Cache Exploration Inc.

Consolidated Financial Statements

For the Years Ended September 30, 2016 and 2015

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cache Exploration Inc.

We have audited the accompanying consolidated financial statements of Cache Exploration Inc., which comprise the consolidated statements of financial position as at September 30, 2016 and 2015, and the consolidated statements of 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 Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Cache Exploration Inc. as at September 30, 2016 and 2015, 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 to the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cache Exploration Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 30, 2017

CACHE EXPLORATION INC.
Consolidated Statements of Financial Position
As at September 30, 2016 and 2015
(Expressed in Canadian dollars)

	September 30, 2016	September 30, 2015
	$	$
ASSETS		
Current Assets		
Cash	2,395	15,090
Receivables	4,258	552
Prepaid and deposits	-	887
	6,653	16,529
Long Term Assets		
Exploration and evaluation asset (Note 5)	100,000	-
Total Assets	106,653	16,529
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	5,000	34,729
Total Liabilities	5,000	34,729
Shareholders' Equity		
Share capital (Note 4)	3,900,921	3,630,921
Deficit	(3,799,268)	(3,649,121)
Total Equity	101,653	(18,200)
Total Equity and Liabilities	106,653	16,529

These financial statements were authorized for issue by the Board of Directors on January 30, 2017.

They are signed on the Company's behalf by:

"Sonny Janda" **, Director**
Sonny Janda

"Jack Bal" **, CEO, Director**
Jack Bal

The accompanying notes are an integral part of the consolidated financial statements.

CACHE EXPLORATION INC.
Consolidated Statements of Comprehensive Loss
For the Years Ended September 30, 2016 and 2015
(Expressed in Canadian dollars)

	September 30, 2016	**September 30, 2015**
	$	$
Expenses		
Consulting (Note 9)	56,000	47,650
Office and miscellaneous (Note 9)	2,880	26,867
Professional fees	30,100	7,143
Regulatory and listing fees	27,167	22,073
Rent and administration (Note 9)	34,000	36,000
Not loss and comprehensive loss for the year	**(150,147)**	**(139,733)**
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average shares outstanding -basic and diluted	**17,281,151**	**14,960,710**

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

CACHE EXPLORATION INC.
Consolidated Statement of Changes in Shareholders' Equity
For the Years Ended September 30, 2016 and 2015
(Expressed in Canadian dollars)

	Share Capital			
	Number of shares	**Share capital**	**Deficit**	**Total**
	#	$	$	$
Balance as at September 30, 2014	14,894,044	3,610,921	(3,509,388)	101,533
Shares issued for cash	800,000	20,000	-	20,000
Comprehensive loss for the year	-	-	(139,733)	(139,733)
Balance as at September 30, 2015	15,694,044	3,630,921	(3,649,121)	(18,200)
Shares issued for cash	10,800,000	270,000	-	270,000
Comprehensive loss for the year	-	-	(150,147)	(150,147)
Balance as at September 30, 2016	26,494,044	3,900,921	(3,799,268)	101,653

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

CACHE EXPLORATION INC.
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2016 and 2015
(Expressed in Canadian dollars)

	September 30, 2016	**September 30, 2015**
	$	**$**
Operating activities		
Net loss for the year	(150,147)	(139,733)
Changes in non-cash working capital items		
Receivables	(3,706)	6,438
Prepaid and deposits	887	17,113
Accounts payable and accrued liabilities	(29,729)	-
Net cash flows used in operating activities	**(182,695)**	**(88,766)**
Investing activities		
Exploration and evaluation asset option payment	(100,000)	-
Net cash flows used in investment activities	**(100,000)**	**-**
Financing activities		
Cash received from share issuances	270,000	20,000
Net cash flows provided by financing activities	**270,000**	**20,000**
Decrease in cash	(12,695)	(68,766)
Cash, beginning	15,090	83,856
Cash, ending	**2,395**	**15,090**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the provisions of the British Columbia Business Corporations Act in October 2005. On March 1, 2010, the Company's Qualifying Transaction was approved and the Company's common shares commenced trading as a TSX Venture Exchange Tier 2 mining issuer under the symbol CAY. The Company's head office address is #200 – 8338 – 120th Street, Surrey, BC, V3W 3N4.

These consolidated financial statements have been prepared on the basis that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business.

The appropriateness of using the going concern basis of financial statement preparation is dependent upon, among other things, the Company's ability to receive financial support, complete necessary financings, or generate profitable operations in the future. These conditions indicate the existence of material uncertainties that may cast significant doubt that the Company will be able to continue on a going concern basis. Management currently believes that sufficient working capital may be obtained from public share offerings to meet the Company's liabilities and commitments as they come due. These financial statements do not reflect any adjustments to amounts that would be necessary if the going concern assumption were not appropriate.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements were approved and authorized for issue by the Board of Directors of the Company on January 30, 2017.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. All amounts are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, unless otherwise noted.

Significant estimates and assumptions
The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, the fair value of warrants granted and the recoverability and measurement of deferred tax assets.

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and the classification of financial instruments.

Consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cache Minerals Inc. The subsidiary is an inactive company. All significant inter-company balances and transactions have been eliminated on consolidation.

Determination of functional currency
The functional currency of the Company is measured using the currency of the primary economic environment in which that the Company operates. The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity. The Company's functional currency is Canadian dollar.

Transactions and balances
Transactions denominated in foreign currencies are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive loss.

Exploration and evaluation assets
Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired.

The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Share-based payments
The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non- employees are measured at the fair value of 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 corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share purchase warrants
The Company has adopted the residual method with respect to the measurement of warrants issued as private placement units. This method allocates the proceeds received based on the fair value of the shares, with any remaining value greater than the share’s fair value being allocated to the warrants. The value attributed to the warrants is recorded to a reserve. When warrants are exercised, the value is transferred from the reserve to capital stock. If the warrants expire unexercised, the related amount remains in the reserve.

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the income/(loss) attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income/(loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year.

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. All financial assets and liabilities are recorded at fair value at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for- sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary financial assets.

Other financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

The Company classifies its financial instruments as follows:

Cash – Loans and receivables
Receivables - Loans and receivables
Accounts Payable and Accrued Liabilities - Other financial liabilities

Accounting standards issued but not yet applied

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. SHARE CAPITAL

(a) Authorized

The Company's authorized capital consists of an unlimited number of common shares without par value.

(b) Issued

On August 16, 2016, the Company split its outstanding share capital on a basis of one old for two new shares. All share numbers have been restated to reflect the split.

On July 25, 2016, 5,800,000 warrants were exercised at $0.025 per warrant for gross proceeds of $145,000.

On August 26, 2016, 5,000,000 warrants were exercised at $0.025 per warrant for gross proceeds of $125,000.

On June 12, 2015 the Company issued 800,000 units at $0.025 per unit. Each unit was comprised of one common share and one share purchase warrant, exercisable at $0.025 for five years. The full value was assigned to the common shares using the residual method.

(Expressed in Canadian dollars)

(c) Share purchase warrants

The continuity of share purchase warrants for the year ended September 30, 2016 and 2015 is as follows:

Expiry Date	Exercise Price	Balance September 30, 2015	Issued	Exercised	Expired / Cancelled	Balance September 30, 2016
August 27, 2016	$0.025	10,000,000	-	10,000,000	-	-
June 11, 2020	$0.025	800,000	-	800,000	-	-
Total		10,800,000	-	10,800,000	-	-

Expiry Date	Exercise Price	Balance September 30, 2014	Issued	Expired / Cancelled	Balance September 30, 2015
August 27, 2016	$0.025	10,000,000	-	-	10,000,000
June 11, 2020	$0.025	-	800,000	-	800,000
Total		10,000,000	800,000	-	10,800,000

(d) Share purchase options

The Company adopted a stock option plan (the "Plan"), which provides that the Board of Directors may, at its discretion, grant directors, officers, employees and consultants non-transferable stock options to purchase common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. Under this plan, the aggregate number of common stock options shall not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the plan expires or terminates for any reason in accordance with the terms of the plan without being exercised, that option shall again be available for the purpose of the plan. All options vest over a period determined by the Board of Directors and expire up to five years after issuance

There were no options issued and outstanding at September 30, 2016 or 2015.

5. EXPLORATION AND EVALUATION ASSETS

On July 15, 2016, the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in the Vianey Mining Concessions (the "Property") located in Guerrero State, Mexico. Pursuant to the Agreement, in order for the Company to exercise its option it must make cash payments to the optionor of $300,000 and incur exploration work of not less than $250,000 by July 15, 2018. The cash payments to the optionor are to be paid as follows:

- $100,000 on or before July 31, 2016 (paid);
- $100,000 on or before July 15, 2017; and
- $100,000 on or before July 15, 2018.

The Property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase 1% of the NSR for a cash payment of $1,000,000.

(Expressed in Canadian dollars)

6. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2016	September 30, 2015
	$	$
Net loss before taxes	(150,147)	(139,733)
Statutory tax rate	26%	26%
Expected income tax recovery at the statutory tax rate	(39,038)	(36,331)
Valuation allowance	39,038	36,331
Income tax recovery	-	-

The Company's deferred tax asset are as follows:

	September 30, 2016	September 30, 2015
	$	$
Non-capital loss carry-forwards	444,962	405,924
Exploration and evaluation assets	236,862	236,862
Valuation allowance	(681,824)	(642,789)
	-	-

As at September 30, 2016, the Company has non-capital losses of approximately $1,711,000, which may be available to reduce future taxable income in Canada as follows:

Year of Origin	Year of Expiry	Non Capital Losses
		$
2005	2025	1,000
2006	2026	38,000
2007	2027	31,000
2008	2028	18,000
2009	2029	70,000
2010	2030	224,000
2011	2031	464,000
2012	3032	228,000
2013	2033	164,000
2014	2034	156,000
2015	2035	167,000
2016	2036	150,000
		1,711,000

7. CAPITAL RISK MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of exploration properties. The Company manages its capital structure in a manner that provides sufficient funding for operational activities.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will be required to spend its existing working capital and to raise additional amounts as needed.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to raise additional equity capital in this manner.

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 year ended September 30, 2016.

8. FINANCIAL INSTRUMENTS AND RISK FACTORS

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial Risk Factors

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There were no changes in the risks, objectives, policies and procedures from the previous period.

Credit Risk Management
Credit risk relating to cash and receivables arises from the possibility that a counterparty to an instrument fails to perform. Management believes that credit risk is minimal.

Liquidity Risk
The Company budgets on an ongoing basis to determine the amount of funds required to support the Company's operations and planned exploration activities. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's liquid assets at September 30, 2016 consisted of cash of $2,395 and receivables of $4,258. The Company does not have sufficient funds to meet its current liabilities as they become due.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's cash balances earn interest at fixed rates over the next three to twelve months. It is management's opinion that the Company is not exposed to significant interest rate risk. The Company has no interest bearing debt.

9. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2016 and 2015, the Company had the following transactions with related parties:

- $30,000 rent, administration and consulting fees (2015 - $43,000) to a company having a common CFO;
- $2,000 accounting fee (2015 - $1,000) to companies controlled by the CFO;
- $Nil accounting fee (2015 - $750) to companies controlled by a former CFO;
- $42,000 management/consulting fees (2015– $Nil) to a Director.
- $10,000 management/consulting fees (2015– $Nil) to a company controlled a director of the Company.
- $Nil management/consulting fees (2015– $40,000) to a company managed by a former Director.

As at September 30, 2016, the Company $Nil (2015 – $28,763) was owed to a company with the same CFO for rent, administration and consulting fees.