

Copperbank Resources Corp.

Condensed Consolidated Interim Financial Statements

Three and Six Months ended June 30, 2016 and 2015

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READERS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed consolidated interim financial statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of the Company's management.

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	June 30, 2016	December 31, 2015
		\$	\$
Assets			
Current assets			
Cash		61,682	114,773
Other receivable		185,966	200,472
Prepaid expenses and deposit		8,001	98,165
		255,649	413,410
Note receivable	6	18,213	-
Reclamation deposit	5	2,602	2,768
Property and equipment		-	256
Resource properties	5	4,389,097	4,150,362
Total Assets		4,665,561	4,566,796
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		104,867	27,719
Due to related parties		-	24,418
		104,867	52,137
Shareholders' equity (deficiency)			
Share capital	4	13,347,888	12,931,471
Reserves		22,248,248	22,229,164
Deficit		(31,035,442)	(30,645,976)
		4,560,694	4,514,659
Shareholders' Equity and Liabilities		4,665,561	4,566,796

Nature of operations and going concern 1

Approved and authorized for issuance by the Board of Directors on August 26, 2016

"Tony Ricci"
Director

"Gianni Kovacevic "
Director

See accompanying notes to the condensed consolidation interim financial statements

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
EXPENSES				
Amortization	–	30	256	60
Consulting and management fees	75,927	11,694	153,205	41,963
Filing fees and shareholders' services	7,950	9,465	17,822	13,621
Insurance	630	2,109	1,791	4,250
Rental	14,280	1,141	29,479	29,107
Office and administration	4,731	14,190	5,273	23,880
Promotion, advertisement and shareholder relations	102,565	81,053	129,620	94,618
Professional fees	4,387	20,622	11,161	26,048
Share-based compensation	17,314	56,539	36,050	182,712
Travel	28,278	1,020	38,279	13,594
Loss before other items:	(256,062)	(197,863)	(422,936)	(429,853)
Other items:				
Gain on disposal of equipment previously written off	–	(105)	32,921	130,341
Interest and other income	–	–	549	–
Total other items	–	(105)	33,470	130,341
Net loss	(256,062)	(197,968)	(389,466)	(299,512)
Other comprehensive loss:				
subsequently to profit or loss:				
Exchange gain (loss) on translating foreign operations	(3,768)	(115,940)	(16,966)	603,249
Comprehensive loss	(259,830)	(313,908)	(406,432)	303,737
Loss per share, basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of outstanding shares	139,795,222	130,432,291	136,465,604	130,432,291

See accompanying notes to the condensed consolidation interim financial statements

Copperbank Resources Corp.
Condensed consolidated interim statements of changes in equity (deficiency)
(Unaudited - Expressed in Canadian dollars)

	Common shares		Reserves			Accumulated other comprehensive loss	Deficit	Total
	Number	Amount	Warrants	Options	Other			
December 31, 2014	130,432,291	12,811,451	2,672,394	1,673	16,182,235	2,386,651	(21,528,841)	12,525,563
Share-based compensation	-	-	-	182,712	-	-	-	182,712
Translation from the foreign subsidiary	-	-	-	-	-	603,249	-	603,249
Net loss	-	-	-	-	-	-	(299,512)	(299,512)
June 30, 2015	130,432,291	12,811,451	2,672,394	184,385	16,182,235	2,989,900	(21,828,353)	13,012,012
December 31, 2015	133,098,990	12,931,471	2,672,391	173,287	16,182,235	3,201,251	(30,645,976)	4,514,659
Issuance of shares for cash	7,500,000	300,000	-	-	-	-	-	300,000
Issuance of shares for debt	2,328,340	116,417	-	-	-	-	-	116,417
Share-based compensation	-	-	-	36,050	-	-	-	36,050
Translation from the foreign subsidiary	-	-	-	-	-	(16,966)	-	(16,966)
Net loss	-	-	-	-	-	-	(389,466)	(389,466)
June 30, 2016	142,927,330	13,347,888	2,672,391	209,337	16,182,235	3,184,285	(31,035,442)	4,560,694

See accompanying notes to the condensed consolidation interim financial statements

Copperbank Resources Corp.
Condensed consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

Six months ended June 30,	2016	2015
	\$	\$
Operating Activities		
Net loss for the period	(389,466)	(299,512)
Items not involving cash		
Amortization	256	60
Gain on disposal of equipment previously written off	(32,921)	(130,341)
Share-based compensation	36,050	182,712
Changes in non-cash working capital		
Prepaid expenses and deposits	92,164	14,851
Receivable	3,288	4,148
Due to related party	–	(43,500)
Accounts payable and accrued liabilities	79,148	(38,678)
Cash Used in Operating Activities	(211,481)	(310,260)
Financing Activities		
Shares issuance for cash	300,000	–
Cash provided by Financing Activities	300,000	–
Investing Activities		
Proceeds from sale of equipment	13,251	14,571
Increase of deferred exploration cost	(156,000)	(149,154)
Cash Used in Investing Activities	(142,749)	(134,583)
Effect of change in foreign currency	1,139	1,576
Net Increase (Decrease) in Cash	(53,091)	(443,267)
Cash, Beginning of Period	114,773	772,418
Cash, End of Period	61,682	329,151

See accompanying notes to the condensed consolidation interim financial statements

SUPPLEMENTAL CASH FLOW INFORMATION (Note 10)

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Six Months ended June 30, 2016 and 2015
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Copperbank Resources Corp. (the “Company” or “Copperbank”) was incorporated on October 21, 2014 under the *Business Corporation Act* (British Columbia). The Company’s head office and principal address is located at Suite 2706 - 1011 West Cordova Street, Vancouver, British Columbia, V6B 0C2. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “CBK”, and its principal business is the acquisition and development of mineral properties.

Going concern

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Accordingly, these consolidated 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 is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. On June 30, 2016, the Company has working capital of \$150,782 (2015/12/31 - \$361,273) and an accumulated deficit of \$31,035,442. The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements or a combination thereof in order to meet its administrative costs and to continue to explore and develop its mineral properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its ongoing obligations. Management seeks to raise capital, when necessary, to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful as it is dependent on prevailing capital market conditions and the availability of other financing opportunities.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements for the three and six months ended June 30, 2016, together with the comparative figures herein have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the audited annual financial statements of the Company for the most recent year ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has not changed its accounting policies since its recent year ended December 31, 2015. The Company has applied its accounting policies consistently by the Company and its subsidiary for all periods presented.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Six Months ended June 30, 2016 and 2015
(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements incorporate the accounts of the Company and its wholly-owned subsidiaries, Enexo International Inc. (“Enexo US”) (Nevada), 1016079 B.C Ltd. (British Columbia), and Copperbank Resources Alaska Inc. (Alaska). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

Significant estimates and judgments

Apart from making estimates and assumptions as described below, the Company’s management makes critical judgments in the process of applying its accounting policies that have a significant effect on the amounts recognized in the Company’s consolidated financial statements. The significant judgments that the Company’s management has made in the process of applying the Company’s accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

- The indicators of impairment of property and equipment and resource properties.

Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s property and equipment and resource properties.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses; the Company’s ability to obtain financing for exploration and development activities and its future plans on the resource properties; current and future metal prices; and market sentiment are all factors considered by the Company.

In respect of the carrying value of property and equipment recorded on the consolidated statement of financial position, management has determined that it continues to be appropriately recorded, as there have been no obsolescence or physical damage to the assets, and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

- The determination of the Company and its subsidiary’s functional currency.

The functional currency of the Company and its subsidiary is the currency of the primary economic environment and the Company reconsiders the functional currency if there is a change in events and conditions, which determined the primary economic environment.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three and Six Months ended June 30, 2016 and 2015
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant estimates and judgments (continued)

- The recoverable value of resource properties
- The provision for income taxes and recognition of deferred income tax assets and liabilities.
- The inputs used in the Black-Scholes option pricing model to calculate the fair value of options and warrants.
- The inputs in determining the bifurcation of unit offerings into the different equity components.
- The fair value of the total consideration in the Transaction.
- The fair value of net assets of Choice Gold and Full Metal acquired during the year.
- The completeness of asset retirement and environmental obligations.

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

Accounting standards issued but not yet adopted

IFRS 9 *Financial Instruments* 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. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this new standard will be for periods beginning on or after January 1, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

4. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

On April 28, 2016, the Company closed a non-brokered private placement of 7,500,000 common shares at a price of \$0.04 per share for gross proceeds of \$300,000. No Finder's Fees were paid on the financing.

On April 28, 2016, the Company issued 2,328,340 common shares at \$0.05/share to settle \$116,417 amounts payable to the CEO, CFO and the executive chairman of the Company.

c) Warrants

There were no warrants exercised, issuance, or expired during the six months ended June 30, 2016. As at June 30, 2016 and December 31, 2015, the following warrants were outstanding:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Number of outstanding</u>
October 20, 2019	\$ 0.50	74,238,003

On June 30, 2016, the remaining contractual life of the warrants was 3.31years (2015/12/31 – 3.81 years).

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4. SHARE CAPITAL (Continued)

d) Options

The Company has retained and adopted the “rolling” stock option plan (the “Plan”) of Choice Gold that allows it to grant options to its employees, directors, consultants and officers. Under the terms of the Plan, the exercise price of each option will not be lower than the lowest exercise price permitted by the TSX Venture Exchange. The Plan allows for a maximum of 10% of outstanding shares to be issued.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant or officer, and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option.

During the six months ended June 30, 2016, the Company granted 500,000 stock options with an exercise price of \$0.05 and an expiry date April 11, 2021. There were no options exercised during this period.

The Company recognized stock based compensation of \$36,050 during the six months ended June 30, 2016 (2015 - \$182,712). The Company used the Black-Scholes option pricing model and the following assumptions to determine the fair values of the stock options issued and vested during three months ended March 31, 2016 with the following assumptions:

	2016	2015
Risk-free interest rate	0.69%	0.68%
Expected life of options	5 years	5 years
Annualized volatility	210%	190 %
Dividend rate	0.00%	0.00%

As at June 30, 2016 and December 31, 2015, the following stock options were outstanding:

Expiry Date	Exercise Price	Number of Options	
		2016/6/30	2015/12/31
February 5, 2020	\$ 0.10	3,350,000	3,350,000
June 8, 2020	\$ 0.10	500,000	500,000
April 11, 2021	\$ 0.05	500,000	-
Total		4,350,000	3,850,000

On June 30, 2016, the remaining weighted average contractual life of the outstanding options was 3.78 years (2015/12/31 – 4.15 years), and the number of exercisable options was 3,012,500 (12/31/2015 – 2,000,000).

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5. RESOURCE PROPERTIES

a) Contact Property, Nevada

The Company owns a 100% interest in the Contact property located in Elko County, Nevada.

During the year ended December 31, 2015, the Company's did not make plan to conduct exploration in the near future. Management believes indicators of impairment existed that leading to a test of recoverable amount of the Contact property. The Company estimated the recoverable amount of \$Nil as at December 31, 2015, and accordingly, has fully provided this property. The Company will continue paying annual cost of this property with the aim of keeping the titles of this property in good standing.

b) Pyramid property, Alaska

The Company, through an amalgamation with Full Metal Minerals Limited ("Full Metal), acquired the interest of the Pyramid Project in 2014. Full Metal has an option agreement ("Pyramid Agreement") with The Aleut Corporation ("TAC"), an Alaska Regional Native Corporation for the acquisition of a 100% interest in subsurface mineral rights covering the Pyramid project. There were no changes of the terms of agreement since the recent year ended December 31, 2015.

c) Title to resource properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

d) Realization of assets

The investment in and expenditures on resource properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims are allowed to lapse.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited - Expressed in Canadian dollars)

5. RESOURCE PROPERTIES (Continued)

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 property may be diminished or negated.

f) Continuity of the resource properties

	<u>Contact</u>	<u>Pyramid</u>	<u>Other</u>	<u>Total</u>
	\$	\$	\$	\$
Balance, December 31, 2014	7,442,877	4,001,208	254,635	11,698,720
Annual option fees	-	149,154	-	149,154
Annual renewal	43,416	-	-	43,416
Effect of change in foreign exchange	762,831	-	26,098	788,929
Provision for impairment	(8,249,124)	-	(280,733)	(8,529,857)
Balance, December 31, 2015	-	4,150,362	-	4,150,362
Annual option fees/lease/maintenance	-	238,735	-	238,735
	-	4,389,097	-	4,389,097

6. NOTE RECEIVABLE

During the six months ended June 30, 2016, the Company sold a trailer that was previously fully written off in prior years for \$32,921. The Company received \$13,251 cash and a promissory note for US\$14,000. This promissory note is unsecured, bears interest at 4% per annum, and will be repaid at the rate of US\$258/month over a five-year period. As at June 30, 2016, the outstanding balance of this note receivable was \$18,213.

7. RELATED PARTY TRANSACTION

During six months ended June 30, 2016, the Company's officers and its executive chairman charged \$107,000 in consulting fees (2015 - \$Nil). During the period, the Company incurred share-based compensation of \$32,160 to directors and officers (2015 - \$144,941). The Company also reimbursed \$9,000 in rental expenses to its executive chairman during the period (2015 - \$Nil).

As at June 30, 2016, including in the Company's due to related party is an amount owing to key management members of \$Nil (2015/12/31 - \$24,418). These amounts owing are unsecured and non-interest bearing.

8. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the exploration and development of resource properties located in the United States. The Company's non-current assets comprised mainly of resource properties and reclamation bond that are located in the United States (\$4,391,699).

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(Unaudited - Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS

Financial instruments that are not measured at their values consist of cash, other receivable, note receivable, accounts payable and accrued liabilities, and due to related party. The carrying values of these financial instruments approximate their fair values due to their short-term nature.

Fair value

Financial assets and liabilities that are recognized on the statement of financial position at fair value can be classified in a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

10. SUPPLEMENTAL CASH FLOW INFORMATION

Six months ended June 30, 2016,	2016	2015
Non-cash transactions during the year:		
Equipment proceeds included in accounts receivable	\$ -	\$ 186,840
Share for debt settlement with related parties	\$ 116,417	\$ -
Due to related parties settled by disposition of equipment	\$ -	\$ 10,500
