FCF CAPITAL INC.

Unaudited Condensed Interim Consolidated Financial Statements as at March 31, 2016 and September 30, 2015

and for the three and six months ended March 31, 2016 and 2015

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of FCF Capital Inc. ("FCF Capital" or the "Company") as at March 31, 2016 and September 30, 2015 and for the three and six months ended March 31, 2016 (the "March 2016 Interim Financial Statements") are the responsibility of the management and Board of Directors of the Company.

The March 2016 Interim Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in notes 2 and 3 to the Company's audited annual financial statements as at and for the year ended September 30, 2015, and as amended in notes 2 and 3 to the March 2016 Interim Financial Statements. In preparing the March 2016 Interim Financial Statements, management has made informed judgements and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the March 2016 Interim Financial Statements of the Company have been prepared with acceptable limits of materiality and are in compliance with International Accounting Standard 34, "Interim Financial Reporting".

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the March 2016 Interim Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the March 2016 Interim Financial Statements; and (ii) the March 2016 Interim Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the March 2016 Interim Financial Statements.

The Board of Directors is responsible for reviewing and approving the March 2016 Interim Financial Statements, together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibility. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee has met with management to review the financial reporting process and other financial information of the Company, including the March 2016 Interim Financial Statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial disclosures of the Company, including the March 2016 Interim Financial Statements, for issuance to the Company's shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Peter C. McRae
Director

Michael Matishak
Chief Financial Officer

Calgary, Canada
May 18, 2016

NOTICE TO READER

The March 2016 Interim Financial Statements have been prepared by and are the responsibility of management. These financial statements have not been reviewed by the Company's independent external auditor.

FCF CAPITAL INC.

Consolidated Statements of Financial Position

		March 31, 2016		September 30, 2015
ASSETS				
Current				
Cash and cash equivalents (note 4)	**$**	**16,362,210**	$	12,013,085
Trade and other receivables		**147,650**		647,690
Prepayments and deposits		**50,166**		51,915
Investments (note 5)		**1,080,743**		-
		17,640,769		12,712,690
Restricted cash (note 4)		**100,000**		100,000
Investments (note 5)		**2,673,000**		14,866,596
Equipment		**1,890**		-
Intangible assets (notes 1 and 7)		**1,780,822**		-
	$	**22,196,481**	$	27,679,286
LIABILITIES				
Current				
Accounts payable and accrued liabilities	**$**	**722,732**	$	237,900
		722,732		237,900
EQUITY				
Share capital (note 8(a))		**27,026,682**		27,026,682
Shares held in trust (note 8(b))		**2,000,000**		-
Contributed surplus		**7,468,662**		6,677,732
Accumulated other comprehensive (loss) income		**(235,644)**		3,382,404
Deficit		**(14,785,951)**		(9,645,432)
		21,473,749		27,441,386
	$	**22,196,481**	$	27,679,286

Approved by the Board of Directors

Director (signed by) *"Peter C. McRae"*

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

FCF CAPITAL INC.

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

	For the three months ended March 31,		For the six months ended March 31,	
	2016	**2015**	**2016**	**2015**
REVENUE				
Interest income	**$ 25,891**	$ 46,391	**$ 54,069**	$ 67,624
EXPENSES				
General and administrative	**1,379,069**	354,197	**1,985,085**	506,082
Diligence and project costs	**817,607**	-	**817,607**	54,196
Arbitration and enforcement	**4,675**	104,233	**4,675**	515,877
Stock option based compensation (note 8(c))	**638,475**	-	**690,930**	-
Deferred share unit compensation (note 9(d))	**100,000**	620,000	**100,000**	600,000
TOTAL EXPENSES	**2,939,826**	(1,078,430)	**3,598,297**	(1,676,155)
LOSS BEFORE OTHER ITEMS	**(2,913,935)**	(1,032,039)	**(3,544,228)**	(1,608,531)
OTHER ITEMS				
(Loss) gain on foreign exchange	**(5,292)**	131,832	**(2,519)**	131,832
Realized (losses) on sale of investments	**(1,105,328)**	-	**(1,105,328)**	-
Impairment loss on equipment	**-**	(32,793)	**-**	(70,784)
Mineral property impairment	**-**	(8,650)	**-**	(8,650)
Arbitration settlement (note 6)	**-**	39,619,308	**-**	39,619,308
Special bonus for arbitration settlement (note 6)	**-**	(1,300,000)	**-**	(1,300,000)
	(1,110,620)	38,409,697	**(1,107,847)**	38,371,706
(LOSS) INCOME FOR THE PERIOD	**(4,024,555)**	37,377,658	**(4,652,075)**	36,763,175
DEFERRED TAX EXPENSE	-	-	(488,444)	-
NET (LOSS) INCOME FOR THE PERIOD	**(4,024,555)**	**37,377,658**	**(5,140,519)**	**36,763,175**
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will be subsequently reclassified to profit or loss:				
Unrealized loss on available for sale financial assets (note 5)	**(251,384)**	37,194	**(3,618,048)**	24,796
TOTAL COMPREHENSIVE (LOSS) INCOME	**$ (4,275,939)**	$ 37,414,852	**(8,758,567)**	$ 36,787,971
NET (LOSS) INCOME PER COMMON SHARE				
Basic	**($ 0.02)**	$ 0.25	**($ 0.03)**	$ 0.25
Diluted	**($ 0.02)**	$ 0.25	**($ 0.03)**	$ 0.24
NUMBER OF COMMON SHARES				
Basic weighted average number of common shares outstanding	**149,301,065**	147,479,460	**149,301,065**	148,477,968
Shares held in trust (note 8(b))	**14,285,714**		**14,285,714**	
Potential exercise of outstanding stock options (note 8(c))	**16,058,678**	3,850,000	**16,058,678**	3,850,000
Deferred share units outstanding (note 9)	**9,354,931**	-	**9,354,931**	-
Basic and diluted weighted average number of common shares outstanding	**189,000,388**	151,326,460	**189,000,388**	152,327,968

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

FCF CAPITAL INC.

Consolidated Statement of Changes in Shareholders' Equity

	Share capital	Shares held in Trust	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income Fair value reserve	Deficit	Total equity
Balance at September 30, 2014	**$48,083,836**	**-**	**$5,123,636**	**$12,398**	**($45,354,783)**	**$7,865,087**
Comprehensive income	-	-	-	24,796	36,763,175	36,787,971
Balance at March 31, 2015	**$48,083,836**	**-**	**$5,123,636**	**$37,194**	**($8,591,608)**	**$44,653,058**
Exercise of stock options	1,171,500	-	(461,500)	-	-	710,000
Stock option based compensation	-	-	253,525	-	-	253,525
Deferred share based compensation (notes 8(a)iii and 9(b))	(580,000)	-	1,762,071	-	-	1,182,071
Return of capital distribution (note 8(a))	(21,648,654)	-	-	-	-	(21,648,654)
Comprehensive income (loss)	-	-	-	3,345,210	(1,053,824)	2,291,386
Balance at September 30, 2015	**$27,026,682**	**-**	**$6,677,732**	**$3,382,404**	**($9,645,432)**	**$27,441,386**
Issuance of stock (note 8(b))	2,000,000		-	-	-	2,000,000
Stock held in trust (note 8(b))	(2,000,000)	2,000,000	-			(2,000,000)
Stock option based compensation (notes 8(c) and 9(d))	-	- -	790,930	-	-	790,930
Comprehensive loss	-	-	-	(3,618,048)	(5,140,519)	(8,758,567)
Balance at March 31, 2016	**$27,026,682**	**$2,000,000**	**$7,468,662**	**($235,644)**	**($14,785,951)**	**$21,473,749**

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

FCF CAPITAL INC.

Consolidated Statement of Cash Flows

Cash (used in) provided by:	For the three months ended March 31, 2016	For the three months ended March 31, 2015	For the six months ended March 31, 2016	For the six months ended March 31, 2015
Operating activities				
Net (loss) income for the period	**($4,024,555)**	$37,377,658	**($5,140,519)**	$36,763,175
Items not affecting cash:				
Depreciation and amortization	**219,210**	1	**219,210**	4,429
Stock option based compensation (note 8(c))	**638,475**	-	**690,930**	-
Deferred share unit compensation (note 9(d))	**100,000**	620,000	**100,000**	600,000
Deferred income tax	**-**	-	**488,444**	-
Realized loss on sale of investments (note 5)	**1,105,328**	8,650	**1,105,328**	8,650
Impairment loss on equipment	**-**	32,793	**-**	70,784
Changes in non-cash working capital				
Receivables	**(37,136)**	(2,375,445)	**500,040**	(2,338,750)
Accounts payable and accrued liabilities	**438,001**	1,070,524	**484,834**	1,147,940
Prepayments and deposits	**(17,800)**	143,145	**1,749**	69,648
Cash (used in) provided by operating activities	**(1,578,477)**	36,877,326	**(1,549,984)**	36,325,876
Investing activities				
Furniture and fixtures	**(1,922)**	-	**(1,922)**	-
Investment in shares (note 5)	**(45,039)**	-	**(3,083,348)**	-
Sale of shares (note 5)	**8,984,379**	-	**8,984,379**	-
Cash provided by investing activities	**8,937,418**	-	**5,899,109**	-
Net increase in cash and cash equivalents	**7,358,941**	36,877,326	**4,349,125**	36,325,876
Cash and cash equivalents – beginning of period	**9,003,269**	7,175,257	**12,013,085**	7,726,707
Cash and cash equivalents – end of period	**$16,362,210**	$44,052,583	**$16,362,210**	$44,052,583
Cash and cash equivalents is composed of:				
Cash on deposit with financial institutions	**7,835,513**	44,052,583	**7,835,513**	44,052,583
Canadian treasury bills	**8,526,697**	-	**8,526,697**	-

During the six months ended March 31, 2016, the Company received interest totaling $28,588 (2015 – $67,624) relating to operating activities.

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

1. Nature of operations

FCF Capital Inc. (the "Company") is listed on the TSX Venture Exchange (the "Exchange") as a Tier 1 investment company and is a reporting issuer in the provinces of Alberta, British Columbia and Ontario. The Company's name was changed from Brilliant Resources Inc. to FCF Capital Inc. on June 25, 2015, and effective June 29, 2015, the Company commenced trading under the symbol "FCF". The head office of the Company is located at Suite 232, 2031 - 33rd Avenue S.W., Calgary, Alberta T2T 1Z5. The Company was incorporated under the *Business Corporations Act* (Alberta) on October 1, 1998.

The Company was previously a junior resource company in the business of acquiring mineral rights. Currently, the business plan is to acquire majority equity interests in cash flow positive middle-market private companies that have proven, successful management teams that continue to be driven to grow their underlying business. The change of business of the Company from a junior resource company to an investment company was submitted to the Exchange for approval on April 30, 2015 and approved by the Exchange and the shareholders of the Company on June 25, 2015.

On February 23, 2016, the Company acquired 100% of the shares of Advantage Investments (Alberta) Ltd ("Advantage"). In connection with the acquisition of Advantage, the Company acquired various investment opportunities, including any agreements or other documents in connection therewith, that had been identified by Advantage. Concurrent with the execution of the transaction as further described in note 8(b), the Company acquired the exclusive rights to a number of transactions subject to exclusive non-binding offer letters of intent ("LOI's") previously executed between Advantage and various middle-market private companies (the "Advantage Opportunities"). The purchase price of the Advantage Opportunities was settled as follows:

Purchase price allocation	
Issuance of 14,285,714 common shares of the Company based on fair value on closing date	$ 2,000,000
Assumption of liabilities of Advantage	350,000
Total purchase price of Advantage	$ 2,350,000
Less: project development and other costs	(350,000)
Total: Intangible assets	**$ 2,000,000**

The purchase price has been allocated entirely to intangible assets on the basis that the Company acquired intangible rights that would allow it to execute investment transactions so identified and there were no other amounts allocated as identifiable assets included in the sale of Advantage to the Company. As of March 31, 2016, the Company was actively pursuing a number of transactions identified by Advantage and was an exclusive bidder on several of those transactions. As of March 31, 2016, the assumed liabilities of $350,000 remain unpaid.

2. Basis of presentation

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 "Interim Financial Reporting". These Financial Statements do not include all of the disclosures normally provided in annual financial statements. These Financial Statements have been prepared following the same accounting policies and methods of computation as the consolidated financial statements and notes for the year ended September 30, 2015 and should be read in conjunction with the audited consolidated financial statements and notes for the year ended September 30, 2015. New accounting policies adopted since September 30, 2015 have been added as part of Note 3.

These Financial Statements were authorized for issue by the Board of Directors of the Company on May 18, 2016.

These Financial Statements contain comparative disclosures for the three and six months ended March 31, 2015 and it should be noted that results related to these periods were in respect of the Company carrying on business as a junior resource company. For the three and six months ended March 31, 2016, the results are in respect of the Company carrying on business as an investment company.

These Financial Statements have been prepared on a historical cost basis with the exception of investments which are measured at fair value.

3. Significant accounting policies

a. Basis of consolidation

These Financial Statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization ("ISO") 3-letter symbol for such foreign currency.

These Financial Statements include the accounts of the Company and Advantage. In December 2015, the Company commenced the process of dissolving Ivory Resources Inc. ("Ivory") and Ivory's subsidiaries, Equatorial Resources Inc., Bissau Phosphate Inc. and Bissau Resources Inc. By certificates of dissolution dated December 30, 2015, all of such subsidiaries of the Company, each which were governed by the laws of the Cayman Islands, were deemed to be dissolved as of March 30, 2016.

All intercompany balances and transactions have been eliminated on consolidation.

b. Management estimates and judgments

The preparation of these Financial Statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in these Financial Statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Estimates and assumptions:

i) Impairment of assets

Intangible assets: At each reporting period, management assesses whether there is objective evidence that an intangible asset has been impaired, such as an absence of executed letters of intent from acquired customer lists, failed investment transactions or other markers indicating probability of advancing transactions implicit in list is low. Should such evidence cause management to estimate that an impairment has arisen, an impairment loss is written off in profit or loss.

Judgments:

i) Intangible assets:

Intangible assets consist of the Advantage Opportunities owned by Advantage. These items were initially

recorded at cost. The intangible assets are being amortized based on the remaining expiration terms of the agreements acquired as part of the Advantage Opportunities which is generally less than one year unless extended.

c. Shares held in escrow

The Company issued shares subject to which vesting conditions apply. Such shares, which have not been completely vested, are classified as shares held in trust and are presented as a separate category of equity. Thereafter, when the shares held in trust are fully vested after vesting conditions have been satisfied, the amount is deducted from the balance of shares held in trust and transferred to share capital.

d. Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not anticipate any material changes to the financial statements upon adoption of these new revised accounting pronouncements.

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue, and other revenue related interpretations. The standard establishes a single revenue recognition framework that applies to contracts with customers. The effective date for adopting IFRS 15 in its entirety is January 1, 2018. The impact on the Company's financial statements is yet to be determined.

In July 2014, the IASB completed a three-phase project to replace IAS 39 Financial Instruments: Recognition and Measurement with IFRS 9 Financial Instruments. The first two completed phases replaced the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The third phase describes a new hedge accounting model. The effective date for adopting IFRS 9 in its entirety is January 1, 2018. The impact on Company's financial statements is yet to be determined.

In January, 2016, the IASB issued IFRS 16 *Leases*, which replaces IAS 17 *Leases*. The standard establishes a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The effective date for adopting IFRS 16 in its entirety is January 1, 2019. The impact on the Company's financial statements is yet to be determined.

4. Cash and cash equivalents

Cash consists of cash on demand deposits with accredited financial institutions in Canada.

The Company has provided $100,000 (2015 - $100,000) of cash as security to one of the Company's financial institutions for corporate credit card liabilities. This item has been classified as non-current restricted cash on the statement of financial position. Included in cash and cash equivalents is $16,126,697 (2015 – $10,000,000) invested in short-term cash deposits.

5. Investments

	March 31, 2016	September 30, 2015
Auryn Resources Inc. (common shares) (a)	**$ -**	$ 273,996
Polaris Infrastructures Inc. (common shares) (b)	**1,080,743**	14,592,600
Vital Alert Communications Inc. (preferred shares) (c)	**2,673,000**	-
Total - available for sale financial assets	**$ 3,753,743**	$ 14,866,596
Less: current items		
Polaris Infrastructures Inc.	**(1,080,743)**	-
Total - available for sale financial assets – non-current	**$ 2,673,000**	$ 14,866,596

The Company holds securities of private and publicly traded companies which it has classified as available for sale financial assets, carried at fair value, with unrealized gains and losses held as a component of accumulated other comprehensive income in equity, net of deferred taxes. For the period ended March 31, 2016, the Company recorded an unrealized (loss) gain of ($3,618,048) (2015 – $24,796) as a component of accumulated other comprehensive income.

(a) In February 2016, the Company sold all of its Auryn shares for net proceeds of $309,034.

(b) On April 30, 2015, the Company acquired 2.5 billion subscription receipts of Polaris Infrastructure Inc. (“Polaris”), a renewable energy company based in Reno, Nevada, focused on the development, production and sale of electricity from geothermal energy in Latin America, the United States and Canada listed on the Toronto Stock Exchange, at a purchase price of $0.004 per subscription receipt. The subscription receipts entitled the Company to receive, upon exchange on May 13, 2015, 1,250,000 post-consolidation common shares of Polaris at a deemed price of $8 per share. The Company subsequently purchased 136,500 common shares of Polaris in the open market. In February 2016, the Company sold its original investment of 1,250,000 common shares in Polaris for net proceeds of $8,675,345. The Company owned 136,500 common shares of Polaris at March 31, 2016.

(c) On December 18, 2015, the Company made an equity investment of $2,673,000 in Vital Alert Communications Inc. ("Vital"), a Canadian private company. The investment closed on December 21, 2015 and resulted in the Company acquiring 25,999,568 voting preferred shares in the capital of Vital (representing 16.67% of the voting shares of Vital on a fully-diluted basis). The investment was a non-arm's length party transaction.

6. Mineral properties

Republic of Equatorial Guinea, Africa ("Equatorial Guinea")
The Company had rights, through an agreement with the Government of Equatorial Guinea (the "EG Agreement"), to receive certain preferential rights to acquire mineral rights by completing a 68,000 line km airborne geophysical survey of the 27,000 square km continental region of West-Central African nation Equatorial Guinea (the "Survey").

Although the Company had the contractual right to obtain mineral concessions in Equatorial Guinea it had been unable to obtain them, and therefore, during 2014, the Company recorded an impairment on the entire carrying value of its mineral properties in Equatorial Guinea in the amount of $17,215,413. However, because the Company was unable to obtain the concessions, the ability of the Company to derive cash flows was limited resulting in a nil recoverable amount.

On June 12, 2014, the Company submitted a Request for Arbitration against the Government of Equatorial Guinea pursuant to the rules of arbitration of the International Chamber of Commerce and the EG Agreement, seeking damages in the amount of USD80,000,000.

On January 22, 2015, the Company and the Government of Equatorial Guinea reached an agreement whereby the Company would relinquish all its rights and interests under the terms of the EG Agreement in exchange for USD31,500,000 in cash payable in three installments. During 2015, the Company received all three installments which, upon conversion into the Company's functional currency, totaled $39,585,602. Upon receiving the full payment of the settlement, the Company relinquished all of its rights and interests under the EG Agreement and withdrew its Request for Arbitration against the Government of Equatorial Guinea.

As part of this transaction, the Board of Directors approved a special bonus of $1,300,000, in the aggregate, which was paid to key officers and directors in April 2015.

7. Intangible assets

Continuity of Intangible assets is as follows:

September 30, 2015	**$ -**
Acquisition – Advantage Opportunities (note 1)	2,000,000
Amortization	(219,178)
March 31, 2016	**$ 1,780,822**

Amortization is based on remaining time to expiration of the Advantage Opportunities.

8. Share capital

a. Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value and an unlimited number of Class "B" preferred shares.

A summary of changes in common share capital in the period is as follows:

	Number of shares	Amount
Balance at September 30, 2014	**149,454,769**	**$48,083,836**
Shares cancelled (i)	(3,703,704)	-
Exercise of stock options (ii)	3,550,000	710,000
Reclassified from option and warrant reserve	-	461,500
Return of capital distribution (iii)	-	(21,648,654)
Deferred share unit distribution (iii and note 9(b))		(580,000)
Balance at September 30, 2015	**149,301,065**	**$27,026,682**
Issuance of common stock (iv)	14,285,714	2,000,000
Less: stock held in escrow (note 8(b))	(14,285,714)	(2,000,000)
Balance at March 31, 2016	**149,301,065**	**$27,026,682**

(i) In February, 2015, the Company cancelled 3,703,704 common shares of its capital for no consideration. The shares were issued in April 2011, in trust, in connection with the Company's acquisition of Ivory.

(ii) During the year end September 30, 2015, 3,550,000 options were exercised at an exercise price of $0.20 per share.

(iii) In July 2015, the Company paid a return of capital distribution of $0.145 per common share outstanding. In connection with the return of capital, the Company granted 3,625,000 additional DSUs relating to the return of capital distribution for the DSUs outstanding as at June 25, 2015 for $580,000, the record date for the return of capital.

(iv) In February 2016, the Company issued 14,285,714 common shares in escrow in connection with the acquisition of Advantage.

b. Acquisition of new investment opportunities and increase in investment capital

On February 3, 2016, the Company announced that it had entered into a letter agreement (the "Letter Agreement") with Stephen Reid (director, President and Chief Executive Officer of the Company effective February 23, 2016) and Advantage, a corporation controlled by Stephen Reid. The key terms of the Letter Agreement provide for the acquisition of certain related proprietary investment opportunities, in consideration for $2 million of common shares of the Company (which shares are held in escrow subject to the satisfaction of certain conditions described below) and the assumption of $350,000 of debt (collectively, the "Advantage Transaction"). The Advantage Transaction closed on February 23, 2016 (the "Closing Date") and was done at arm's length. The Company also executed a private placement of subscription receipts, on a "best efforts basis", of up to $25 million (the "Financing") following the closing of the Advantage Transaction. (see note 15(a))

On the closing of the Advantage Transaction, the Company acquired all the shares of Advantage and the rights to Advantage's current and future investment opportunities, in consideration for $2 million, which consideration was paid by the issuance of 14,285,714 common shares of the Company (the "Reid Shares"). The issue price of the Reid Shares was $0.14 per share. The Company also assumed $350,000 of debt incurred. On the closing of the Advantage Transaction, the newly issued common shares represented approximately 8.62% of the issued and outstanding common shares of the Company. These issued common shares are held in escrow and will be released if and when investment opportunities and any other investments made by the Company following the Closing Date deliver cumulative earnings before interest, tax, depreciation and amortization ("EBITDA") to the Company of not less than $15 million following the Closing Date.

In order to progress the acquired investment opportunities and execute its business plan, the Company agreed to a financing on a "best efforts" private placement basis. On April 14, 2016, the Company issued

205,639,725 subscription receipts for aggregate gross proceeds of $28.8 million. Each subscription receipt was issued at a price of $0.14 per subscription receipt and entitles the holder therein to acquire one common share of the Company once all conditions precedent to the completion of an acquisition by the Company having a purchase price of not less than $50 million (other than the payment of the purchase price) have been satisfied.

The Financing was completed on an arm's length basis, except that participating officers and directors contributed $5.9 million.

Following conversion of the subscription receipts, the number of common shares issued pursuant to the Financing would represent approximately 55.7% of the issued and outstanding common shares of the Company.

c. Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve for issuance a maximum of 10% of the issued and outstanding common shares; the exercise price of the options is to be determined by the board of directors on the date of issuance of the options. The options are non-transferable and will expire, with the exception of options issued pursuant to the Advantage Transaction, if not exercised, on the earlier of (i) one year following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than termination for cause, and (ii) the expiry date otherwise applicable to such options. In the event that an optionee is dismissed for cause, such optionee's options will expire immediately following the date of dismissal.

The options issued in connection with the Advantage Transaction survive the termination provisions otherwise contained in employment agreements.

A summary of stock option activity in the periods is as follows:

	Number of options	Weighted average exercise price
Outstanding option, September 30, 2014	**3,950,000**	**$ 0.20**
Forfeited	(100,000)	$ 0.20
Exercised	(3,550,000)	$ 0.20
Granted	2,900,000	$ 0.16
Outstanding option, September 30, 2015	**3,200,000**	**$ 0.16**
Granted	13,158,678	$ 0.20
Forfeited	(300,000)	$ 0.20
Outstanding option, March 31, 2016	**16,058,678**	**$ 0.19**

A summary of the options outstanding is as follows:

	March 31, 2016			September 30, 2015	
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of Options	Remaining contractual life (years)
$ -	**-**	**-**	**$ 0.20**	**300,000**	**1.0**
$ 0.16	2,900,000	9.5	$ 0.16	2,900,000	9.8
$ 0.20	13,158,678	5.0	-	-	-
$ 0.19	**16,058,678**	**5.8**	$ 0.16	3,200,000	9.5

On July 15, 2015, the Company announced that pursuant to the Plan and in accordance with the terms of the employment and consulting agreements entered into by the Company with two directors of the Company, it has granted each of those directors options to acquire 1,450,000 common shares in the capital of the Company. The options have a term of ten years from the date of grant and an exercise price of $0.16, with one-half of the options vesting immediately and the remaining half on April 30, 2016. As of March 31, 2016, 1,450,000 (2015 – 1,750,000) options at an exercise price of $0.16 per share have vested and can be exercised.

Each stock option is convertible into one common share of the Company. The fair value of the stock option at the date of issue was estimated at the date of issue using the Black-Scholes Option Pricing Model using the following assumptions:

Expected stock price volatility	125%
Expected life	10 years
Risk free interest rate	3.00%
Expected dividend yield	0.00%
Weighted average fair value per option granted	$0.1447

The stock option based compensation expense relating to the 2,900,000 stock options previously granted during the six months ended March 31, 2016 is $104,910 (2015 - $nil).

Pursuant to the Advantage Transaction and subject to the rules of the Exchange and the terms of the Company's stock option and deferred share unit plans, the Company granted, on the Closing Date, 6,675,282 stock options to Stephen Reid, 3,000,000 stock options to Allan Bezanson, 2,000,000 stock options to Courtenay Wolfe and 1,483,396 stock options to James Bell. As of March 31, 2016, none of the options at an exercise price of $0.20 per share are exercisable. Subject to the rules of the Exchange and the terms of the agreements between the Company and the respective participants, all options granted have a five-year term and an exercise price of $0.20 per share and vest as to one-third of the grant amount on each of the first, second and third anniversaries of the date the Reid Shares are released from escrow.

Expected stock price volatility	125%
Expected life	5 years
Risk free interest rate	3.00%
Expected dividend yield	0.00%
Weighted average fair value per option granted	$0.114

The stock option based compensation expense relating to the 13,158,687 stock options granted during the six months ended March 31, 2016 is $586,020 (2015 - $nil).

9. Deferred share units

On June 25, 2015, shareholders of the Company approved the DSU Plan pursuant to which the board may elect to pay out the DSUs in either cash or common shares of the Company. Under the DSU Plan, the Company records an expense with a corresponding increase to contributed surplus. The previous DSU Plan required that DSUs be paid out in cash when a participant ceased to be a director of the Company and the liability for such payment was fair valued based upon the market price at every period end and recorded as a current liability with the expense adjusted accordingly.

	Number of units	Deferred share unit liabilities
DSUs outstanding, September 30, 2014	**4,000,000**	**$ 220,000**
De-recognition of liability due to DSU Plan (a)	-	(220,000)
DSU adjustment for Return of Capital distribution (b)	3,625,000	-
DSUs granted (c)	1,080,480	-
DSUs outstanding, September 30, 2015	**8,705,480**	**$ -**
DSUs granted (d)	649,451	-
DSUs outstanding, March 31, 2016	**9,354,931**	**$ -**

(a) Upon shareholder approval of the Company's DSU Plan, the 4,000,000 DSUs granted during fiscal 2014 were revalued based on the share price as at June 25, 2015 of $0.255 per share versus the $0.055 per share at September 30, 2014. The revaluation resulted in a $800,000 DSU compensation expense.

Expected stock price volatility	110%
Expected life	10 years
Risk free interest rate	3.00%
Expected dividend yield	0.00%
Weighted average fair value per option granted	$0.2550

(b) On July 7, 2015, as approved at the June 25, 2015 special shareholders' meeting, the Company paid a return of capital to its shareholders of $0.145 per share outstanding totaling $21,648,654. On July 22, 2015, the Company also granted 3,625,000 additional DSUs relating to the return of capital distribution for the DSUs outstanding as at June 25, 2015 for $580,000, the record date for the return of capital.

(c) On July 15, 2015, as per the DSU Plan, the Company granted 1,080,480 DSUs to the directors of the Company for director fees. The Company recognized a deferred share unit compensation expense of $162,071.

Expected stock price volatility	110%
Expected life	10 years
Risk free interest rate	3.00%
Expected dividend yield	0.00%
Weighted average fair value per option granted	$0.1500

(d) On February 23, 2016, 649,451 DSUs were issued to James Bell. The Company recognized a deferred share unit compensation expense of $100,000.

Expected stock price volatility	110%
Expected life	5 years
Risk free interest rate	3.00%
Expected dividend yield	0.00%
Weighted average fair value per option granted	$0.154

10. Financial instruments and risk management

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

General objectives, policies and processes
The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function and Investment Committee.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk and other price risk.

Currency risk:
Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. Management has assessed that the Company's current exposure to currency risk is low and continuously monitors foreign exchange rates on an ongoing basis. Financial instruments denominated in United States dollars as at March 31, 2016 is cash of USD 60,940 (2015 – USD 60,940).

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 Company's interest rate risk is limited to potential decreases on the variable rate interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

Other price risk:
The Company is exposed to price risk with respect to marketable securities prices. The carrying amounts of

the Company's investments are directly related to the current market prices of its marketable securities. The Company monitors its marketable securities prices to determine appropriate actions to be undertaken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and accounts receivable.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The Company's cash and cash equivalents are held with financial institutions in Canada.

The Company trades only with recognized, creditworthy third parties and its receivables from such third parties are monitored on an ongoing basis, and all accounts receivable balances are current as of March 31, 2016. The Company has determined its credit risk associated with accounts receivable is minimal and no impairment is necessary. The Company's maximum exposure to credit risk is $16,509,860 (2015 - $12,660,775), representing its aggregate cash deposits, cash equivalents and accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at March 31, 2016 and September 30, 2015, all of the Company's financial liabilities are due within one year.

Determination of fair value

The carrying amounts for cash and cash equivalents, restricted cash, receivables and accounts payable approximate fair value due to their short-term nature.

Investments are presented on the consolidated statement of financial position at their fair value.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The available-for-sale investments of the Company are considered to be Level 1 (Polaris) and Level 3 (Vital).

11. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties.

As of March 31, 2016, $350,000 payable in connection with the Advantage Transaction is outstanding to a company controlled by one of the officers.

12. Commitments

Effective February 23, 2016, the Company acquired Advantage including its obligations under an office sublease that expires November 30, 2016. The obligations total $7,903 on a monthly basis.

13. Segmented information

For management purposes, the Company's activities are now managed and monitored by senior management as one operating segment based on business activities being that of an investment company operated in Canada. All of the Company's non-current assets are in Canada. The financial statements included are the same financial statements that management uses to monitor the performance of the Company.

Pursuant to the change of business of the Company approved by the Exchange and shareholders of the Company on June 25, 2015, the Company is now an investment company. The Company's primary focus was to seek returns by making investments in equity, debt or other securities of publicly traded companies or private businesses. With the acquisition of Advantage, the Company has subsequently developed its business plan to create long term value for its shareholders and investee entities by pursuing the acquisition of majority equity interests in cash flow positive middle-market private companies that have proven, successful management teams that continue to be driven to grow the underlying business.

Prior to the change of business on June 25, 2015, the Company was organized into one operating segment based on business activities, being that of exploration and evaluation activities and into two geographical segments, Canada and Equatorial Guinea.

14. Capital management policies and procedures

The Company monitors its equity as capital. The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investors' confidence and retain the ability to seek out and acquire new investments of merit. No changes to the Company's capital management policies and procedures have occurred since the prior year end. The Company is not exposed to any externally imposed capital requirements.

	March 31, 2016	September 30, 2015
Total equity	**$ 21,473,749**	$ 27,441,386
Cash and cash equivalents	**(16,362,210)**	(12,013,085)
Restricted cash	**(100,000)**	(100,000)
	$ 5,011,539	$ 15,328,301

15. Subsequent events

(a) Issuance of subscription receipts

On April 14, 2016, the Company announced that it completed its previously announced private placement offering of subscription receipts ("Subscription Receipts") at a price of $0.14 per Subscription Receipt by way of a brokered and non-brokered offering. Both offerings resulted in total gross proceeds of $28.8 million. The Company issued an aggregate of 113,709,972 Subscription Receipts for gross proceeds of $15,919,396 pursuant to the brokered offering (the "Brokered Offering") with Clarus Securities Inc. (the "Agent"), and 91,929,753 Subscription Receipts for gross proceeds of $12,870,165 pursuant to the Company's concurrent non-brokered offering (the "Non-Brokered Offering" and together with the Brokered Offering, the "Offering").

The proceeds of the Offering are currently in escrow pending the delivery of the release notice by the Company to Computershare Trust Company of Canada (the "Escrow Agent") on or before October 11, 2016 (the "Release Deadline"). Upon delivery of the release notice prior to the Release Deadline, each Subscription Receipt will be automatically exercised into one (1) common share in the capital of the Company ("Common Share"), subject to adjustment, without any further action required on the part of the holder. In the event that the release notice is not delivered to the Escrow Agent on or prior to the Release Deadline, then the Subscription Receipts will be cancelled and any proceeds from the issuance of the Subscription Receipts returned to the subscribers, together with any interest thereon. For the purpose of the foregoing, the "Release Notice" shall mean a notice in writing stating that all conditions precedent to the completion of an acquisition by the Company having a purchase price of not less than $50 million (an "Eligible Transaction") (other than the payment of the purchase price for the Eligible Transaction) shall have been satisfied in escrow to the satisfaction of the release notice signatories, or waived by the release notice signatories.

In connection with the Brokered Offering, the Company paid to the Agent a cash commission equal to 3% of the aggregate gross proceeds of the Brokered Offering, plus reasonable expenses and disbursements. On any issuance of Common Shares upon the deemed exercise of the Subscription Receipts, the Company will pay to the Agent a further commission equal to: (i) 3% of the gross proceeds received by the Company from the subscribers of the Brokered Offering, and (ii) a number of broker warrants ("Broker Warrants") equal to 6% of the number of Subscription Receipts sold to subscribers pursuant to the Brokered Offering. Each Broker Warrant shall be exercisable, for no additional consideration, into broker warrants which shall be exercisable for one Common Share at a price of $0.14 per share at any time up to 24 months after the date of issuance.

In connection with the Non-Brokered Offering, the Company paid cash commissions to various dealers (“Finders”), in each case equal to 3% of the aggregate gross proceeds raised by such Finder pursuant to the Non-Brokered Offering. On any issuance of Common Shares upon the deemed exercise of the Subscription Receipts, the Company will pay to each Finder a further commission equal to: (i) 3% of the aggregate gross proceeds raised by such Finder pursuant to the Non-Brokered Offering, and (ii) a number of Broker Warrants equal to 6% of the number of Subscription Receipts sold to subscribers by such Finder in connection with the Non-Brokered Offering.

The Subscription Receipts are subject to a hold period until August 15, 2016. Any Broker Warrants issued to the Agent or to the Finders will be subject to a four-month hold period following issuance.

(b) Announcement of Eligible Transaction

On May 13, 2016, the Company announced that it entered into a purchase agreement (the "DLC Purchase Agreement") pursuant to which it will acquire a 60% majority interest in the Dominion Lending Centres ("DLC") group of companies (the "DLC Transaction"). After completion of the DLC Transaction, the current

owners of DLC, comprised of Gary Mauris, Christopher Kayat and certain other minority shareholders (the "Founders") will retain a 40% interest in DLC and will continue to manage the day-to-day business and operations of DLC. The Founders will benefit from the Company's innovative ownership structure that incentivizes long-term earnings growth.

In connection with the DLC Transaction, the Company also announced that it has secured a loan in the amount of up to $20 million from an arm's length third party (the "Loan Facility"). The Loan Facility has a term of one year, however, the Loan Facility may be repaid by the Company at any time on 105 days' notice to the lender. The Loan Facility bears an interest rate equal to Bank of Montreal prime rate plus 9.3% per year and is secured by a pledge of the Company's interest in DLC as well as a general security agreement over the Company's assets.

The aggregate consideration payable by the Company under the DLC Purchase Agreement is $73,987,788 and will be satisfied by the issuance of 71,428,572 common shares of the Company (the "DLC Share Consideration") at an ascribed price of $0.175 per FCF Share and a cash payment of $61,487,788. In the event that the Company's share consolidation (the "Consolidation") of fifteen (15) common shares on a pre-consolidation basis for every one share on a post-consolidation basis approved at the Company's annual and special meeting of shareholders held on May 16, 2016 is implemented prior to the closing of the DLC Transaction, then an aggregate of 4,761,905 common shares will be issued at closing. The cash portion of the purchase price will be funded by the Company's cash on hand, the net proceeds from the Company's recently completed offering of Subscription Receipts, and the $20 million Loan Facility.

Immediately prior to the completion of the DLC Transaction, each Subscription Receipt will be automatically exercised into one common share, subject to adjustment, without any further action required on the part of the holder. In the event the approved Consolidation is implemented prior to closing of the DLC Transaction, then holders of Subscription Receipts will receive one common share for every fifteen (15) Subscription Receipts held. The common shares issuable on conversion of the Subscription Receipts will be subject to a hold period until August 15, 2016.