MITCHELL RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED FEBRUARY 29, 2016

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

The Company's auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MITCHELL RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	February 29, 2016 $	May 31, 2015 $
ASSETS			
Current assets			
Cash		44,437	75,410
GST receivable		539	428
Prepaid expenses		5,200	8,900
TOTAL ASSETS		50,176	84,738
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	5	143,100	103,524
Non-current liabilities			
Loans	3	521,989	512,593
TOTAL LIABILITIES		665,089	616,117
SHAREHOLDERS' DEFICIENCY			
Share capital	4	44,856,869	44,841,169
Share-based payments reserve		3,311,839	3,285,241
Deficit		(48,783,621)	(48,657,789)
TOTAL SHAREHOLDERS' DEFICIENCY		(614,913)	(531,379)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		50,176	84,738

Nature of Operations and Going Concern - Note 1

These condensed interim financial statements were approved for issue by the Board of Directors on April 27, 2016 and are signed on its behalf by:

/s/ Nick DeMare	*/s/ Harvey Lim*
Nick DeMare	Harvey Lim
Director	Director

MITCHELL RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended		Nine Months Ended	
		February 29 2016 $	February 28 2015 $	February 29 2016 $	February 28 2015 $
Expenses					
Accounting and administration		2,400	3,350	12,300	12,950
Audit		-	-	10,710	15,300
Legal		-	267	267	267
Office		104	177	720	445
Professional fees		13,650	13,650	40,950	40,950
Regulatory fees		2,540	1,845	6,819	6,124
Share-based compensation		26,598	-	26,598	-
Shareholder costs		77	-	1,630	1,868
Transfer agent fees		2,030	2,559	5,267	3,903
Travel		-	153	-	153
		47,399	22,001	105,261	81,960
Loss before other items		(47,399)	(22,001)	(105,261)	(81,960)
Other items					
Interest income		128	170	505	521
Foreign exchange		(7)	(39,871)	20	(60,371)
Financing expenses	3	(6,911)	(7,576)	(21,096)	(30,109)
		(6,790)	(47,277)	(20,571)	(89,959)
Net and comprehensive loss for the period		(54,189)	(69,278)	(125,832)	(171,919)
Basic and diluted loss per common share		$(0.00)	$(0.01)	$(0.01)	$(0.02)
Weighted average number of common shares outstanding		21,045,998	9,095,998	20,888,998	9,095,998

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

MITCHELL RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CHANGES IN DEFICIENCY
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended February 29, 2016				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Deficiency $
Balance at May 31, 2015	20,731,998	44,841,169	3,285,241	(48,657,789)	(531,379)
Common shares issued for cash - exercise of warrants	314,000	15,700	-	-	15,700
Share-based compensation	-	-	26,598	-	26,598
Net loss for the period	-	-	-	(125,832)	(125,832)
Balance at February 29, 2016	21,045,998	44,856,869	3,311,839	(48,783,621)	(614,913)

	Nine Months Ended February 28, 2015					
	Share Capital					
	Number of Shares	Amount $	Share-Based Payments Reserve $	Share Subscriptions Received $	Deficit $	Total Deficiency $
Balance at May 31, 2014	9,095,998	44,262,369	3,285,241	-	(48,457,678)	(910,068)
Share subscriptions received	-	-	-	358,650	-	358,650
Net loss for the period	-	-	-	-	(171,919)	(171,919)
Balance at February 28, 2015	9,095,998	44,262,369	3,285,241	358,650	(48,629,597)	(723,337)

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

MITCHELL RESOURCES LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended	
	February 29, 2016 $	February 28, 2015 $
Operating activities		
Net income (loss) for the period	(125,832)	(171,919)
Adjustments for:		
Financing expenses	21,096	30,109
Share-based compensation	26,598	-
Foreign exchange loss	-	60,392
Changes in non-cash working capital items:		
GST receivable	(111)	(539)
Prepaid expenses	3,700	(1,300)
Accounts payable and accrued liabilities	39,576	42,280
Net cash used in operating activities	(34,973)	(40,977)
Financing activities		
Issuance of common shares	15,700	-
Share subscriptions received	-	358,650
Share issue costs	-	(3,000)
Repayment of loans and advances	(11,700)	(304,250)
Net cash provided by financing activities	4,000	51,400
Net change in cash during the period	(30,973)	10,423
Cash at beginning of period	75,410	54,670
Cash at end of period	44,437	65,093

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

(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

The Company was incorporated under the provisions of the Company Act (British Columbia). The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "MI". The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company was previously engaged in the sourcing, exploration and development of unproven mineral interests in Russia. The Company was in default of the performance criteria called for by the Souker License and, effective March 6, 2015, the Company was advised by governmental authorities that the Souker License had been terminated and, during fiscal 2015, management recorded a write-off of the remaining $1.

As at February 29, 2016 the Company has a working capital deficiency of $92,924, non-current liabilities of $521,989, and shareholders' deficiency of $614,913. The Company's ability to continue as a going concern is dependent upon the continued financial support from its management and other shareholders, the Company's ability to acquire mineral property interests, to obtain the necessary financing to explore and develop properties and to establish future profitable production. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. As a result of this uncertainty, there is significant doubt as to the Company's ability to continue as a going concern. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

These circumstances create a material uncertainty that leads to significant doubt 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.

2. Basis of Preparation

Statement of Compliance

These condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended May 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed interim financial statements are consistent with those applied in the Company's audited consolidated financial statements for the year ended May 31, 2015.

Basis of Measurement

The condensed interim financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at fair value.

3. Loans

	February 29, 2016 $	May 31, 2015 $
Principal amounts	462,848	474,548
Accrued interest and financing fee	59,141	38,045
	521,989	512,593

(Unaudited - Expressed in Canadian Dollars)

3. Loans (continued)

The Company has received ongoing loans from DNG Capital Corp. ("DNG") a private company owned by the President of the Company. During the nine months ended February 29, 2016 the Company repaid $11,700 of principal.

Commencing November 1, 2014 the Company agreed to pay DNG a financing fee of $20,000 and to pay interest at a rate of 6% per annum on all outstanding principal amounts. During the nine months ended February 29, 2016 the Company recognized $21,096 (2015 - $30,109) of financing expense.

DNG has agreed not to demand payment of the principal amounts and accrued interest and financing fee and the Company has classified these amounts as non-current liabilities.

4. Share Capital

(a) *Authorized Share Capital*

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

No equity financings were conducted by the Company during the nine months ended February 29, 2016.

During fiscal 2015 the Company completed a non-brokered private placement of 9,000,000 units at $0.05 per unit, for gross proceeds of $450,000. Each unit comprised one common share and one-half of a share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share, at $0.05 per share, on or before March 5, 2020. The Company paid $3,000 for filing fees incurred on this private placement classified as share issued costs.

Directors and/or officers of the Company and close family members, and private companies owned or jointly owned by a director of the Company purchased 4,755,000 units for $237,750 of the private placement.

(c) *Warrants*

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at February 29, 2016 and February 28, 2015 and the changes for the nine months ended on those dates, is as follows:

	2016		2015	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance, beginning of period	2,881,400	0.09	1,017,400	0.10
Exercised	(314,000)	0.05	-	-
Balance, end of period	2,567,400	0.10	1,017,400	0.10

(Unaudited - Expressed in Canadian Dollars)

4. Share Capital (continued)

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at February 29, 2016:

Number	Exercise Price $	Expiry Date
554,500	0.20	August 2, 2018
225,000	0.20	August 12, 2018
237,900	0.10	November 12, 2018
1,550,000	0.05	March 5, 2020
2,567,400		

The weighted average remaining life of the warrants outstanding is 3.41 years.

(d) *Share Option Plan*

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During the nine months ended February 29, 2016 the Company granted share options to purchase 1,285,000 (2015 - nil) common shares and recorded compensation expense of $26,598 (2015 - $nil).

The fair value of share options granted during the nine months ended February 29, 2016 have been estimated using the Black-Scholes option pricing model. The assumptions used were: a risk-free interest rate of 0.53%; expected volatility of 134.17%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%.

The weighted average fair value of all share options granted during the nine months ended February 29, 2016 was $0.02 (2015 - $nil) per option.

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

A summary of the Company's share options at February 29, 2016 and February 28, 2015 and the changes for the nine months ended on those dates, is as follows:

	2016		2015	
	Number of Options Outstanding	Weighted Average Exercise Price $	Number of Options Outstanding	Weighted Average Exercise Price $
Balance, beginning of period	-		-	-
Granted	1,285,000	0.05	-	-
Balance, end of period	1,285,000	0.05	-	-

As at February 29, 2016 options to purchase 1,285,000 common shares at an exercise price of $0.05 per share expiring December 3, 2018 remained outstanding.

The weighted average remaining contractual life of the above options as of February 29, 2016 was 2.75 years.

(Unaudited - Expressed in Canadian Dollars)

5. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the nine months ended February 29, 2016 and February 28, 2015 the following amounts were incurred with respect to the President and Chief Executive Officer ("President/CEO") and the Chief Financial Officer ("CFO") of the Company:

	2016 $	2015 $
Professional fees	24,300	24,300
Share-based compensation	9,832	-
	34,132	24,300

As at February 29, 2016, $89,100 (2015 - $56,700) remained unpaid and has been included in accounts payable and accrued liabilities.

(b) *Transactions with Other Related Parties*

(i) During the nine months ended February 29, 2016 and February 28, 2015 the following amounts were incurred with respect to non-management directors of the Company:

	2016 $	2015 $
Professional fees	16,650	16,650
Share-based compensation	10,577	-
	27,207	16,650

As at February 29, 2016, $51,050 (2015 - $38,850) remained unpaid and has been included in accounts payable and accrued liabilities.

(ii) During the nine months ended February 29, 2016 the Company incurred a total of $12,300 (2015 - $12,950) for accounting and administration services provided by Chase Management Ltd., a private corporation owned by the current President/CEO of the Company. As at February 29, 2016, $1,500 (2015 - $2,950) remained unpaid and has been included in accounts payable and accrued liabilities.

(c) See also Notes 3 and 4(b).

6. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

(Unaudited - Expressed in Canadian Dollars)

6. Financial Instruments and Risk Management (continued)

Financial Instrument	Category	February 29, 2016 $	May 31, 2015 $
Cash	FVTPL	44,437	75,410
GST receivable	Loans and receivables	539	428
Accounts payable and accrued liabilities	Other financial liabilities	(143,100)	(103,524)
Loans	Other financial liabilities	(521,989)	(512,593)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for GST receivable, accounts payable and accrued liabilities and loans approximate their fair value. The Company's cash under the fair value hierarchy is measured using Level 1 inputs.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and GST receivable. Management believes that the credit risk concentration with respect to cash and GST receivable is remote as cash is held with a high quality financial institution and GST receivable represents amounts due from the Government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The Company has financial liabilities classified as current that are due within the next fiscal period. The Company will need to obtain additional financing to meet the obligations as they come due. See Note 1.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash is not considered significant. The Company has interest bearing debt at fixed rates and is therefore not subject to fluctuating interest rate risk on its non-current loans.

6. Financial Instruments and Risk Management (continued)

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major transactions are transacted in Canadian Dollars and US Dollars. The Company maintains minimal cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' deficiency. However, as the Company does not maintain significant cash balances in US Dollars and settles any transactions in US Dollars quickly, its exposure to currency risk is considered insignificant as at February 29, 2016.

7. Capital Risk 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 development of the business. The Company defines capital that it manages as components of shareholders' deficiency. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company does not expect its current capital resources will be sufficient to meet all of its operating requirements and debt retirement obligations and is dependent upon future equity or debt transactions to meet these obligations. See also Note 1.

8. Segmented Information

The Company has operated in one segment - the acquisition, exploration and development of unproven mineral property interests. As at February 29, 2016 the Company does not have any mineral property interest. Its corporate assets, comprising mainly of cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results.