MARITIME

RESOURCES CORP.

ANNUAL REPORT 2015

MARITIME RESOURCES CORP.

FINANCIAL STATEMENTS

December 31, 2015

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Maritime Resources Corp.

We have audited the accompanying financial statements of Maritime Resources Corp., which comprise the statements of financial position as at December 31, 2015 and 2014, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 audit 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 the auditors' 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, the auditor considers 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, these financial statements present fairly, in all material respects, the financial position of Maritime Resources Corp. as at December 31, 2015 and 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Professional Accountants

April 13, 2016

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MARITIME RESOURCES CORP.

Statements of Financial Position

(Expressed in Canadian Dollars)

	Note		December 31, 2015		December 31, 2014
Assets					
Current assets					
Cash	6	$	2,119	$	155,709
Receivables	7		7,038		6,284
Prepaid expenses			-		4,853
Advance			-		8,500
			9,157		175,346
Exploration and evaluation assets	8, 14		4,924,533		4,798,178
		$	4,933,690	$	4,973,524
Liabilities and Shareholders' Equity					
Current liabilities					
Accounts payable and accrued liabilities	9, 14	$	368,366	$	34,118
Loans	10, 14		355,000		237,930
			723,366		272,048
Shareholders' Equity					
Capital Stock	12		6,088,885		6,082,485
Warrants	13		-		6,400
Share-based payments reserve	12		462,734		574,498
Deficit			(2,341,295)		(1,961,907)
			4,210,324		4,701,476
		$	4,933,690	$	4,973,524

See accompanying notes to the financial statements.

Nature of operations and going concern (note 1)

Subsequent events (note 16)

Approved on behalf of the Board:

"Douglas Fulcher"
……………………………………………………… Director
Douglas Fulcher

"Allan Williams"
……………………………………………………… Director
Allan Williams

MARITIME RESOURCES CORP.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Note	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014
Expenses			
Administration		$ 78,236	$ 91,662
Consulting	14	138,600	137,167
Directors' fees	14	67,500	-
Financing expense and interest on loans payable	10	67,130	11,665
Investor relations and promotion		79,059	86,308
Professional fees		64,492	68,487
Share-based payments	12	185,923	173,620
		(680,940)	**(568,909)**
Gain on forgiveness of debt	14	3,865	-
Loss Before Deferred Tax Recovery		(677,075)	(568,909)
Deferred tax recovery - flow-through	15	-	14,350
Loss and Comprehensive Loss for the Year		**$ (677,075)**	**$ (554,559)**
Loss Per Share		$ (0.019)	$ (0.016)
Weighted Average Number of Common Shares Outstanding		35,867,795	34,697,342

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the Years Ended	
	December 31, 2015	December 31, 2014
Operating Activities		
Loss for the year	$ (677,075)	$ (554,559)
Items not involving cash:		
Share-based payments	185,923	173,620
Financing expense and interest accrued on loan payable	67,130	11,665
Gain on forgiveness of debt	(3,865)	-
Deferred tax recovery - flow-through	-	(14,350)
	(427,887)	(383,624)
Changes in non-cash working capital:		
Receivables	(754)	3,094
Prepaid expenses	4,853	5,932
Advance	8,500	(8,500)
Accounts payable, accrued liabilities and interest payable	246,349	(105,173)
	258,948	(104,647)
Cash Used in Operating Activities	(168,939)	(488,271)
Investing Activities		
Exploration and evaluation expenditures	(109,589)	(200,041)
Recoveries and Grant	44,938	-
Cash Used in Investing Activities	(64,651)	(200,041)
Financing Activities		
Loan proceeds	80,000	275,000
Repayment of loan	-	(120,000)
Interest paid	-	(6,707)
Shares and warrants issued for cash	-	537,250
Cash Provided by Financing Activities	80,000	685,543
Change in cash for the Year	(153,590)	(2,769)
Cash, Beginning of Year	155,709	158,478
Cash, End of Year	$ 2,119	$ 155,709
Cash paid for interest	$ -	$ 6,707
Cash paid for taxes	$ -	$ -
Exploration and evaluation assets included in accounts payable and accrued liabilities	$ 62,483	$ 779
Supplemental disclosure of non-cash financial and investing activities:		
Fair value of shares issued to lenders	$ -	$ 41,333
Fair value of warrants issued	$ -	$ 6,400

See accompanying notes to the financial statements.

MARITIME RESOURCES CORP.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2015 and 2014
(Expressed in Canadian Dollars)

	Note	Capital Stock Shares (#)	Capital Stock Amount	Warrants	Share-based Payments Reserve	Deficit	Total Shareholders' Equity
Balance, December 31, 2013		**33,403,130**	**$ 5,524,652**	**$ -**	**$ 402,652**	**$ (1,409,122)**	**$ 4,518,182**
Loss and comprehensive loss for the year		-	-	-	-	(554,559)	(554,559)
Shares and warrants issued upon private placement	12(b)	2,098,000	530,850	6,400	-	-	537,250
Non-cash transactions							-
Other liability on flow-through share premium		-	(14,350)	-	-	-	(14,350)
Shares issued to lenders		366,665	41,333	-	-	-	41,333
Share-based payments		-	-	-	173,620	-	173,620
Transfer of share-based payments expired		-	-	-	(1,774)	1,774	- -
Balance, December 31, 2014		**35,867,795**	**$ 6,082,485**	**$ 6,400**	**$ 574,498**	**$ (1,961,907)**	**$ 4,701,476**
Loss and comprehensive loss for the year		-	-	-	-	(677,075)	(677,075)
Warrants expired		-	6,400	(6,400)	-	-	-
Share-based payments		-	-	-	185,923	-	185,923
Transfer of share-based payments expired		-	-	-	(297,687)	297,687	-
Balance, December 31, 2015		**35,867,795**	**$ 6,088,885**	**$ -**	**$ 462,734**	**$ (2,341,295)**	**$ 4,210,324**

See accompanying notes to the financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Maritime Resources Corp. (the "Company" or "Maritime") was incorporated under the *Business Corporations Act* (British Columbia) on May 14, 2007. The principal activity of the Company is the exploration and development of mineral properties in Green Bay, Newfoundland and Labrador, Canada. The Company is considered to be in the exploration stage.

The address of the Company's corporate office and principal place of business is Suite 615 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be successful in doing so in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical basis, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

These financial statements were authorized for issuance by the Board of Directors on April 13, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the historical cost basis, except for financial instruments which are stated at fair value.

(a) Use of estimates and judgment

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these financial statements include:

Judgment:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Estimates:

Valuation of share-based payments, agent compensation and finders' warrants – The Company uses the Black-Scholes Pricing Model for valuation of share-based payments, agent compensation and finders' warrants, which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(b) Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar.

(c) Cash

Cash consists of cash on hand and demand deposits that are subject to an insignificant risk of change in value.

(d) Exploration and evaluation assets ("E&E")

Once the legal right to explore a property has been obtained, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs, net of recoveries, on a property-by-property basis. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general administrative overhead costs, are expensed in the period in which they occur.

From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments and government assistance are recorded as property costs or recoveries when the payments are made or received.

If economically recoverable ore reserves are developed, capitalized costs of the related property will be reclassified as mining assets and will be amortized using the unit-of-production method. When a property is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of the project are deemed to be impaired. As a result those E&E costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses E&E assets for impairment at each statement of financial position date or whenever facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. A cash-generating unit is the smallest identifiable group of E&E assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Although the Company has taken steps to verify title to the properties in which it has an interest in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee that title to the properties will not be challenged or impugned. Property title may be affected by undetected defects, be subject to unregistered prior agreements, transfers or land claims, or be non-compliant with regulatory requirements.

(e) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the properties may be diminished or negated.

(f) 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 of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(g) Financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial assets

Financial assets are classified into one of the following categories. The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

a. Fair value through profit or loss (“FVTPL”)

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 if:
- 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
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

b. Available-for-sale investments ("AFS")

Short-term investments and other assets held not otherwise designated, are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive loss. Impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive loss is included in profit or loss for the period. The Company does not have any assets classified as AFS financial assets.

c. Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are held to maturity, and are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the reporting period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

d. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. 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 asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

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

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the bad debt account. Subsequent recoveries of amounts previously written off are credited against the bad debt account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(i) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include trade accounts payable, other payables, advances from non-controlling interest, deferred credits and loans.

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise trade payables and accrued liabilities. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

(h) Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period during which the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number at options that vest. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to deficit.

(j) Flow-through shares and unit offerings

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through share premium") as follows:

- Share capital – the market value of the share
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature based on the residual value method.
- Warrants – recorded as reserves based on the residual value method.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed and the flow-through share premium is amortized to profit or loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time (before or after the end of the reporting period).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the quoted market price of the common shares at the time the units are priced, thento the flow-through tax premium, if any and thereafter to warrants.

(k) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of conversions or exercise of options and warrants as they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

(l) Segmented information

The Company has one operating segment, mineral exploration and development, and operates in one geographical segment, being Canada.

(m) Adoption of new IFRS pronouncements

The adoption of the following new IFRS pronouncements did not have an effect on the Company's financial statements:

- IAS 36, "Impairment of Assets" is effective for annual periods beginning on or after July 1, 2014.
- IAS 32, "Financial Instruments: Presentation" was adopted by the Company on January 1, 2014. IAS 32 applies to the offsetting of financial assets and financial liabilities.
- IFRS 10, "Exception from Consolidation for "Investment Entities"" in conjunction with IFRS 12 and IAS 27, was adopted by the Company on January 1, 2014. IFRS 10 amends the definition of "Investment Entity" and introduces and an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures required by an investment entity.

(n) New accounting standards not yet adopted

- IFRS 7, "Financial Instruments: Disclosures" (amendments) is effective for annual periods beginning on or after January 1, 2015.
- IFRS 14, "Regulatory Deferral Accounts" is effective for annual periods beginning on or after January 1, 2016.
- IFRS 15, "Revenue from Contracts with Customers" is effective for annual periods beginning on or after January 1, 2017.
- IFRS 9, "Financial Instruments: Classification and Measurement" is effective for annual periods beginning on or after January 1, 2018.

The Company is currently evaluating the impact of these new and amended standards on its financial statements. The impact is not expected to have a material impact on the statements of financial position or results of operations.

4. FINANCIAL INSTRUMENTS

The Company has classified its cash as FVTPL (using level 1 of the fair value hierarchy); receivables (excluding tax arrangements) as loans and receivables; and accounts payable and accrued liabilities and loans as other financial liabilities.

The carrying values of cash, receivables and accounts payable and accrued liabilities and loans approximate their fair values due to the short-term maturity of these financial instruments.

5. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash, any restricted cash and receivables, other than Goods and Services Tax ("GST"). The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company is exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and

(ii) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to foreign currency risk as its monetary assets and liabilities are denominated in Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to other price risk.

There were no changes in the Company's approach to managing the above risks.

(Expressed in Canadian Dollars)

6. CASH

	December 31, 2015	December 31, 2014
Cash	$ 2,119	$ 155,709

7. RECEIVABLES

	December 31, 2015	December 31, 2014
GST receivable	$ 7,038	$ 6,284

8. EXPLORATION AND EVALUATION ASSETS

Expenditures incurred on the Company's 100% owned Green Bay Property, located in Newfoundland and Labrador, Canada, during the years ended December 31, 2015 and 2014 follow:

	December 31, 2015	December 31, 2014
Balance at the beginning of the year	$ 4,798,178	$ 4,600,234
Exploration costs:		
Drilling	3,900	3,075
Geology and report writing	113,741	160,934
Geochemistry	-	7,063
Property	51,542	26,872
Other	2,110	-
	171,293	197,944
Less:		
Recoveries & Grants	(44,938)	-
Net additions	126,355	197,944
Balance at the end of the year	**$ 4,924,533**	**$ 4,798,178**

During 2010, the Company acquired a 50% initial interest in the Green Bay mineral property, by way of issuance of 12,000,000 shares at a fair value of $0.18 per share, and legal, listing fees and other costs of $64,563, for total consideration of $2,224,563.

On January 31, 2012, the Company exercised its option to acquire the remaining 50% interest in the Green Bay property from a significant shareholder, through the issuance of an additional 5,000,000 common shares at $0.20 per share for total consideration of $1,000,000, such that the

(Expressed in Canadian Dollars)

Company owns a 100% interest in the property, subject to a 2% net smelter return royalty on future production from the property with the exception of production from the Orion deposit.

Recoveries and Grants:

- On May 7, 2015 the Company received $19,938 pursuant to an application made with the Newfoundland and Labrador government in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program ("JEAP") grant for exploration conducted during 2014.
- On July 13, 2015, the Company received $17,000 from the Government of Newfoundland and Labrador in respect of return of deposits on certain leases.
- On December 8, 2015, the Company disposed of equipment to a party related by virtue of common officership, for total proceeds of $8,000.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2015		December 31, 2014
Accounts payable	$	12,882	$	4,891
Accrued liabilities		85,880		15,000
Interest payable (1)		32,793		2,733
Due to related parties (note 14)		236,811		11,494
	$	368,366	$	34,118

(1) Included in interest payable at December 31, 2015 is $14,535 (December 31, 2014 is $836) due to related parties (Note 14(b))

10. LOANS

During the years ended December 31, 2012, 2013, 2014 and 2015, the Company arranged for various loans as follows:

2012 Notes and 2013 Notes	On November 7, 2012, the Company completed loan arrangements by way of promissory notes for total proceeds of $400,000. The 2012 Notes matured on October 31, 2013 and bore interest of 10% per annum. In connection with the 2012 Notes, the Company, as a bonus to the lenders, issued in the aggregate 400,000 common shares at a total fair value of $68,000, which transaction cost was amortized and expensed prior to December 31, 2013. During the year ended December 31, 2013, the Company repaid, in the aggregate, principal of $280,000 and interest of $42,317 to some of the lenders, and re-entered into loan arrangements ("2013 Notes") for total principal of $120,000, bearing interest of 10% per annum and due on demand. During 2014, the Company satisfied all obligations in respect of the 2013 Notes, through the repayment of the remaining principal of $120,000, and payment of interest of $6,707.
2014 Notes	On December 15, 2014, the Company completed loan arrangements by way of promissory notes for total proceeds of $275,000. The 2014 Notes, subsequently amended, mature on November 14, 2016 and bear interest of 10% per annum. In connection with the 2014 Notes, the Company, as a bonus to the lenders, issued in the aggregate 366,665 common shares at a total fair value of $41,333, which transaction cost is amortized and expensed over the term of the loan. At December 31, 2015, the fair value of $41,333 had been fully expensed, resulting in a fair value of the loans, excluding

(Expressed in Canadian Dollars)

	interest, of $275,000.
2015 Notes #1	On June 18, 2015, the Company completed loan arrangements by way of promissory notes for total proceeds of $12,500 (2015 Notes #1). The 2015 Notes#1 mature on June 18, 2016 and bear interest of 10% per annum.
2015 Notes #2	On June 18, 2015, the Company completed loan arrangements by way of promissory notes for total proceeds of $12,500(“2015 Notes #2”). The 2015 Notes #2 mature on June 18, 2016 and bear interest of 10% per annum.
2015 Notes #3	On October 8, 2015, the Company completed a loan arrangement by way of a promissory note for total proceeds of $30,000 (“2015 Notes #3”). The 2015 Notes #3 mature on October 8, 2016 and bear interest of 10% per annum.
2015 Notes #4	On October 15, 2015, the Company completed a loan arrangement by way of a promissory note for total proceeds of $25,000 (“2015 Notes #4”). The 2015 Notes #4 mature on October 15, 2016 and bear interest of 10% per annum.

At December 31, 2015, the Company had principal of $355,000 (2014: $275,000) and interest of $32,793(2014: $2,733) owing to the lenders bearing interest of 10% per annum (Note 14).

	Principal ($)		Value of bonus shares ($)	Amortized values of bonus shares ($)	Principle (net of unamortized value of bonus shares) ($)	Interest payable ($)	Total ($)
2014 Notes	275,000	(1)	(41,333)	41,333	**275,000**	30,233	**305,233**
2015 Notes #1	12,500	(2)	-	-	**12,500**	671	**13,171**
2015 Notes #2	12,500		-	-	**12,500**	671	**13,171**
2015 Notes #3	30,000		-	-	**30,000**	528	**30,528**
2015 Notes #4	25,000	(3)	-	-	**25,000**	690	**25,690**
	355,000		**(41,333)**	**41,333**	**355,000**	**32,793**	**387,793**

(1) $125,000 provided by parties related to the company
(2) $12,500 provided by parties related to the company
(3) $25,000 provided by parties related to the company

11. CAPITAL MANAGEMENT

The Company defines capital as all components of shareholders’ equity and debt obligations. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company’s business. The Company does not pay dividends and is not subject to any externally imposed capital requirements.

The Company raises capital through the issuance of its share capital and promissory notes to fund operations, and the identification and evaluation of exploration assets. Although the Company has been successful at raising funds in the past through issuance of common shares, there can be no assurance that it will continue to be able to do so in the future.

There were no changes to the Company’s approach to capital management during the year ended December 31, 2015. The Company is not subject to any externally imposed capital restrictions.

12. CAPITAL STOCK

a) Authorized

Unlimited number of common shares without par value

b) Issued

During the year ended December 31, 2015, the Company:

- Did not issue any shares.
- On February 12, 2015 Commander Resources Ltd. ("Commander") and Maritime entered into an option and shares purchase agreement (the "Option and Share Purchase Agreement") pursuant to which Maritime, or its nominees (the "Maritime Group"), has the option to purchase, in stages, a total of 10,000,000 of the 11,440,000 common shares of Maritime owned by Commander; should Maritime elect to acquire any of the shares, that acquisition will be subject to regulatory approval. Maritime and Commander also entered into a voting trust agreement (the "Voting Trust Agreement"), whereby Commander will vote its remaining shares with management of the Company for the duration of the Option and Share Purchase Agreement (Note 16).

During the year ended December 31, 2014, the Company:

- On May 22, 2014, closed the first tranche on a private placement (the "Private Placement"), and issued 913,000 non-flow-through unit ("NFT Units") at $0.25 per unit, 235,000 flow-through units ("FT Units") at $0.30 per unit and 850,000 common shares at $0.25 per common share, for total proceeds of $511,250. Each NFT Unit consists of one non-flow-through common share and one share purchase warrant ("Warrant'). Each FT Unit consists of one flow-through common share and one Warrant. Each warrant entitles the holder to purchase one non-flow-through common share at a price of $0.35 per common share until May 22, 2015. The warrants expired.
- On June 18, 2014, closed the second tranche of the Private Placement, and issued 80,000 NFT Units at $0.25 per unit and 20,000 FT Units at $0.30 per unit for total proceeds of $26,000. Each warrant entitles the holder to purchase one common shares at $0.35 per common share until June 18, 2015.No finders' fees were paid in connection with the Private Placement. The warrants expired.
- In December, 2014, issued in the aggregate 366,665 common shares at a total fair value of $41,333, as a bonus to the lenders in connection with the 2014 Notes (Note 10).

c) Stock options

The Company has a "rolling" stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the TSX Venture Exchange, and the options may be granted for a maximum term of ten years from the date of grant. The Company records the fair value of all options granted using the Black-Scholes model as share-based payment expense over the vesting period of the options. Vesting terms are determined by the Board of Directors.

(Expressed in Canadian Dollars)

A summary of the Company's stock options as at December 31, 2015 and 2014and changes during the years then ended follows:

	Number of Options		Weighted Average
Outstanding, December 31, 2013	2,425,000	$	0.175
Granted	860,000	$	0.250
Expired	(10,000)	$	0.200
Outstanding December 31, 2014	3,275,000	$	0.195
Granted	150,000	$	0.160
Granted	1,785,000	$	0.150
Expired	(1,000,000)	$	0.150
Expired	(150,000)	$	0.165
Expired	(315,000)	$	0.200
Expired	(240,000)	$	0.280
Outstanding, December 31, 2015	3,505,000	$	0.178
Exercisable, December 31, 2015	3,455,000	$	0.179

On March 4, 2015, the Company granted stock options allowing for the purchase of up to, in the aggregate, 150,000 common shares of the capital of the Company with a fair value of $21,392 or $0.15 per option. The options are exercisable at $0.16 per share until March 20, 2020.

On November 13, 2015, the Company granted stock options to directors, officers, employees and consultants of the Company, allowing for the purchase of up to, in the aggregate, 1,785,000 shares in the capital of the Company at a price of $0.15 per share until November 13, 2020. 1,735,000 of the options vest immediately with fair value of $162,097 or $0.09 per option. The remaining 50,000 options vest over a one year period (25% vest every 3 months from original grant date). The fair value of the 50,000 options was $4,784 or $0.10 per share of which $1,322 is recorded during 2015 due to vesting terms.

At December 31, 2015, options allowing for the purchase, in the aggregate, of 3,455,000 (2014: 3,267,000) shares were vested and exercisable, with a weighted average exercise price of $0.179 (2014: $0.195) per share and a weighted average remaining contractual life of 3.71 (2014: 2.45) years.

During the year ended December 31, 2014, options allowing for the purchase of up to, in the aggregate, 860,000 shares in the capital of the company were granted with a fair value of $174,392 or $0.20 per option. Due to vesting terms the remaining fair value of $573 is to be recorded in 2015.

The Company has estimated the forfeiture rate to be 0.00%. Expected volatility was determined based on the historical movements in the closing price of the Company's, or comparable companies' stocks for a length of time to the expected life of each option.

(Expressed in Canadian Dollars)

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for the grants as follows:

	2015	2014
Risk-free interest rate	0.94%	1.49%
Expected dividend yield	Nil	Nil
Expected stock price volatility	114%	122%
Expected option life in years	5	5

As at December 31, 2015, stock options outstanding were as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years	Weighted Average Exercise Price
250,000	250,000	$0.200	14-Dec-16		
200,000	200,000	$0.175	26-Apr-17		
500,000	500,000	$0.200	21-Jan-18		
420,000	420,000	$0.280	29-May-19		
200,000	200,000	$0.150	15-Oct-19		
150,000	150,000	$0.160	04-Mar-20		
1,785,000	1,735,000	$0.150	13-Nov-20		
3,505,000	3,455,000			3.72	0.178

13. WARRANTS

During the year ended December 31, 2014, the Company in connection with a private placement, issued warrants allowing for the purchase of up to 1,248,000 common shares. The warrants entitled the holder to purchase one common share at a price of $0.35, with 1,148,000 of the warrants expiring on May 22, 2015 and 100,000 expiring on June 18, 2015. The warrants were valued using the residual method, such that the 1,148,000 warrants issued on May 22, 2014 were valued at $Nil and 100,000 warrants issued on June 18, 2014 were valued at $6,400, (80,000 warrants from NFT units valued at $6,400 and 20,000 warrants from FT units valued at $Nil). All of the warrants expired unexercised resulting in a reversal of $6,400 to share capital.

(Expressed in Canadian Dollars)

A summary of the status of the Company's warrants as at December 31, 2014 and December 31, 2015 follows:

	Number of Warrants		Amount	Expiry Date
Outstanding and Exercisable at December 31, 2014				
Private placement				
- *Tranche 1*	1,148,000	$	-	22-May-15
- *Tranche 2*	100,000		6,400	18-Jun-15
Outstanding and exercisable, December 31, 2014	1,248,000	$	6,400	
Expiry of warrants	(1,248,000)	$	(6,400)	
Outstanding and exercisable, December 31, 2015	-	$	-	

14. RELATED PARTY TRANSACTIONS

(a) Services

i. From January 1 to June 30, 2014, the Company had arrangements with a company related by virtue of common directorship and which, at December 31, 2014, held approximately 26% of the Company's issued and outstanding shares, in respect of rent, accounting, investor relations, office administration, and insurance. The Company incurred the following charges during the years ended December 31, 2015 and 2014:

		2015		2014
Rent	$	-	$	20,912
Insurance		-		3,712
IR & conference		-		20,084
Office administration		-		2,413
	$	-	$	47,121

During the year ended December 31, 2015, $3,865 (2014: $Nil) owing to that party was forgiven and written off, such that at December 31, 2015, accounts payable and accrued liabilities included $Nil (2014:$3,865) due to that party.

ii. Effective July 1, 2014 the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. For the years ended December 31, 2015 and 2014, the Company was charged for exploration costs and to reimburse office and administrative costs as follows:

		2015		2014
Rent	$	37,573	$	11,014
Consulting		7,500		15,000
Geological consulting		30,525		-
Office administration		12,790		7,515
	$	88,388	$	33,529

(Expressed in Canadian Dollars)

At December 31, 2015, the Company had advanced $Nil (2014: $8,500) to AESC for future services. At December 31, 2015 the Company owed $28,190 (2014: $6,965) to AESC.

(b) Loans

In respect of the 2013 Notes (Note 10), the Company repaid loans of $Nil (2014: $95,000) and related interest of $Nil (2014: $5,310) during the year to key management and directors of the Company.

In respect of the 2014 Notes (Note 10), the Company received $125,000 from key management and a director of the Company, and issued 166,666 common shares valued at $17,330 as bonus shares to these related parties. At December 31, 2015, interest of $13,336 (2014: $836) and principal of $125,000 (2014: $125,000) was owed to those related parties.

In respect of the 2015 Notes (Note 10), the Company received $37,500 from key management and directors to the Company. At December 31, 2015, interest of $1,199 (2014: $Nil) and principal of $37,500 (2014: $Nil) was owed to those related parties.

	2014 Notes		2015 Notes	
	Principal	Bonus shares	Principal	Bonus shares
	($)	(#)	($)	(#)
Related parties	125,000	166,666	37,500	-

(c) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including stock-based compensation, of key management personnel during the years ended December 31, 2015 and 2014were as follows:

	2015	2014
Consulting	$ 138,600	$ 137,167
Directors' fees	67,500	-
Geological consulting	97,125	64,800
Share-based payments	155,090	130,893
	$ 458,315	$ 332,860

In respect of services provided and expenses incurred during the year ended December 31, 2015, the Company owed at December 31, 2015, $63,000 (2014: $664) to the CEO and a director of the Company, $52,920 (2014:$Nil) to an officer and former director of the Company, $10,500 (2014: $Nil) to the CFO of the Company,$14,701 (2014: $Nil) to an officer of the Company. Effective April 1, 2015, the Company has agreed to provide for directors' fees, as to $1,500 per month for each of the 5 non-executive directors. At December 31, 2015, all of these directors' fees, totaling $67,500, remain unpaid.

(Expressed in Canadian Dollars)

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2015		2014
Earnings (loss) for the year	$	(677,075)	$	(554,559)
Expected income tax (recovery)	$	(176,000)	$	(144,000)
Change in statutory, foreign tax, foreign exchange rates and other		5,000		(16,000)
Permanent Difference		49,000		41,000
Impact of flow through share		-		20,000
Adjustment to prior years provision versus statutory tax returns and		(2,000)		-
Change in unrecognized deductible temporary differences		124,000		99,000
Total income tax expense (recovery)	**$**	**-**	**$**	**-**

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2015		2014
Deferred Tax Assets (liabilities)				
Exploration and evaluation assets	$	(292,000)	$	(292,000)
Share issue costs		8,000		7,000
Non-capital losses available for future period		617,000		494,000
		333,000		209,000
Unrecognized deferred tax assets		(333,000)		(209,000)
Net deferred tax assets	**$**	**-**	**$**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2015	Expiry Date Range		2014	Expiry Date Range
Temporary Differences						
Exploration and evaluation assets	$	(1,164,000)	No expiry date	$	(1,164,000)	No expiry date
Investment tax credit		14,000	2033 to 2033		14,000	2033 to 2033
Share issue costs		30,000	2036 to 2038		27,000	2036 to 2038
Non-capital losses available for future period		2,373,000	2027 to 2035		1,900,000	2027 to 2034
Canada		2,373,000	2027 to 2035		1,900,000	2027 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Funds raised through the issuance of FT shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined within the Canadian Income Tax Act. Upon incurring the qualified expenditures, the deferred tax liability in the amount of $14,350 relating to the premium on the issuance of flow-through shares was relieved to the Statement of Loss and Comprehensive Loss.

16. SUBSEQUENT EVENTS

- Completed the first tranche of a private placement coupled with streaming royalties, to raise up to $1,500,000 (the "Offering") by way of non-brokered private placement of units ("Equity Units") coupled with a streaming Royalty ("Royalty Units") that will return 100% of the original investment made pursuant to the Offering to investors, which streaming Royalty is to be paid out of future production from the Company's Green Bay project ("Project"). As a condition of the Offering, all participants acquiring Equity Units will be required to acquire an equal number of Royalty Units, at a total combined price of $0.15. The Offering is comprised of up to 10,000,000 Equity Units at $0.14 per Equity Unit, with each Equity Unit consisting of one common share and on half of one non-transferable share purchase warrant ("Warrant"). Each whole Warrant attached to the Equity Units will entitle the holder to purchase one additional common share at a price of $0.20 per common share for 36 months following closing. The Royalty Units will have a price of $0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. Total royalties payable from the Royalty Units ("Royalty Payment") will be capped at an amount equal to 100% of the total Offering, with Royalty Payments being made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow from the Project, with net cash flow representing net production revenues realized from the Project after deduction all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold. Finders' fees in cash or Equity Units together with Finder/Broker Warrants, which will have the same terms as the Warrants attached to the Equity Units, may be payable on a portion of the placement to finders or brokers who assist in the placement, in accordance with applicable securities laws. The first tranche closed on February 12, 2016, and consisted of the 1,300,000 Equity Units, for gross proceeds of $195,000, pursuant to which it issued the following:
    - 1,300,000 common shares
    - warrants (the "Warrants") allowing for the purchase up to, in the aggregate, 650,000 common shares at $0.20 per share for 36 months from the date of closing
    - 1,300,000 Royalty Units

  In connection with the Offering, finders' fees of $14,625 were paid and 97,500 brokers warrants ("Broker Warrants") were issued, with the Brokers Warrants having the same terms as the Warrants.

- On April 6, 2016 the Company has amended the terms of the Option and Share Purchase Agreement with Commander. Pursuant to the amended Option and Share Purchase Agreement, Maritime will identify third parties to purchase an initial 2,000,000 shares at a price of $0.14 per share on or before August 31, 2016 (the "Initial Sale"), of which 1,000,000 shares must be purchased before April 30, 2016 (completed). Provided that the Initial Sale is completed by August 31, 2016, Maritime will have the option to identify third party purchasers to purchase an additional 2,000,000 shares every 6 months over the next 18 months at escalating prices of $0.21, $0.25, and $0.30 per share. The final two option prices are further subject to the price being the greater of the option price or 85% of the volume weighted average price of the common shares for the 10 trading days immediately preceding the applicable option exercise date. Any shares not purchased in a particular option exercise period are carried forward one time to the next exercise period at the higher exercise price, provided that a minimum of 500,000 shares have been purchased in the preceding period. The Voting Trust Agreement remains in full force and effect for the duration of the Option and Share Purchase Agreement, as amended. Any shares not purchased pursuant to the terms of the Option and Share Purchase Agreement, as amended, will automatically be released from the provisions of the Voting Trust Agreement.