BSS Life Sciences Inc.

Interim Financial Statements

For the three months ended December 31, 2015
(Unaudited)
(Expressed in Canadian Dollars)

BSS LIFE SCIENCES INC.
Interim Statement of Financial Position
As at December 31, 2015 (Unaudited) and September 30, 2015 (Audited)
(Expressed in Canadian Dollars)

	December 31, 2015		September 30, 2015
Assets			
Current			
Cash	123,946	$	4,990
Subscriptions receivable (note 6)	22,500		28,515
	146,446		33,505
Non-current			
Intangible asset (note 5)	50,484		12,703
	196,930	$	46,208
Liabilities			
Current			
Accounts payable (note 8)	3,757	$	46,192
Shareholders' Equity			
Share Capital (note 6)	316,500		47,500
Obligation to Issue Shares (note 11)	-		10,750
Deficit	(123,327)		(58,234)
	193,173		16
	196,930	$	46,208

Approved on behalf of the Board:

David Toyoda (signed)
Director

Jim Hutchens (signed)
Director

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

BSS LIFE SCIENCES INC.

Interim Statement of Loss and Comprehensive Loss
For the Three Months Ended December 31, 2015
(Expressed in Canadian Dollars)

		2015
Expenses		
Professional fees (note 8)	$	37,390
Consulting fees		11,627
General and administrative		13,804
Depreciation		2,272
Net Loss and Comprehensive Loss for the Period	$	(65,093)
Basic and Diluted Loss Per Share	$	(0.003)
Weighted Average Number of Common Shares Outstanding		25,576,087

The accompanying notes are an integral part of these financial statements

BSS LIFE SCIENCES INC.
Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital								
	Number		**Amount**		**Obligation to Issue Shares**		**Deficit**		**Total**
Balance, March 10, 2015 (date of incorporation)	1	$	1	$	-	$	-	$	1
Repurchase and cancellation of common share	(1)		(1)		-		-		(1)
Shares issued for cash	11,500,000		57,500		-				57,500
Subscriptions received	-		-		10,750		-		10,750
Share issue costs	-		(10,000)		-		-		(10,000)
Net loss for the period	-		-		-		(58,234)		(58,234)
Balance, September 30, 2015 (Audited)	11,500,000	$	47,500	$	10,750	$	(58,234)	$	16

	Share Capital								
	Number		**Amount**		**Obligation to Issue Shares**		**Deficit**		**Total**
Balance, September 30, 2015 (Audited)	11,500,000	$	47,500	$	10,750	$	(58,234)	$	16
Shares issued for cash	15,000,000		275,000		(10,750)				264,250
Share issue costs	-		(6,000)		-		-		(6,000)
Net loss for the period	-		-		-		(65,093)		(65,093)
Balance, December 31, 2015 (Unaudited)	11,500,000	$	316,500	$	-	$	(123,327)	$	193,173

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

BSS LIFE SCIENCES INC.

Interim Statement of Cash Flows
For the Three Months Ended December 31, 2015
(Expressed in Canadian Dollars)

		December 31, 2015
Operating Activities		
Net loss for period	$	(65,093)
Item not involving cash:		
Depreciation		2,272
Change in working capital balances:		
Accounts payable		(42,435)
Cash Used by Operating Activities		(105,256)
Investing Activity		
Purchase of intangible asset		(40,053)
Financing Activities		
Proceeds from shares issued		270,265
Share issue costs		(6,000)
Cash Provided by Financing Activities		264,265
Inflow of Cash		118,956
Cash, Beginning of Period		4,990
Cash, End of Period	$	123,946

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

1. NATURE AND CONTINUANCE OF OPERATIONS

BSS Life Sciences Inc. (the "Company") was incorporated in British Columbia, Canada, on March 10, 2015. The principal business of the Company is to research, develop and commercialize medical devices in the bio-chemical industry.

The head office and records of the Company are located at 700 – 595 Burrard Street, Vancouver, British Columbia, V7X 1S8.

These interim financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Several conditions cast significant doubt on the validity of this assumption. At present, the Company has no operating income. The Company has incurred net loss of $75,093 since incorporation, has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended amount of time. As at December 31, 2015, the Company has a net working capital of $132,689 and deficit of $133,327. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favourable terms. These uncertainties cast doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

If the going concern assumption were not appropriate for these interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the interim statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These interim financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34 Interim Financial Reporting, except for the omission of certain comparative interim financial statements as this is the first period of operation and there isn't sufficient information to prepare such.

These interim financial statements have been prepared on a historical cost basis, except for financial assets and liabilities classified as financial instruments at fair value through profit or loss ("FVTPL"), which are stated at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

The significant accounting policies set out in note 3 have been applied consistently to the period presented.

2. BASIS OF PRESENTATION (continued)

(a) Approval of the interim financial statements

These interim financial statements of the Company were approved by the Board of Directors and authorized for issue on February 11, 2016.

(b) New accounting pronouncement

IFRS 9 *Financial Instruments* (2014)

On July 24, 2014, the IASB issued the complete IFRS 9, which replaces the earlier versions of IFRS 9 (2009, 2010 and 2013). IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. The final standard also mends the impairment model by introducing a new "expected credit loss" model for calculating impairment, and new general hedge accounting requirements. IFRS 9 (2014) is effective for the Company's annual periods beginning after October 1, 2018 with earlier adoption permitted.

The Company is currently evaluating the impact of IFRS 9 on its financial statements and expects to apply the standard in accordance with its future mandatory effective date. The extent of the impact of adoption of this pronouncement has not yet been determined.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, FVTPL, loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

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

Loans and receivables
Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method. Subscription receivable is included in this category of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Held-to-maturity
Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method. The Company has no assets classified as held-to-maturity.

Available-for-sale
AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. The Company has no assets classified as AFS.

(ii) Financial liabilities

The Company classifies its financial liabilities in the following category:

Borrowings and other financial liabilities
Borrowings and other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash, subscription receivable, and accounts payable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

(iv) Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

(b) Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, and intent and ability to develop and use the technology, are met for deferral and amortization. No research or development costs have been incurred to date.

(c) Intangible assets

Intangible assets of the Company include technology rights and patents acquired from third parties, and are recorded at cost less accumulated amortization and accumulated impairment losses. Initial acquisition cost is based on the fair value of the consideration paid or payable, and will be amortized on a straight-line basis over the estimated useful life of the underlying technologies with finite lives. Once the Company commences research and development activities, the intangible assets will be amortized on a straight-line basis over 10 years. The Company reviews the estimated useful lives and carrying values of its technology rights and patents as part of its periodic assessment for impairment of non-financial assets.

The carrying amounts for technology rights and patents do not necessarily reflect present or future value and the ultimate amounts recoverable will be dependent upon the successful development and commercialization of products based on these underlying technologies.

(d) Impairment of non-financial assets

Impairment tests on non-financial assets are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(f) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income/loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect of previous periods. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Current tax expense is the expected tax payable on the taxable income for the period using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Share capital

Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds from issuance of units are allocated between common shares and warrants based on the residual method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to a warrants reserve.

(h) Significant accounting judgments, estimates and assumptions

The preparation of these interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities and contingent liabilities at the date of the interim financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant areas requiring the use of management estimates include:

- The utilization of deferred income tax assets; and
- The useful lives of the intangible assets.

Significant areas requiring the use of management's judgments include:

- Treatment of development costs

  Costs to develop products are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any development costs as at December 31, 2015.

- Recoverability of the carrying value of intangible assets

  Evaluating the recoverability requires judgments in determining whether future economic benefits from sale or otherwise are likely. Evaluation may be more complex where activities have not reached a stage that permits a reasonable assessment of the viability of the asset. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of marketing and sales data, as well as the Company's financial ability to continue marketing and sales activities and operations.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a single major Canadian financial institution. The Company considers credit risk on its cash to be minimal. The Company's subscription receivable consists of amounts receivable from its shareholders and considers credit risk on its subscription receivable to be minimal.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. At December 31, 2015, the Company had cash of $4,990 available to meet short-term business requirements and current liabilities of $46,192. The Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to significant market risk.

5. INTANGIBLE ASSET

On June 22, 2015, the Company and Lawrence Livermore National Security ("LLNS") entered into a license agreement, whereby the Company has exclusive right to develop, manufacture and sell a medical imaging device designed to complement white light endoscopy by adding fluorescent imaging for more accurate detection and treatment of various conditions, including the detection and treatment of cancer.

As consideration for the license agreement, the Company is required to pay a non-refundable license issue fee of US$100,000 due on the effective date and payable as follows:

- US$10,000 (paid) due on execution of the agreement;
- US$30,000 (paid) due within five months after the effective date;
- US$30,000 due within seven months after the effective date; and
- US$30,000 due within nine months after the effective date.

In addition, the Company is required to pay to LLNS a non-refundable US Maintenance Patent Fee of US$45,000 as follows:

- US$15,000 to be paid on or before February 28, 2016;
- US$15,000 to be paid on or before February 28, 2019; and
- US$15,000 to be paid on or before February 28, 2023.

(Expressed in Canadian Dollars)

5. INTANGIBLE ASSET (continued)

In the event that the Company grants sublicenses, LLNS will collect an issue fee equal to or greater than the license issue fee. The Company will pay to LLNS 50% of any license issue fee from sublicensing.

In addition, the Company will pay LLNS an earned royalty of 3% on net sales.

The license agreement will remain in effect until the expiration or abandonment of the last of the patent rights and are being depreciated straight line over 10 years.

6. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

On September 15, 2015, the Company issued 11,500,000 common shares at a price of $0.005 per common share for total proceeds of $57,500. Of which, $28,515 was received during the three months ended December 31, 2015. Share issue costs totaled $10,000.

On October 2, 2015, the Company issued 5,000,000 common shares at a price of $0.005 per common share for total proceeds of $25,000. Subscriptions receivable of $22,500 were received subsequent to December 31, 2015.

On October 9, 2015, the Company issued 10,000,000 units at a price of $0.025 per unit for total proceeds of $250,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.15 for a period of three years. Share issue costs totaled $6,000.

(c) Warrants

The Company has issued warrants entitling the holders to acquire common shares of the Company. A summary of changes in warrants is presented below:

		Weighted Average Exercise Price		**Number of Warrants**
Beginning balance – September 30, 2015	$	-		-
Granted		0.15		10,000,000
Issued and exercisable	$	0.15	$	10,000,000

All warrants expire October 9, 2018, three years after issuance.

7. CAPITAL MANAGEMENT

The Company plans to develop, manufacture and sell a medical imaging device for various health-related concerns, which involves a high degree of risk. The Company has not determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations, and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid.

There have been no changes to the Company's approach to capital management during the period.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing.

8. INCOME TAXES

The Company has available for deduction against future taxable income non-capital losses of approximately $123,000. These losses, if not utilized, will expire in 2036. Future tax benefits that may arise as a result of these non-capital losses have not been recognized in these interim financial statements and have been offset by a valuation due to the uncertainty of their realization.

9. SEGMENTED INFORMATION

The Company has one operating segment, the development of medical imaging devices. All its assets are based in Canada.

10. EVENTS AFTER THE REPORTING DATE

Subsequent to the three months ended December 31, 2015, the Company was acquired by Expedition Mining Inc. ("Expedition Mining"). In connection with the acquisition, Expedition Mining:

- Issued 21,500,000 common shares ("Acquisition shares") to the shareholders of the Company on a pro-rata basis. Of these, 11,500,000 shares are subject to escrow, to be released over three years (10% on the closing date and an additional 15% every six months thereafter);
- Issued 10,000,000 warrants ("Acquisition Warrants") to the holders of warrants of the Company on a pro-rata basis; each Acquisition Warrant exercisable at $0.15 per share for three years;
- Issued 5,000,000 performance shares to certain shareholders of the Company. These shares are subject to escrow, and to be released upon the successful conclusion of a beta prototype pertaining to the Company's technology which satisfactorily demonstrates the commercial viability of products based on such technology;