

**ALEXANDRA CAPITAL CORP.**  
(An Exploration Stage Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

Nine Months Ended August 31, 2016

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

## NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Alexandra Capital Corp. (the "Company") for the nine months ended August 31, 2016 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), consistent with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the condensed interim financial statements by an entity's auditor.

October 18, 2016

*"Blake Olafson"*

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President and CEO

*"Vivian Katsuris"*

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Chief Financial Officer

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**ALEXANDRA CAPITAL CORP.**Condensed Interim Statements of Financial Position  
(Expressed in Canadian dollars)

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As at	Note	August 31, 2016	November 30, 2015
<b>ASSETS</b>			
Current assets			
Cash		\$ 15,530	\$ 10,186
Sales tax receivable		456	-
Prepaid expenses	8	1,061	2,600
Short-term investment	2	100,000	215,106
Total current assets		117,047	227,892
Non-current assets			
Exploration and evaluation assets	3	165,012	165,012
Total assets		\$ 282,059	\$ 392,904
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 3,658	\$ 33,887
Total current liabilities		3,658	33,887
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	4	633,109	633,109
Contributed surplus	4	117,016	117,016
Deficit		(471,724)	(391,108)
Total shareholders' equity		278,401	359,017
Total liabilities and shareholders' equity		\$ 282,059	\$ 392,904

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These financial statements are authorized for issuance by the Board of Directors on October 18, 2016.

Approved on behalf of the Board:

"Blake Olafson"  
Director

"Ioannis Tsitos"  
Director

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

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**ALEXANDRA CAPITAL CORP.**Condensed Interim Statements of Net and Comprehensive Loss  
(Expressed in Canadian dollars)

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	Note	Nine Months Ended August 31, 2016	Nine Months Ended August 31, 2015	Three Months Ended August 31, 2016	Three Months Ended August 31, 2015
<b>OPERATING EXPENSES</b>					
General office expenses		\$ 720	\$ 736	\$ 305	\$ 161
Professional fees	8	31,424	32,909	6,015	11,315
Rent		-	900	-	300
Transfer agent and filing fees		48,677	15,321	5,705	5,291
<hr/>					
Total expenses		(80,821)	(49,866)	(12,025)	(17,067)
<b>OTHER INCOME</b>					
Interest income		205	1,779	98	509
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<b>NET AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$ (80,616)</b>	<b>\$ (48,087)</b>	<b>\$ (11,927)</b>	<b>\$ (16,558)</b>
<hr/>					
<b>LOSS PER SHARE, Basic and Diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<hr/>					
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, Basic and Diluted</b>					
		12,934,000	12,934,000	12,934,000	12,934,000

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

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**ALEXANDRA CAPITAL CORP.**Condensed Interim Statements of Cash Flows  
(Expressed in Canadian dollars)

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	Nine Months Ended August 31, 2016	Nine Months Ended August 31, 2015
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Cash Provided By (Used In)		
Operating Activities		
Net and comprehensive loss for the period	\$ (80,616)	\$ (48,087)
Changes in non-cash working capital:		
Sales tax receivable	(456)	8,526
Prepaid expenses	1,539	3,700
Other receivables	-	(1,454)
Accounts payable and accrued liabilities	(30,229)	(70,621)
Net cash used in operating activities	(109,762)	(107,936)
Investing Activities		
Deferred exploration costs	-	(10,000)
Short-term investments	115,106	70,000
Net cash provided by investing activities	115,106	60,000
Increase (decrease) in cash	5,344	(47,936)
Cash, beginning of the period	10,186	52,859
Cash, end of the period	\$ 15,530	\$ 4,923

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

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**ALEXANDRA CAPITAL CORP.**Condensed Interim Statement of Changes in Equity  
(Expressed in Canadian dollars)

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	Share capital		Contributed Surplus	Deficit	Total
	Number of shares	Amount			
Balance, November 30, 2014	12,934,000	\$ 633,109	\$ 117,016	\$ (301,675)	\$ 448,450
Net and comprehensive loss for the period	-	-	-	(48,087)	(48,087)
Balance, August 31, 2015	12,934,000	633,109	117,016	(349,762)	400,363
Balance, November 30, 2015	12,934,000	633,109	117,016	(391,108)	359,017
Net and comprehensive loss for the period	-	-	-	(80,616)	(80,616)
Balance, August 31, 2016	12,934,000	\$ 633,109	\$ 117,016	\$ (471,724)	\$ 278,401

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

**ALEXANDRA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**August 31, 2016**  
(EXPRESSED IN CANADIAN DOLLARS)

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**1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN**

Alexandra Capital Corp. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on October 17, 2011. The head office, principal address and registered and records office of the Company are located at 300 – 2015 Burrard Street, Vancouver, B.C., V6J 3H4.

On August 11, 2014 the Company completed its qualifying transaction with arm’s length vendor (the “Vendor”) Eastland Management Limited (“Eastland”) and on August 13, 2014 commenced trading on the TSX Venture Exchange as a Tier 2 Mining Issuer. Effective August 11, 2014, the Company’s principal business activity is the exploration of mineral resources on the Southern Belle or “SB” Property.

On March 7, 2016, the Company announced that it has received final approval to list its common shares on the Canadian Securities Exchange (the “CSE”) and has voluntarily delisted its common shares from the TSX Venture Exchange (the “TSXV”). The Company’s common shares commenced trading on the CSE at market open on March 10, 2016 and were delisted from the TSXV effective March 9, 2016. The Company’s trading symbol “AXC” remains the same.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and exploration costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

The Company emphasizes that attention should be drawn to matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The recoverability of capitalized costs on the Southern Belle property is uncertain and dependent upon projects achieving commercial production or sale. The ability of the Company to carry out its business objectives are dependent on the Company’s ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future.

	<u>August 31, 2016</u>	<u>November 30, 2015</u>
Working capital	\$ 113,389	\$ 194,005
Deficit	\$ (471,724)	\$ (391,108)

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”). The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

These financial statements have been prepared on the historical cost basis except for certain financial instruments classified as fair value through profit or loss (“FVTPL”) and available-for-sale which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

accounting, except cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

These financial statements are authorized for issue by the Board of Directors on October 18, 2016.

### **Significant accounting judgments, estimates and assumptions**

The preparation of these financial statements in conformity of IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates includes:

- the inputs used in accounting for share-based payments such as stock options;
- the inputs used in assessing the recoverability of exploration expenditures incurred.

Significant judgments used in the preparation of these financial statements include, but are not limited to:

- those relating to the assessment of the Company's ability to continue as a going concern.

### **Cash**

Cash consists of amounts held in banks and cashable highly liquid investments with limited interest and credit risk.

### **Short-term investments**

Short-term investments are investments which are transitional or current in nature with an original maturity greater than three months and less than twelve months. As at August 31, 2016, short-term investments consist of \$100,000 in Guaranteed Investment Certificates ("GICs") with an annual interest rates of 0.70%.

### **Share-based payment**

The Company recognizes share-based payment expense for the estimated fair value of equity-based instruments granted to both employees and non-employees. Compensation expense is recognized when the options are granted with the same amount being recorded as contributed surplus. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the current share price, the expected volatility of the underlying shares, the expected dividend yield, and the risk free interest rate for the term of the option. If the options are exercised, contributed surplus will be reduced by the applicable amount. Share-based payment calculations have no effect in the Company's cash position.

### **Exploration and evaluation expenditures**

The Company is in the exploration stage with respect to its investment in mineral interests. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur. At such time as commercial production commences, these costs will be charged to operations on



## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Exploration and evaluation expenditures (continued)**

a unit-of-production method based on proven and probable resources. The aggregate costs related to abandoned exploration and evaluation assets are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition. The Company recognizes as income, any costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

### **Decommissioning, restoration and similar liabilities (“Asset retirement obligation”)**

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of exploration and evaluation assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

As at August 31, 2016, the Company has no asset retirement obligations and accordingly, has not recorded an asset retirement obligation in the financial statements.

### **Flow-through shares**

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy.

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

- Share capital – the fair market price at the date of the issue;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature, i.e. the portion in excess of the market value of the shares without the flow-through features at the time of issue; and
- Fair value of warrants – if warrants are being issued, based on the valuation derived using the residual method.

In the case that the Company doesn’t issue non flow-through units together with the flow-through units, the flow-through share premium is determined by using the residual method, whereby the fair value of warrants

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Flow-through shares (continued)**

will be valued based on the Black-Scholes option-pricing model, and the flow-through share premium equal to any residual balance after the fair market price of the common shares and fair value of warrants.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

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). Additionally, the Company reverses the liability for the flow-through share premium to income, on a proportionate basis, as an offset to deferred tax expense.

### **Deferred financing costs**

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

### **Share purchase warrants**

The Company bifurcates units consisting of common shares and share purchase warrants using the residual value approach whereby it first measures the common share component of the unit at fair value using market prices as input values and then allocates any residual amount to the warrant component of the unit. The residual value of the warrant component is credited to reserves. When warrants are exercised, the corresponding residual value is transferred from reserves to share capital.

### **Earnings / loss per share**

Basic earnings (loss) per share are calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

### **Financial instruments**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and its related risks and rewards are

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Financial Instruments (continued)**

transferred. Financial liabilities are derecognized when they expire, are discharged or cancelled. Financial instruments are classified into five categories:

- Loans and receivables
- Held-to-maturity investments
- Available-for-sale
- Financial assets at fair value through profit and loss ("FVTPL")
- Financial liabilities at amortized cost

All financial instruments except the FVTPL and derivatives are measured initially at fair value plus transaction costs. Financial assets at FVTPL and derivatives are recognized initially at fair value while the transaction costs are expensed in the consolidated statement of income. The classification determines how the asset is subsequently measured and whether the resulting gains or losses are recognized in profit or loss or in other comprehensive income.

After initial recognition, loans and receivables and held-to-maturity investments are measured at amortized cost using the effective interest method. Any changes to the carrying amounts of the held-to-maturity investments including impairment charges are recognized in profit and loss. Available-for-sale financial assets are measured at fair value with gains and losses recognized in other comprehensive income. Financial assets at FVTPL include financial assets that are classified either as held-for-trading or those are designated at FVTPL upon initial recognition. Gains or losses in these financial assets are recorded in profit and loss.

The Company classified its cash and short-term investment as FVTPL which is measured at fair value. Other receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities which is measured at amortized cost.

Financial liabilities are measured subsequently at amortized cost except for those held-for-trading which are carried subsequently at fair value with gains or losses recorded in profit and loss.

### **Income taxes**

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect both accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Income taxes (continued)**

income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **Related party transactions**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

### **Adoption of new accounting standards and amendments**

The standards that were adopted for the period beginning on December 1, 2014 or earlier had no effect on the Company's financial statements for the periods presented, as a result, none of the standards are disclosed.

### **New and Revised IFRS Issued but Not Effective**

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below except those which the Company does not expect any impacts on the financial statements.

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement, 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. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The effective date of this new standard has recently been deferred by the IASB. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

In December 2014, the IASB amended IAS 1, "Presentation of Financial Statements", providing guidance on the application of judgment in the preparation of financial statements and disclosures. The amendments are effective for annual periods beginning on or after December 1, 2016 with early adoption permitted, but the Company does not intend to do so at this time.

## **3. EXPLORATION AND EVALUATION ASSETS**

### ***Southern Belle ("SB") Property, British Columbia***

On February 17, 2014, the Company entered into an Option Agreement with Qualitas Holdings Corp. whereby the Corporation acquired an option to earn an undivided 100% interest in and to the eight (8) mineral claims comprising the Southern Bell ("SB") Property, located approximately 25 kilometers west of Merritt, British Columbia totaling 3,517 hectares. The Option Agreement was amended on May 2, 2014 to substitute Eastland Management Ltd. for Qualitas Holdings Corp. as optionor of the claims.

**ALEXANDRA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**August 31, 2016**  
(EXPRESSED IN CANADIAN DOLLARS)

**3. EXPLORATION AND EVALUATION ASSETS (continued)**

On August 26, 2015, the Company and Eastland Management amended the Option Agreement so that on the first anniversary of TSXV approval (August 11, 2015) the Company must arrange for payment of \$10,000 to Eastland Management in lieu of the original obligation to issue 200,000 common shares. All other aspects of the Option Agreement remain unchanged.

In order to maintain the Option in good standing and earn a 100% interest in the SB Property, the Company is required to incur exploration expenditures totaling \$100,000 on or before August 11, 2015 (completed) and make the following payments and share issuances:

	<b>Cash</b>	<b>Shares</b>
Upon receipt of Technical Report from Eastland (paid)	\$ 10,000	-
Upon exchange acceptance of the Agreement (paid and issued)	15,000	200,000
On or before August 11, 2015 (paid)	10,000	-
On or before August 11, 2016 (pending)	-	300,000
	<b>\$ 35,000</b>	<b>500,000</b>

*Expenditures*

Expenditures for the nine months ended August 31, 2016 and the year ended November 30, 2015 are as follows:

<b>Southern Belle Property– British Columbia</b>	<b>August 31, 2016</b>	<b>November 30, 2015</b>
Acquisition costs:		
Balance, beginning	\$ 45,000	\$ 35,000
Additions	-	10,000
<b>Balance, Ending</b>	<b>45,000</b>	<b>45,000</b>
Explorations costs:		
Balance, beginning	120,012	120,012
No activity	-	-
<b>Balance, Ending</b>	<b>120,012</b>	<b>120,012</b>
<b>Total</b>	<b>\$ 165,012</b>	<b>\$ 165,012</b>

**ALEXANDRA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**August 31, 2016**  
(EXPRESSED IN CANADIAN DOLLARS)

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**4. SHARE CAPITAL**

(a) Authorized: Unlimited number of common shares without par value

The authorized capital of the Company consists of an unlimited number of common shares without par value. As at August 31, 2016, there were 12,934,000 common shares were issued and outstanding (November 30, 2015 – 12,934,000).

(b) Escrowed Shares

In accordance with the TSX Venture Exchange CPC policy guidelines, all seed shares issued at a price lower than the price of the Initial Public Offering (IPO) shares, all securities acquired by non-arm's length parties to the Company, and all securities acquired by a Control Person are held in escrow and will be released over a period of three years from the acceptance of the Company's qualifying transaction.

As at August 31, 2016, the Company has 2,400,000 (November 30, 2015: 4,800,000) common shares held in escrow. These common shares held in escrow are released as follows: 10% (800,000 common shares) released on the date of the acceptance of the Company's qualifying transaction and 15% (1,200,000 common shares) released every six months thereafter.

(c) Stock Options

On November 12, 2014 the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees, and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares in the capital of the Company at the time of granting of options.

Stock option transactions and the number of stock options outstanding as at August 31, 2016 and November 30, 2015 are summarized as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>
Balance, November 30, 2014	1,250,000	\$0.15
Granted	-	-
Cancelled and forfeited	(375,000)	-
<b>Balance, August 31, 2016 and November 30, 2015</b>	<b>875,000</b>	<b>\$0.16</b>

**ALEXANDRA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**August 31, 2016**  
(EXPRESSED IN CANADIAN DOLLARS)

**4. SHARE CAPITAL (continued)**

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of Options outstanding and exercisable</b>	<b>Weighted average remaining contractual life(year)</b>	<b>Weighted average exercise price</b>
	\$			\$
November 11, 2019	0.30	250,000	0.91	0.30
May 1, 2022	0.10	500,000	3.24	0.10
July 30, 2023	0.15	125,000	0.99	0.15
		875,000	5.14	0.16

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

(d) Share purchase warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding as at August 31, 2016 and November 30, 2015 are summarized as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>	<b>Expiry Date</b>
Balance, November 30, 2014	2,640,000	\$0.10	August 11, 2019
Granted	-	-	
Balance, November 30, 2015	<b>2,640,000</b>	<b>\$0.10</b>	
Granted	-	-	
<b>Balance, August 31, 2016</b>	<b>2,640,000</b>	<b>\$0.10</b>	

As at August 31, 2016, the above noted share purchase warrants have a weighted average remaining contractual life of 2.95 years.

**5. FINANCIAL RISK MANAGEMENT**

The Company's financial assets consist of cash, short-term investments and other receivables. The estimated fair values of cash, short-term investments and other receivables approximate their respective carrying values due to the short period to maturity.

**5. FINANCIAL RISK MANAGEMENT (continued)**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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 the asset or liability either directly or indirectly; and
- c. Level 3 – inputs that are not based on observable market data.

For the nine months ended August 31, 2016 and the year ended November 30, 2015, the Company's cash and short term investments are classified as Level 1.

The Company is exposed to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources will be sufficient to cover the likely short-term cash requirements. The Company's cash is currently invested in business accounts which is available on demand by the Company for its operations.

*Interest Rate Risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company has no significant interest rate risk. As of August 31, 2016, the Company had cash balance of \$15,530 and \$100,000 in GICs. (November 30, 2015: \$10,186 and \$215,106, respectively) The Company had no interest-bearing debt.

*Credit Risk*

Credit risk is the risk of a loss in a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is limited to its cash and short-term investments. The Company limits its exposure to credit risk by holding its cash and short-term investments in deposits with high credit quality Canadian financial institutions.



**ALEXANDRA CAPITAL CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**August 31, 2016**  
(EXPRESSED IN CANADIAN DOLLARS)

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**6. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents.

The property in which the Company currently has an interest is in the exploration stage; as such the Company has historically relied on equity financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2016 and the year ended November 30, 2015.

**7. WRITE-OFF SALES TAX RECEIVABLE**

Sales tax previously determined to be deductible was written off as a result of information received from the CRA (Canada Revenue Agency) during the year ended November 30, 2014. As a capital pool company, the Company was not eligible to claim ITC's (Input Tax Credits) until the Company identified and completed its Qualifying Transaction. During the nine months ended August 31, 2016, the Company fully paid off a payable balance to the CRA. As at August 31, 2016, the Company had a receivable balance of \$456 from the CRA.

**8. RELATED PARTY TRANSACTIONS**

The amounts due to related parties are due to the directors and officers of the Company. The balances are unsecured, non-interest bearing and have no specific terms for repayment. Accordingly, the fair value cannot readily be determined. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at August 31, 2016 and November 30, 2015, there was no related party balance with the directors and officers of the Company.

During the nine months ended August 31, 2016 and 2015, the Company incurred the following amounts through transactions with the CFO of the Company:

	August 31, 2016	August 31, 2015
Consulting fees	\$ 7,500	\$ 4,500

As at August 31, 2016, \$1,061 was due from the CFO of the Company.