, two who have significant experience within public companies operating in China. Nonetheless, language and cultural differences could present risks in the Issuer's operations.

Corporate structure challenges.

The Issuer intends to establish a Wholly Foreign Owned Enterprise structure. This structure enables the Issuer to wholly control its intended subsidiary through ownership of 100% of the shares and direct managerial control. WFOEs are limited-liability corporations organized by foreign nationals and capitalized with foreign funds.https://en.wikipedia.org/wiki/Wholly_Foreign-Owned_Enterprise - cite_note-WFOE_Guide-2This can give greater control over the business venture in mainland China and avoid a multitude of problematic issues which can potentially result from dealing with a domestic joint venture partner. Such problems often include profit not being maximized, leakage of the foreign firm's intellectual property and the potential for joint venture partners to set up in competition against the foreign firm after siphoning off knowledge and expertise.

Related Party Transaction Risks

Transactions with other companies in the same group (i.e., the company's parent company and fellow subsidiaries) or with parties linked to its shareholders, directors or management, or other related party transactions (RPTs) may represent a heightened risk for emerging market issuers.

Risk Management and Disclosure Risks

The Issuer's sales operations are located in an emerging market should be particularly sensitive to the risks associated with operations in those markets, especially those that may result in serious disruption to, or significant adverse impact on, business operations. Similarly, the Issuer must ensure that the documentation in terms of shipments, sales, and revenue receipts are properly disclosed.

Internal Control Risks

The unique risks of operating in an emerging market magnifies the importance of strong internal controls. Appropriate internal controls can provide checks and balances on the local operations to reduce the risks of inaccurate financial reporting and ensure that appropriate information is reported on a timely basis.

Oversight of the External Auditor

In order for the Issuer's audit committee to discharge its responsibilities, it must determine if the company's external auditors have the appropriate expertise and experience to carry out the audit, and that the audit committee effectively oversees the external auditor's work.

Issuer Risk

The Issuer has a very limited operating history in its new area of business.

Because the Issuer has very limited operating history in its new area of business, it faces risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful; and
- risks that fluctuations in its operating results will be significant relative to its revenues.

The Issuer's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

The Issuer cannot predict its future capital needs and it may not be able to secure additional financing.

The Issuer believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Issuer may need to raise significant additional funds sooner in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Issuer cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Issuer may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

The Issuer relies primarily on management and depends on certain key personnel

The success of the Issuer will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Issuer's business and prospects. The Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Issuer and its prospects.

Defects in any wines the Issuer distributes may adversely affect its business.

Wine is perishable, and during shipping wide variance in temperature can cause it to spoil. Shipping spoilt wine to distributors will have a material and adverse effect on the Issuer's business, prospects, financial condition and results of operations

The Issuer's business may be subject to complex liquor license requirements and government regulations

The Issuer does not have a liquor license issued by the Province of British Columbia that may be required for the purchase and sale of wine. Obtaining a liquor license, if required, can take considerable time and there is no assurance that such a license will be issued in time so that the Issuer's operations are not unduly affected. In the event the Issuer is required to get a licence, and experiences delays, the business of the Issuer will be materially adversely affected. Moreover, the production, sale, and distribution of alcohol is closely regulated by various levels of government both municipal, provincial, and federal. Any change in the regulatory regime by any level of government could adversely affect the Issuer.

There are agricultural risks with the Issuer's business

The Issuer will purchase wines from producers who produce grape wine products. Wine-making and grape growing are subject to a variety of agricultural risks. Diseases, pests, drought, excessive frost (in the case of grape wine), insufficient frost (in the case of ice wine), and certain other weather conditions can materially and adversely affect the quality and cost of wine produced by the producers, thereby materially and adversely affecting the supply of the Issuer's products and its profitability.

The Issuer's business may be dependent on key suppliers

The Issuer relies on a number of third party suppliers to provide products and services. Although the Issuer believes that alternate suppliers are available, an interruption in the supply of certain products and services could result in a material adverse effect on the Issuer. There is no assurance that the Issuer will be able to retain additional suppliers for wine products. Even if the Issuer is successful in securing additional suppliers, there is no assurance that the terms of future arrangements or quality of product will be comparable to that which it enjoys with its current suppliers.

There are risks associated with potential conflicts of interest

Certain directors and officers of the Issuer are also directors, officers and shareholders of other natural resource or public companies, as a result of which they may find themselves in a position where their duty to another Issuer conflicts with their duty to the Issuer. There is no assurance that any such conflicts will be resolved in favour of the Issuer. If any such conflicts are not resolved in favour of the Issuer, the Issuer may be adversely affected.

The Issuer is subject to going concern risk

The Issuer's financial statements have been prepared on a going concern basis which assumes that the Issuer will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Issuer are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments, seek relisting on a recognized Exchange, and further its mineral exploration programs

There are risks associated with the Issuer's past status as a mining issuer and explorer

Historically, the Issuer operated two mines and held title to several exploration targets. All of these properties have been sold to arms-length third parties or the claims have been allowed to lapse. Although the Issuer believes that there are no environmental claims that could be lodged against the Issuer, the nature of environmental regulations has provisions that the Issuer could bear responsibility for some or all of the properties or claims in the future.

Industry Risks

Volatile global financial and economic conditions may negatively affect the Issuer's operations.

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Issuer's ability to obtain financing in the future on favourable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Issuer's operations and financial condition could be adversely impacted.

The Issuer is subject to foreign currency fluctuations

Some revenue associated with the sale of wine will be denominated in Chinese Renminbi, and some costs will be incurred in US dollars. As such the Issuer is affected by fluctuations in the exchange rate between the Canadian dollar and other currencies, particularly the US dollar and the Chinese Renminbi, may have a material adverse effect on the Issuer's results of operations, financial condition and any business prospects

The Issuer operates in a rapidly changing industry, which makes it difficult to evaluate its business and prospects.

The wine industry is very old, but industry trends change rapidly. The growth of the wine market in China has evolved from virtually nothing up until the late 20th Century to widespread acceptance in 2015. There is no certainty that the market will continue to expand, and the level of demand and market acceptance of the wine the Issuer will export is subject to a high degree of uncertainty. The Issuer's future operating results will depend on numerous factors affecting the wine industry, many of which are beyond its control.

There is intense competition in the Issuer's business industry

The grape wine market in Canada is intensely competitive. The Resulting Issuer will compete with many other companies that produce and/or import and sell wine into the Canadian market, many of whom are well established and have far greater financial and operational resources than the Resulting Issuer, including entities which are owned and controlled by provincial governments. Due to the competitive factors and legal restrictions on the price of alcohol, the Resulting Issuer may not be able to increase or otherwise adjust its prices to reflect any price increases it must pay for the product or for any increase in selling, promotional and other costs.

Our international operations subject the Issuer to additional risks.

The Issuer is subject to the risks inherent in conducting business across national boundaries, any one of which could adversely impact returns. These risks include:

- currency exchange rate fluctuations;
- trade barriers;
- national and regional economic downturns;
- changes in governmental policy or regulation;
- restrictions on the transfer of funds into or out of particular countries;
- import and export duties and quotas;
- domestic and foreign customs and tariffs;
- political risks and nationalization of foreign assets;
- increases in duties, taxes and government royalties;
- protectionist measures enacted where our products are sold; and
- potentially negative consequences from changes in tax or other laws.

Changes in the laws and regulations in the People's Republic of China may significantly impact our methods and costs of doing business.

The Chinese legal system is based on written statutes. Prior court decisions may be cited for reference but are not binding on subsequent cases and have limited precedential value. Since 1979, China's legislative bodies have promulgated laws and regulations dealing with such economic matters as foreign investment, corporate organization and governance, commerce, taxation and trade. However, because these laws and regulations are relatively new, and because of the limited volume of published decisions and their non-binding nature, the interpretation and enforcement of these laws and regulations involve uncertainties. Additionally, Chinese laws are generally drafted in such a way as to allow interpretation to accord with changing policy demands and are implemented differently from region to region. The Chinese legal system has inherent uncertainties that can seriously limit legal protections to shareholders in companies with Chinese operations.

Each prospective subscriber of the Shares should carefully consider the foregoing risk factors and consult his or her own professional advisors to assess income tax, legal and other aspects of an investment.

Item 9: Reporting Obligations

9.1 The Issuer is a Reporting Issuer in British Columbia and Ontario, and as such files quarterly unaudited financial statements and annual audited financial statements on the SEDAR reporting system (www. SEDAR.com.)

We are not required to send you any documents on an annual or ongoing basis unless you have first submitted a request to the Issuer in accordance with National Instrument 51-102.

9.2 Other corporate or securities information about the Issuer is available on the SEDAR reporting system (www. SEDAR.com.) under the Issuer's profile.

Item 10: Resale Restrictions

10.1 General Statement -

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under securities legislation.

10.2 Restricted Period -

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the distribution date.

Item 11: Purchasers' Rights

If you purchase these securities you will have certain rights, some of which are described below. For information about your rights you should consult a lawyer.

(1) Two Day Cancellation Right –

You can cancel your agreement to purchase these securities. To do so, you must send a notice to us by midnight on the 2nd business day after you sign the agreement to buy the securities.

(2) Statutory Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering memorandum, you have a statutory right to sue:

(a) The Issuer to cancel your agreement to buy these securities, or

(b) for damages.

This statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after the issuance to you of the Shares. You must commence your action for damages within the earlier of 180 days of learning of the misrepresentation and three years after the issuance to you of the Shares.

Item 12: Financial Statements

The following financial statements are included in this offering memorandum:

- Independent Auditors’ Report
- Statements of Financial Position as at July 31, 2015 and 2014
- Statements of comprehensive loss for the years ended July 31, 2015 and 2014
- Statements of changes in equity for the years ended July 31, 2015 and 2014
- Statements of cash flows for the years ended July 31, 2015 and 2014

- Notes to audited financial statements summarizing significant accounting policies and other explanatory information
- Statements of Financial Position as at October 31, 2015 (unaudited) and July 31, 2015 (audited)
- Statements of comprehensive loss for the three months ended October 31, 2015 and 2014 (unaudited)
- Statements of changes in equity for the three months ended October 31, 2015 and 2014 (unaudited)
- Statements of cash flows for the for the three months ended October 31, 2015 and 2014 (unaudited)
- Notes to unaudited interim financial statements summarizing significant accounting policies and other explanatory information

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Item 13: Date and Certificate

Dated: December 29, 2015

This offering memorandum does not contain a misrepresentation.

TULLOCH RESOURCES LTD:

Per: *"Stuart Wooldridge"*

Stuart Wooldridge, CEO and Director

TULLOCH RESOURCES LTD.

- Financial Statements

Years Ended July 31, 2015 and 2014

(Expressed in Canadian dollars)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Tel: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

We have audited the accompanying financial statements of which comprise the statements of financial position as at and 2014, and the statements of comprehensive loss, changes in deficit and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of 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 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 the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of as at and 2014, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of to continue as a going concern.

/s/ Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
November 27, 2015

TULLOCH RESOURCES LTD.
Statements of Financial Position
As at July 31, 2015 and 2014
(Expressed in Canadian dollars)

	2015 $	2014 $
Assets		
Current assets		
Cash and cash equivalents	9,118	5,419
Sales tax receivable	2,835	1,004
Total assets	11,953	6,423
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable and accrued liabilities	49,273	34,242
Due to related parties (Note 4)	17,153	-
Total liabilities	66,426	34,242
Shareholders' Deficit		
Share capital (Note 5)	12,242,109	12,172,109
Share subscriptions (Note 5)	45,000	20,000
Contributed surplus	27,464	19,679
Deficit	(12,369,046)	(12,239,607)
Total shareholders' deficit	(54,473)	(27,819)
Total liabilities and shareholders' deficit	11,953	6,423

Going Concern (Note 1)
Subsequent Event (Note 11)

Approved on behalf of the Board on November 27, 2015:

- *"Stuart Wooldridge"*

Stuart Wooldridge, Director

- *"Robert Trenaman"*

Robert Trenaman, Director

TULLOCH RESOURCES LTD.
Statements of Comprehensive Loss
Years ended July 31, 2015 and 2014
(Expressed in Canadian dollars)

	2015 $	2014 $
Expenses		
Advertising and promotion	4,487	–
Consulting fees (Note 4)	71,260	260
General and administration	18,665	6,406
Professional fees (Note 4)	27,242	11,317
Share-based payments (Notes 4 and 6)	7,785	7,108
	129,439	25,091
Net loss and comprehensive loss	(129,439)	(25,091)
Loss per share, basic and diluted	(0.02)	(0.00)
Weighted average number of common shares outstanding	7,282,825	6,580,907

TULLOCH RESOURCES LTD.
Statements of Changes in Deficit
Years ended July 31, 2015 and 2014
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount $	Share subscriptions $	Contributed surplus $	Deficit $	Total deficit $
Balance, July 31, 2013	6,580,907	12,172,109	-	12,571	(12,214,516)	(29,836)
Subscriptions received	-	-	20,000	-	-	20,000
Share-based payments	-	-	-	7,108	-	7,108
Net loss for the year	-	-	-	-	(25,091)	(25,091)
Balance, July 31, 2014	6,580,907	12,172,109	20,000	19,679	(12,239,607)	(27,819)
Share-based payments	-	-	-	7,785	-	7,785
Shares issued for cash	1,400,000	70,000	(20,000)	-	-	50,000
Subscriptions received	-	-	45,000	-	-	45,000
Net loss for the year	-	-	-	-	(129,439)	(129,439)
Balance, July 31, 2015	7,980,907	12,242,109	45,000	27,464	(12,369,046)	(54,473)

TULLOCH RESOURCES LTD.
Statements of Cash Flows
Years ended July 31, 2015 and 2014
(Expressed in Canadian dollars)

	2015 $	2014 $
Cash provided by (used in):		
Operating activities		
Net loss for the year	(129,439)	(25,091)
Items not involving cash:		
Share-based payments	7,785	7,108
	(121,654)	(17,983)
Changes in non-cash operating working capital:		
Sales tax receivable	(1,831)	(954)
Accounts payable and accrued liabilities	15,031	8,461
Net cash used in operating activities	(108,454)	(10,476)
Financing activities		
Due to related parties	17,153	(4,500)
Shares issued for cash	50,000	–
Share subscriptions received	45,000	20,000
Net cash provided by financing activities	112,153	15,500
Increase in cash	3,699	5,024
Cash and cash equivalents, beginning of year	5,419	395
Cash and cash equivalents, end of year	9,118	5,419
Supplemental disclosures:		
Interest paid	–	–
Income tax paid	–	–

Cash and cash equivalents consist of:		
Cash	5,118	5,419
Cash held in trust	4,000	–
	9,118	5,419

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Going Concern

Tulloch Resources Ltd. ("the Company") was incorporated under the laws of British Columbia as Treminco Resources Ltd. on March 12, 1980. The name was changed to Elkhorn Gold Mining Corporation on February 8, 1999 and to Tulloch Resources Ltd. on October 12, 2011. The Company has historically been engaged in the identification of mineral properties for acquisition and exploration. The head office, address and records office of the Company are located at 202 – 1235 West Broadway, Vancouver, British Columbia, Canada V6C 3H1.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2015, the Company has no source of recurring revenue, generates negative cash flows from operating activities, and has a working capital deficit of $54,473 and an accumulated deficit of $12,369,046. These factors give rise to a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to identify projects and negotiate suitable arrangements, maintain support from its significant shareholders and obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from financing from related parties to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Preparation and Statement of Compliance

Statement of Compliance

These financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements were approved and authorized for issuance by the Board of Directors on November 27, 2015.

The financial statements have been prepared on a historical cost basis except for financial instruments described in Note 3(d), which are measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency. The accounting policies set out below have been applied consistently to all years presented in these financial statements as if the policies have always been in effect.

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Share-based payment transactions

Management uses the Black-Scholes pricing model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

2. Basis of Preparation and Statement of Compliance (continued)

Use of Estimates and Judgments (continued)

ii) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable, and can therefore be recognized in the statements of financial position and comprehensive income or loss.

iii) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. The management monitor future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

3. Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance or are readily redeemed into known amounts of cash without significant penalties to be cash equivalents.

(b) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of comprehensive loss.

3. Significant Accounting Policies (continued)

(c) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

(d) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits at fair value on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. The Company classified cash and cash equivalents as financial assets at FVTPL.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

3. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for sale.

Loans and receivables

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

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. 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 marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, 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 amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount 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.

3. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(ii) Non-derivative financial assets (continued)

Impairment of financial assets (continued)

With the exception of available-for-sale equity instruments, 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. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(iii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they originate. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(e) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. **Significant Accounting Policies** (continued)

(e) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Foreign Currency Translation

The functional currency of the Company is Canadian dollar, which is the currency of the primary economic environment in which that Company operates.

Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date which is approximated by an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

(g) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in-the-money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(h) Share-based Payments

The Company grants share-based awards to employees, directors and non-employees as an element of compensation. The fair value of the awards granted to employees and directors is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of comprehensive loss with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

3. **Significant Accounting Policies** (continued)

(h) Share-based Payments (continued)

Share-based payment arrangements with non-employees in which the Company receives goods or services are measured based on the estimated fair value of the goods or services received, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(i) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

(j) Changes in Accounting Standards Issued

(i) Accounting Standards Adopted:

The Company has adopted these standards effective for the fiscal year beginning on August 1, 2014 and there were no significant impacts on the financial statements:

IAS 32, *Financial Instruments: Presentation:* In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

IFRIC 21, *Levies:* In May 2013, the IASB issued IFRIC 21, an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

(ii) Accounting Standards Issued But Not Yet Effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods with early adoption permitted. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 1, *Presentation of Financial Statements*: In December 2014, the IASB issued amendments to IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial statements by clarifying that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

3. **Significant Accounting Policies** (continued)

(j) Changes in Accounting Standards Issued (continued)

(ii) Accounting Standards Issued But Not Yet Effective: (continued)

IFRS 9 *Financial Instruments* – IFRS 9 was initially issued in November 2008 and contains requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted these new or revised standards because they are not effective until or subsequent to annual and interim reporting periods. The Company is currently assessing the impact that these standards will have on the financial statements.

4. **Related Party Transactions and Balances**

The Company has identified its directors and certain senior officers as its key personnel. No post-employment benefits, other long-terms benefits and termination benefits were incurred during the years ended July 31, 2015 and 2014.

During the year, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors. The short-term key management compensation and director fees consist of the following for the years ended July 31, 2015 and 2014:

	2015 $	2014 $
Consulting fees to companies owned by common directors	65,000	-
Share-based payments to key personnel (Note 6)	1,523	7,108
Total	66,523	7,108

During the year, the Company accepted subscription agreements for a private placement of 1,400,000 common shares of which 300,000 of these shares were issued to directors of the Company for gross proceeds of $15,000.

4. **Related Party Transactions and Balances** (continued)

The amounts due to related parties consist of the following as at July 31, 2015 and 2014:

	2015 **$**	**2014** **$**
Due to a company owned by the Chief Executive Officer	17,153	-

The balance is unsecured, non-interest bearing and have no specific terms for repayment.

5. **Share Capital**

The authorized share capital for the Company consists of 100,000,000 common shares without par value. As at July 31, 2015, the Company has 7,980,907 common shares issued and outstanding.

During fiscal 2015, the Company completed a non-brokered private placement of 1,400,000 common shares of the Company at $0.05 per share for gross proceeds of $70,000. In addition, the Company received subscriptions for a proposed private placement of 450,000 common shares of the Company at $0.10 per share. Gross proceeds of $45,000 were received but the common shares have not been issued at July 31, 2015.

6. **Stock Options**

Under the Company's stock option plan (the "Plan") the Company's board of directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding two years from the date granted. An option shall be granted as fully vested immediately, unless a vesting schedule is imposed by the Board as a condition at the grant date.

During the year ended July 31, 2015, the Company granted 225,000 to directors, officers and consultants to purchase 225,000 common shares of the Company at $0.05 and $0.10 per share. All options vested immediately upon grant. The fair value of the options granted was $7,785.

On June 20, 2014, the Company granted 250,000 options to its directors and officers to purchase 250,000 common shares of the Company at a price of $0.05 per share. All options vested immediately upon grant. The fair value of the options granted was $7,108.

The fair value of the options granted was calculated using the Black-Scholes Option-Pricing Model with the following weighted average assumptions:

	2015	2014

Share price on grant date ($)	0.05	0.05
Risk-free interest rate (%)	0.39	1.12
Expected dividend yield (%)	-	-
Expected option life (years)	2	2
Expected stock price volatility (%)	150	110
Estimated forfeiture rate	-	-

The weighted average grant date fair value for the options granted in the 2015 year was $0.03 (2014 - $0.03).

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company's share options and other share-based transactions.

6. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Options outstanding and exercisable	Weighted average exercise price $
Balance, July 31, 2013	400,000	0.05
Granted	250,000	0.05
Expired	(400,000)	0.05
Balance, July 31, 2014	250,000	0.05
Granted	225,000	0.06
Balance, July 31, 2015	475,000	0.06

As at July 31, 2015, the following stock options were outstanding:

	Outstanding and exercisable		
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.05 to 0.10	475,000	1.24	0.06

(The accompanying notes are an integral part of these financial statements)

7. Financial Instruments and Risks

(a) Fair Values

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three levels of fair value hierarchy are as follows:

a) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
b) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
c) Level 3 – Input for assets or liabilities that are not based on observable market data.

Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair measurement. The Company's financial assets measured on a recurring basis at fair value are as follows:

	July 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 9,118	$ –	$ –	$ 9,118

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

7. Financial Instruments and Risks (continued)

(c) Foreign Exchange Rate and Interest Rate Risk

The Company's interest rate risk management policy is to purchase highly liquid investments with terms to maturity of three months or less on the date of purchase or redeemable at the option of the Company. The Company does not engage in any hedging activity. The Company does not have significant interest rate risk.

During the years ended July 31, 2015 and 2014, the Company held financial assets and liabilities and incurred expenses denominated primarily in Canadian dollars. The Company does not have significant foreign exchange risk.

(d) 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 using cash. The ability to do this relies on the Company raising equity financing in a timely manner. The Company has a working capital deficiency and requires additional funds from financing to meet its current obligations. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9.

The following are contractual maturities of financial liabilities as at July 31, 2015:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable	$ 22,988	$ 22,988	$ 22,988	$ –

(e) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

8. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred tax assets and liabilities, are as follows:

	2015 $	2014 $
Net loss before income taxes	(129,439)	(25,091)
Canadian statutory income tax rate	26%	26%
Income tax recovery at statutory rate	33,654	6,523
Tax effect of:		
Other non-deductible expense	(3,936)	(72)
Change in unrecognized deferred tax assets	(29,718)	(6,451)
Income tax recovery	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2015 $	2014 $
Deferred income tax assets:		
Non-capital losses carried forward	156,700	126,800
Resource pools	875,600	875,600
Share issuance costs	200	300
Total gross deferred income tax assets	1,032,500	1,002,700
Unrecognized deferred tax assets	(1,032,500)	(1,002,700)
Net deferred income tax assets	–	–

As at July 31, 2015, the Company has non-capital losses carried forward of approximately $602,500 which are available to offset future years' taxable income. These losses expire as follows:

	$
2030	300
2031	96,900
2032	139,400
2033	225,600
2034	18,300
2035	122,000
	602,500

(The accompanying notes are an integral part of these financial statements)

The Company also has certain allowances in respect of resource development and exploration costs of approximately $3,368,000 (2014 - $3,368,000) which, subject to certain restrictions, are available to offset against future taxable income. The application of non-capital losses and resource development and exploration costs against future taxable income is subject to final determination of the respective amounts by the Canada Revenue Agency.

9. Capital Management

The Company's objectives when managing capital are to identify, pursue exploration and development of mineral properties, to maintain financial strength, 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. The Company does not have any externally imposed capital requirements to which it is subject. The Company's principal source of funds is advances from related parties and the issuance of share capital. Management considers all components of shareholders' deficiency as capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares while minimizing dilution for its existing shareholders.

The Company's investment policy is to invest its cash and cash equivalents in financial instruments in high credit quality financial institutions with terms to maturity selected to match the expected timing of expenditures to continue operations.

The Company's overall strategy with respect to capital risk management remains unchanged from the year ended July 31, 2015. Refer to Note 1 for management's plan to raise capital.

10. Segment Information

The Company currently operates in a single reportable operating segment. All of the Company's assets and expenditures are located in Canada.

11. Subsequent Events

(a) The Company is applying for listing of the Company's common shares on the Canadian Stock Exchange and has received conditional approval from the Exchange.

(b) At the Annual General Meeting, the shareholders approved an increase in the authorized share capital of the Company to an unlimited number of common shares and created an unlimited number of preferred shares without par value.

TULLOCH RESOURCES LTD.

- Interim Financial Statements

(Unaudited – Prepared by Management)

For The Three Months Ended October 31, 2015

(Expressed in Canadian dollars)

(The accompanying notes are an integral part of these financial statements)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of Tulloch Resources Ltd. have been prepared by, and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of the financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

TULLOCH RESOURCES LTD.
Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	October 31, 2015 $	July 31, 2015 $
Assets		
Current assets		
Cash	3,948	9,118
GST receivable	2,993	2,835
Total assets	6,941	11,953
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	49,548	49,273
Due to related parties (Note 4)	24,567	17,153
Total liabilities	74,115	66,426
Equity		
Share capital	12,242,109	12,242,109
Share subscriptions (Note ?)	55,000	45,000
Contributed surplus	27,464	27,464
Deficit	(12,391,747)	(12,369,046)
Total equity	(67,174)	(54,473)
Total liabilities and equity	6,941	11,953

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board:

- */s/ "Stuart Wooldridge"*

Stuart Wooldridge, Director

- */s/ "Robert Trenaman"*

Robert Trenaman, Director

(The accompanying notes are an integral part of these financial statements)

TULLOCH RESOURCES LTD.
Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three Months Ended October 31, 2015 $	Three Months Ended October 31, 2014 $
Revenue	–	–
Expenses		
Advertising and Promotion	1,568	–
Communication	-	95
Consulting fees (Note 4)	15,260	5,000
General and administration	3,428	2,511
Professional fees	-	3,000
Travel	2,446	–
Loss before other item	(22,702)	(10,606)
Other item		
Interest income	–	–
Net loss and comprehensive loss for the period	(22,702)	(10,606)
Loss per share, basic and diluted	(0.00)	(0.00)
Weighted average number of common shares outstanding	7,635,701	6,580,907

(The accompanying notes are an integral part of these financial statements)

TULLOCH RESOURCES LTD.
Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Share capital					
	Number of shares	Amount $	Share Subscriptions $	Contributed surplus $	Deficit $	Total equity $
Balance, July 31, 2014	6,580,907	12,172,109	20,000	19,679	(12,239,607)	(27,819)
Subscription Received	–	–	30,000	–	–	30,000
Net loss for the period	–	–	–	–	(305)	(10,606)
Balance, October 31, 2014	6,580,907	12,172,109	50,000	19,679	(12,250,213)	(8,425)
Subscriptions Received	–	–	45,000	–	–	45,000
Share-based payments	–	–	–	7,785	–	7,785
Shares issued for cash	1,400,000	70,000	(50,000)	–	–	20,000
Net loss for the period	–	–	–	–	(118,833)	(118,833)
Balance, July 31, 2015	7,980,907	12,242,109	45,000	27,464	(12,369,046)	(54,473)
Subscriptions Received	–	–	10,000	–	–	10,000
Net loss for the period	–	–	–	–	(22,702)	(22,702)
Balance, October 31, 2015	7,980,907	12,242,109	55,000	27,464	(12,391,747)	(67,174)

(The accompanying notes are an integral part of these financial statements)

TULLOCH RESOURCES LTD.
Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	Three Months Ended October 31, 2015 $	Three Months Ended October 31, 2014 $
Cash provided by (used in):		
Operating activities		
Net loss for the period	(22,702)	(10,606)
Items not involving cash:		
Share-based payments	–	–
Changes in non-cash operating working capital:		
Amounts receivable	(158)	73
Accounts payable and accrued liabilities	275	525
Net cash used in operating activities	(22,585)	(10,008)
Investing activities		
Redemption of short-term investments	–	–
Net cash provided by (used in) investing activities	–	–
Financing activities		
Due from/to related party (Note 4)	7,414	–
Proceeds from share subscription (Note 5))	10,000	30,000
		–
Net cash provided by financing activities	17,414	30,000
Increase (decrease) in cash	(5,171)	19,992
Cash, beginning of period	9,118	5,419
Cash, end of period	3,948	25,411

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Going Concern

Tulloch Resources Ltd. ("the Company") was incorporated under the laws of British Columbia as Treminco Resources Ltd. on March 12, 1980. The name was changed to Elkhorn Gold Mining Corporation on February 8, 1999 and to Tulloch Resources Ltd. on October 12, 2011. The principal business of the Company is the identification and evaluation of mineral properties and once identified or evaluated, to negotiate an acquisition of, or participation in, mineral properties. The head office, address and records office of the Company are located at 202 – 1235 West Broadway, Vancouver, British Columbia, Canada V6H 1G7.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at October 31, 2015, the Company has no source of recurring revenue, generates negative cash flows from operating activities, and has an accumulated deficit of $12,391,747. These factors raise substantial doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to identify mineral projects and negotiate suitable arrangements, maintain support from its significant shareholders and obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from financing from related parties to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Preparation and Statement of Compliance

Statement of Compliance

These interim financial statements have been prepared in accordance International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements were approved and authorized for issuance by the Board of Directors on December 31st, 2015.

The financial statements have been prepared on a historical cost basis except for financial instruments described in Note 3(d), which are measured at fair value. The financial statements are presented in Canadian dollars, which is the Company's functional currency. The accounting policies set out below have been applied consistently to all periods presented in these financial statements as if the policies have always been in effect.

Use of Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions about the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the results of operations. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Share-based payment transactions

Management uses the Black-Scholes pricing model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

Basis of Preparation and Statement of Compliance (continued)

Use of Estimates and Judgments (continued)

ii) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable, and can therefore be recognized in the statements of financial position and comprehensive income or loss.

iii) Going concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. The management monitor future cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

3. Significant Accounting Policies

(e) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance or are readily redeemed into known amounts of cash without significant penalties to be cash equivalents.

(f) Impairment of Non-Current Assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of income.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of comprehensive loss.

3. **Significant Accounting Policies** (continued)

(g) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

(h) Financial Instruments

(iii) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits at fair value on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. The Company classified cash and cash equivalents as financial assets at FVTPL.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

3. Significant Accounting Policies (continued)

(di) Financial Instruments (continued)

(iv) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for sale.

Loans and receivables

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

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. 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 marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

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

For certain categories of financial assets, such as amounts receivable, 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 amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount 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.

3. Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

(v) Non-derivative financial assets (continued)

Impairment of financial assets (continued)

With the exception of available-for-sale equity instruments, 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. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(vi) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they originate. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(k) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3. Significant Accounting Policies (continued)

(e) Income Taxes (continued)

Deferred income tax

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(l) Foreign Currency Translation

The functional currency of the Company is Canadian dollar, which is the currency of the primary economic environment in which that Company operates.

Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date which is approximated by an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in profit or loss.

(m) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in-the-money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

(n) Share-based Payments

The Company grants share-based awards to employees, directors and non-employees as an element of compensation. The fair value of the awards granted to employees and directors is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management’s best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of comprehensive loss with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

3. **Significant Accounting Policies** (continued)

(h) Share-based Payments (continued)

Share-based payment arrangements with non-employees in which the Company receives goods or services are measured based on the estimated fair value of the goods or services received, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(o) Share Issuance Costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to expenses.

(p) Changes in Accounting Standards Issued

(iii) Accounting Standards Adopted:

The Company has adopted these standards effective for the fiscal year beginning on August 1, 2014 and there were no significant impacts on the financial statements:

IAS 32, *Financial Instruments: Presentation:* In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement.

IFRIC 21, *Levies:* In May 2013, the IASB issued IFRIC 21, an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

(iv) Accounting Standards Issued But Not Yet Effective:

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods with early adoption permitted. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IAS 1, *Presentation of Financial Statements*: In December 2014, the IASB issued amendments to IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial statements by clarifying that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply. The amendments also clarify that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

3. Significant Accounting Policies (continued)

(j) Changes in Accounting Standards Issued (continued)

(iv) Accounting Standards Issued But Not Yet Effective: (continued)

IFRS 9 *Financial Instruments* – IFRS 9 was initially issued in November 2008 and contains requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

The final version of IFRS 9 was issued in July 2014 and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company has not early adopted these new or revised standards because they are not effective until or subsequent to annual and interim reporting periods. The Company is currently assessing the impact that these standards will have on the financial statements.

4. Related Party Transactions and Balances

The Company has identified its directors and certain senior officers as its key personnel. No post-employment benefits, other long-terms benefits and termination benefits were incurred during the years ended July 31, 2015 and 2014 The amounts due to related parties consists of the following as at periods ended October 31, 2015 and 2014:

	2015 **$**	**2014** **$**
President, CEO and director (Note 8)	$24,567	-
Totals	$24,567	$ -

The balances are unsecured, non-interest bearing and have no specific terms for repayment.

(The accompanying notes are an integral part of these financial statements)

4. Related Party Transactions and Balances (continued)

During the year, the Company entered into transactions with related parties comprised of directors, officers and companies with common directors. The short-term key management compensation and director fees consists of the following for the periods ended October 31, 2015 and 2014:

	2015 $	2014 $
Consulting fees to a company owned by common directors	15,000 –	5,000 –
Totals	$ 15,000	$ 5,000

5. Share Capital

The authorized share capital for the company consists of 100,000,000 common shares without par value. As at October 31, 2015, the company has 7,980,907 post-consolidated common shares issued and outstanding.

During fiscal 2015, the Company completed a non-brokered private placement of 1,400,000 common shares of the Company at $0.05 per share for gross proceeds of $70,000. In addition, the Company received subscriptions for a proposed private placement of 450,000 common shares of the Company at $0.10 per share. During the three-month period ending October 31, 2015, the Company received further subscriptions for 100,000 common shares of the Company at $0.10 per shares. In total, gross proceeds of $55,000 were received but the common shares have not been issued at October 31, 2015. SEE SUBSEQUENT EVENTS

6. Stock Options

Under the Company's stock option plan (the "Plan") the Company's board of directors is authorized to grant stock options to directors, senior officers, employees, consultants, consultant company or management company employees not to exceed 10% of the issued and outstanding common shares of the Company from time to time. Stock options granted under the Plan are exercisable over a period not exceeding two years from the date granted. An option shall be granted as fully vested immediately, unless a vesting schedule is imposed by the Board as a condition at the grant date.

During the year ended July 31, 2015, the Company granted 225,000 to directors, officers and consultants to purchase 225,000 common shares of the Company at $0.05 and $0.10 per share. All options vested immediately upon grant. The fair value of the options granted was $7,785. No options were issued or exercised during the three-month period ending October 31, 2015.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company's share options and other share-based transactions.

The following table summarizes the continuity of the Company's stock options:

	Options outstanding and exercisable	Weighted average exercise price $
Balance, July 31, 2014	250,000	0.05
Granted	225,000	0.06
Balance, July 31 and October 31, 2015	475,000	0.06

(The accompanying notes are an integral part of these financial statements)

6. Stock Options (continued)

As at October 31, 2015, the following stock options were outstanding:

	Outstanding and exercisable		
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.05 to 0.10	475,000	0.99	0.06

7. Financial Instruments and Risks

(b) Fair Values

Per IFRS 7, a three-level hierarchy that reflects the significance of inputs used in making fair value adjustments is required. The three levels of fair value hierarchy are as follows:

d) Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
e) Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
f) Level 3 – Input for assets or liabilities that are not based on observable market data.

Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair measurement. The Company's financial assets measured on a recurring basis at fair value are as follows:

	October 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,948	$ –	$ –	$ 3,948

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of these financial assets represents the maximum credit exposure.

(f) Foreign Exchange Rate and Interest Rate Risk

The Company's interest rate risk management policy is to purchase highly liquid investments with terms to maturity of three months or less on the date of purchase or redeemable at the option of the Company. The Company does not engage in any hedging activity. The Company does not have significant interest rate risk.

During the periods ended October 31, 2015 and 2014, the Company held financial assets and liabilities and incurred expenses denominated primarily in Canadian dollars. The Company does not have significant foreign exchange risk.

(g) 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 using cash. The ability to do this relies on the Company raising equity financing in a timely manner. The Company has a working capital

7. Financial Instruments and Risks (continued)

deficiency and requires additional funds from financing to meet its current obligations. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 9.

The following are contractual maturities of financial liabilities as at October 31, 2015:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years
Accounts payable	$ 49,548	$ 49,548	$ 49,548	$ –

(h) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

8. Capital Management

The Company's objectives when managing capital are to identify, pursue exploration and development of mineral properties, to maintain financial strength, 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. The Company does not have any externally imposed capital requirements to which it is subject. The Company's principal source of funds is advances from related parties and the issuance of share capital.

Management considers shareholders' equity as capital:

	2015	2014
Shareholders' equity	$ (67,174)	$ (8,425)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares while minimizing dilution for its existing shareholders.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected to match the expected timing of expenditures to continue operations.

The Company's overall strategy with respect to capital risk management remains unchanged from the year ended July 31, 2015.

(The accompanying notes are an integral part of these financial statements)

9. Segment Information

The Company currently operates in a single reportable operating segment. All of the Company's assets and expenditures are located in Canada at present.

10: Subsequent Events

On December 29, 2015, the company issued a total of 550,000 shares in conjunction with its private placement.