



**BOSS POWER CORP.**

*(an exploration stage enterprise)*

**Condensed Consolidated Interim Financial Statements**

**Three months ended March 31, 2015 and 2014**

*(Expressed in Canadian Dollars)*

## MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed consolidated interim financial statements of Boss Power Corp are the responsibility of the Company's management and are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the consolidated financial statements prior to their submission to the Board of Directors for approval.

*"Ronald K. Netolitzky"*

Ronald K. Netolitzky  
President and Acting CEO

*"Karen A. Allan"*

Karen A. Allan  
Chief Financial Officer

Vancouver, British Columbia  
May 28, 2015

**BOSS POWER CORP.**  
*(an exploration stage enterprise)*  
**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS**  
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2015	December 31, 2014
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 13,445,354	\$ 812,400
Funds held in trust	4	-	24,256,423
Accounts receivable		16,166	37,841
Prepaid expenses		9,802	13,118
		<b>13,471,322</b>	25,119,782
<b>Deposits</b>	9	<b>200,000</b>	-
		<b>\$ 13,671,322</b>	<b>\$ 25,119,782</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		\$ 183,417	\$ 318,595
<b>Deferred income tax</b>		<b>4,441,517</b>	4,441,517
		<b>4,624,934</b>	4,760,112
<b>Shareholders' Equity</b>			
<b>Capital stock</b>	5	<b>4,622,297</b>	<b>8,628,357</b>
<b>Contributed surplus</b>	5	<b>3,322,495</b>	<b>3,182,009</b>
<b>Retained earnings</b>		<b>1,101,596</b>	<b>8,549,304</b>
		<b>9,046,388</b>	20,359,670
		<b>\$ 13,671,322</b>	<b>\$ 25,119,782</b>

Subsequent Event Note 9

On behalf of the Board of Directors:

*"Tom MacNeill"*  
..... Director  
Tom MacNeill

*"Don Siemens"*  
..... Director  
Don Siemens

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

**BOSS POWER CORP.***(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - expressed in Canadian dollars)

	Capital Stock			Retained Earnings (Deficit)	Total Shareholders' Equity
	Shares	Amount	Contributed Surplus		
Balance as at December 31, 2013	78,350,348	\$ 8,609,357	\$ 3,188,009	\$(11,378,411)	\$ 418,955
Cash for exercised options	100,000	13,000	-	-	13,000
Fair value adjustment of exercised options	-	6000	(6,000)	-	-
Net loss for the three months	-	-	-	(135,197)	(135,197)
Balance at March 31, 2014	78,450,348	8,628,357	3,182,009	(11,513,608)	296,758
Balance at December 31, 2014	78,450,348	8,628,357	3,182,009	8,549,304	20,359,670
Distribution of shares	(34,423,717)	(3,786,090)	-	(7,298,347)	(11,084,437)
Cancellation of escrowed shares	(2,000,000)	(219,970)	-	219,970	-
Share-based payments	-	-	140,486	-	140,486
Net loss for the three months	-	-	-	(369,331)	(369,331)
Balance at March 31, 2015	42,026,631	\$ 4,622,297	\$ 3,322,495	\$ 1,101,596	\$ 9,046,388

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

**BOSS POWER CORP.***(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited - expressed in Canadian dollars)

		<b>For the three months ended March 31</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Expenses</b>			
Audit and related fees		\$ -	\$ 1,750
Due diligence on mineral property	9	<b>16,298</b>	
Consulting fees	6	<b>21,100</b>	25,430
Investor relations		<b>2,056</b>	2,794
Legal fees and disbursements		<b>142,762</b>	61,715
Office and administration		<b>18,046</b>	18,883
Share-based compensation	5(d)	<b>140,486</b>	-
Transfer agent and listing fees		<b>19,107</b>	9,625
Wages and benefits	6	<b>15,421</b>	15,000
		<b>(375,276)</b>	(135,197)
Interest income		<b>5,945</b>	-
<b>Loss before income tax</b>		<b>(369,331)</b>	(135,197)
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (369,331)</b>	<b>\$ (135,197)</b>
Basic and diluted loss per share		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>		<b>71,365,187</b>	<b>78,358,126</b>

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

**BOSS POWER CORP.***(an exploration stage enterprise)***CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited - expressed in Canadian dollars)

	For the three months ended	
	March 31	
	2015	2014
<b>Operating activities</b>		
Net loss	\$ (369,331)	\$ (135,197)
Add back non-cash items:		
Share-based compensation	140,486	-
Net changes in non-cash working capital items:		
Funds held in trust	24,256,423	-
Accounts receivable	21,675	59,280
Prepaid expenses	3,316	10,169
Accounts payable and accrued liabilities	(135,178)	(115,340)
<b>Cash provided by (used in) operating activities</b>	<b>23,917,391</b>	<b>(181,088)</b>
<b>Investing activity</b>		
Deposits	(200,000)	-
<b>Cash used in investing activity</b>	<b>(200,000)</b>	<b>-</b>
<b>Financing activity</b>		
Proceeds from issuance of shares	-	13,000
Distribution of settlement funds from trust account	(11,084,437)	-
<b>Cash provided by (used in) financing activity</b>	<b>(11,084,437)</b>	<b>13,000</b>
<b>Increase (decrease) in cash during the period</b>	<b>12,632,954</b>	<b>(168,088)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>812,400</b>	<b>570,562</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 13,445,354</b>	<b>\$ 402,474</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 12,745,354	\$ 570,562
Short-term deposits	\$ 700,000	\$ -
	<b>\$ 13,445,354</b>	<b>\$ 570,562</b>
<b>Supplemental Cash Flow Information</b>		
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Interest received	\$ 27,560	\$ -

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

## **BOSS POWER CORP.**

*(an exploration stage enterprise)*

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2015 and 2014**

**(Unaudited - expressed in Canadian dollars)**

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#### **1. NATURE OF OPERATIONS**

Boss Power Corp.'s ("Boss Power" or the "Company") principal business activities include the acquisition, exploration and development of mineral resource properties in North America. The Company's corporate office is located at Suite 611, 675 West Hastings Street, Vancouver, British Columbia.

#### **2. BASIS OF PRESENTATION**

##### **Approval of the Condensed Consolidated Interim Financial Statements**

The unaudited condensed consolidated interim financial statements of Boss Power Corp. for the three months ended March 31, 2015 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 28, 2015.

##### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

These condensed consolidated interim financial statements are presented in Canadian dollars and have been prepared using the accounting policies as set out in the audited annual financial statements for the year ended December 31, 2014. The disclosures which follow do not include all disclosures required for the annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2014.

##### **Basis of consolidation**

The condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Blizzard Uranium Corp. ("Blizzard Uranium"), a company incorporated in British Columbia. All material intercompany transactions and balances have been eliminated on consolidation.

#### **3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE**

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2014. Pronouncements that are not applicable to the Company have been excluded from those described below.

##### **IFRS 9 *Financial Instruments* (2015)**

This is a finalized version of **IFRS 9**, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

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*(an exploration stage enterprise)*

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2015 and 2014**

**(Unaudited - expressed in Canadian dollars)**

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### **3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE (Continued)**

#### **IFRS 9 *Financial Instruments* (2015) (Continued)**

- **Classification and measurement.** Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2015 version of **IFRS 9** introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under **IAS 39**; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- **Impairment.** The 2015 version of **IFRS 9** introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- **Hedge accounting.** Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- **Derecognition.** The requirements for the derecognition of financial assets and liabilities are carried forward from **IAS 39**.

Applicable to annual periods beginning on or after January 1, 2018.

### **4. DEFERRED SETTLEMENT FUNDS**

On April 1, 2014, the Company reached an agreement (“binding letter agreement”) with Mr. Beruschi, a shareholder and former director of the Company, and certain associated companies to settle the legal disputes between them and complete a divisive reorganization pursuant to a plan of arrangement. On November 21, 2014 the parties involved entered into an arrangement agreement providing for the divisive reorganization of the Company by way of a plan of arrangement as contemplated by the binding letter agreement.

The Company had title to a uranium deposit located east of Kelowna, British Columbia (the “Blizzard Properties”) which has an indicated and inferred resource estimated to be 10.4 million pounds of U3O8. Commencing in 2008, the Province of British Columbia (the “Province”) legislated a moratorium on uranium exploration and development. The conduct of the Province negatively impaired the value of the Blizzard Properties such that the capitalized mineral property acquisition and expenditures of \$4,537,338 were written off in fiscal 2008.

On October 16, 2008, the Company commenced an action against the Province in the Supreme Court of British Columbia to seek damages and a declaration that its interest in the Blizzard Properties had been expropriated. The claim, as amended, alleged that, as a result of the actions of the Province, the Company suffered a loss equivalent to the economic value of the Blizzard Properties at the time the wrongful acts were committed.

On October 19, 2011, the Province agreed to settle the Company's claims for compensation for \$30,000,000 (the “Settlement Proceeds”) plus costs upon return of the Blizzard Properties and certain peripheral properties (the “B Claims”) for cancellation. The B Claims were held in trust by Blizzard Uranium, for Mr. Beruschi, a former Director of the Company. The Company had been unsuccessful in reaching an agreement with Mr. Beruschi even though the B Claims were required by the Province to be surrendered as a condition of the settlement, in addition to the Blizzard Properties owned outright by the Company.



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*(an exploration stage enterprise)*

### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2015 and 2014**

**(Unaudited - expressed in Canadian dollars)**

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#### **4. DEFERRED SETTLEMENT FUNDS (Continued)**

In addition to the matter regarding these B Claims, certain other parties had claimed an interest in the Settlement Proceeds (the "Claims"). Only one of the parties making a Claim had commenced a lawsuit setting out the basis for its Claim. Sparton Resources Inc. ("Sparton") had named the Company and its subsidiary, Blizzard Uranium Corp., Anthem Resources Incorporated ("Anthem"), a significant shareholder of the Company, and the Province as defendants in its lawsuit over alleged obligations with respect to an agreement between Sparton and Anthem. On March 31, 2015, Anthem settled the claim with Sparton.

On June 2, 2014, pursuant to a settlement reached on October 19, 2011, the Province paid out the Settlement Proceeds in return for the surrender of the mineral claims owned by the Company and the B Claims beneficially owned by Mr. Beruschi. In addition, the Company agreed to indemnify the Province against any claims in connection with the mineral claims. The settlement proceeds of \$30,000,000 and \$356,423 of awarded costs were paid out pursuant to a binding letter agreement between the Company and Mr. Beruschi's companies as follows: (i) \$3,600,000 to Mr. Beruschi; (ii) \$2,500,000 to the Company for interim funding purposes which included the \$356,423 awarded costs; and (iii) the balance of the Settlement Proceeds were held in trust pending completion of the divisive reorganization by way of a plan of arrangement (Note 9). The Company paid legal fees net of the awarded costs of \$499,923 from the \$2,500,000. The net settlement received by the Company was \$26,400,000. The Company settled with the other claimants as follows: (i) \$400,000 to Anthem for claims against the Company in return for assuming all obligations for the Sparton action; and (ii) \$475,000 to Cazador Resources Ltd. for its legal disputes against the Company.

On January 19, 2015, pursuant to the arrangement agreement, shareholder approval was obtained to effect a divisive reorganization whereby certain shareholders totalling 34,423,717 elected to exchange their shares of the Company for shares in a newly incorporated corporation. The Company distributed \$11,084,437 of cash to the newly incorporated corporation. Shareholders of the Company that did not elect to become shareholders of the newly incorporated corporation continue to be shareholders of the Company. The resulting issued and outstanding shares of the Company are 42,026,631 of which 27,250,000 are owned by Anthem.

#### **5. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

**(a) Authorized:**

Unlimited number of common shares without par value

**(b) Escrow shares**

Pursuant to escrow agreements, 54,237,184 common shares were originally escrowed, representing 74.1% of the total issued and outstanding common shares upon completion of the reverse takeover in

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**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2015 and 2014****(Unaudited - expressed in Canadian dollars)**

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**5. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)****(b) Escrow shares (continued)**

2007. All were released in tranches, except for 2,000,000 common shares which were subject to a separate escrow agreement between the Company and Magic Dragon Ventures Ltd. ("Magic Dragon"), a private company owned by Mr. Beruschi. The shares were issued to Magic Dragon in 2007 but were placed in escrow because of the failure to deliver to the Company the title to certain mining claims as required by June 18, 2007. On November 13, 2013, the Company won an arbitration award against Magic Dragon. The arbitrator ordered that the 2,000,000 escrowed shares be returned to the Company. Within the allowable 60 days, Magic Dragon filed a leave to appeal to the Supreme Court of British Columbia. As a consequence, the 2,000,000 escrowed shares were held in abeyance pending the outcome of Magic Dragon's appeal or completion of the transaction. On January 19, 2015, pursuant to the terms of the arrangement agreement (refer to Note 4), the escrowed shares were cancelled.

**(c) Stock options**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants. Pursuant to the policies of the TSX-V, the Company is authorized to grant options to acquire up to 10% of its issued and outstanding common shares. The exercise price of each option granted under the plan is equal to the market price of the Company's shares determined on the date of each grant. The maximum term of each option is five years. The options are vested over a period of two years.

**(d) Share-based payment**

Share-based payment expense is recognized in earnings over 2 years from the date of grant to the date of vesting.

During the year ended December 31, 2014, options totaling 100,000 were exercised at \$0.13 per share for cash proceeds of \$13,000 and 650,000 were forfeited. The fair value of the options exercised is \$6,000.

**BOSS POWER CORP.***(an exploration stage enterprise)***Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2015 and 2014****(Unaudited - expressed in Canadian dollars)****5. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)****(d) Share-based payment (continued)**

On February 5, 2015, the Company granted 3,725,000 incentive stock options to directors, officers and employees exercisable at \$0.26 per share for 5 years and recorded share-based payment of \$140,486 in the three months ended March 31, 2015, with a fair value of \$0.14 per share, estimated using the Black-Scholes option pricing model using the following assumptions: risk free interest rate of 0.68%; expected life of 5 years, dividend rate of 0.00% and expected volatility of 62.8%.

Stock option transactions are summarized as follows:

	<b>Stock Options</b>	
	Number	Weighted Average Exercise Price
Outstanding, December 31, 2013	750,000	\$ 0.134
Exercised	(100,000)	(\$ 0.130)
Forfeited	(650,000)	(\$ 0.134)
Outstanding, December 31, 2014	-	-
Granted	3,725,000	\$0.26
Outstanding, March 31, 2015	3,725,000	\$0.26
Number currently exercisable	23,795	-

As at March 31, 2015, stock options were outstanding as follows:

Grant date	Number of Shares	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life
February 5, 2015	3,725,000	\$ 0.26	February 5, 2020	4.76

**6. RELATED PARTY TRANSACTIONS AND BALANCES***Key management compensation*

Key management personnel at the Company are the directors and officers of the Company. The remuneration of key management personnel during the three months ended March 31, 2015 and 2014 was as follows:

	2015	2014
Short-term benefits	1 \$ 21,100	\$ 18,130

- 1 Short-term benefits consist exclusively of salaries, bonuses, health benefits and consulting fees for key management personnel.

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### **Notes to the Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2015 and 2014**

**(Unaudited - expressed in Canadian dollars)**

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#### **7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

##### **Fair Values**

The Company's carrying values of cash, funds held in trust, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

##### **Credit Risk**

Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company deposits cash with high credit quality financial institutions. Accounts receivable comprises of interest receivable. The total exposure of the Company to credit risk is represented by the carrying value of cash and accounts receivable as shown in the balance sheet.

##### **Interest Rate Risk**

Included in the income for the year in these consolidated financial statements is interest income on Canadian dollar cash. If interest rates throughout the period ended March 31, 2015 had been 10 basis points (0.1%) lower (higher) then net income would have been \$2,400 lower (\$2,400 higher).

##### **Liquidity Risk**

The Company is subjected to liquidity risk to the extent of its accounts payable and accrued liabilities only. These amounts, as shown in the Company's balance sheet, all mature within 90 days.

#### **8. CAPITAL DISCLOSURES**

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 future development of the business. The Company defines capital as shareholders' equity. The Company is not exposed to any capital requirements.

The Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in 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. There were no changes to the Company's capital risk management approach in the period ended March 31, 2015. There were no capital restrictions in the period ended March 31, 2015 and the Company had no debt.

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**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2015 and 2014****(Unaudited - expressed in Canadian dollars)**

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**9. SUBSEQUENT EVENTS**

On April 24, 2015, the Company completed a transaction to acquire a position in an option to earn the title and interest to the Bell Mountain property for \$650,000 cash. A deposit of \$200,000 was paid and \$16,298 of due diligence conducted in the three months ended March 31, 2015.

On May 25, 2015, the Company acquired a 30% interest in the Eastgate property in two transactions totalling US\$450,000. The Company will have up to one year to make a second payment of US\$200,000 to increase its property interest to 45%.

On May 4, 2015 the Company and Anthem entered into a letter of intent with respect to a transaction pursuant to which Boss Power will acquire all of the issued and outstanding common shares of Anthem at a share exchange ratio of 0.75 of a common share of Boss Power for each common share of Anthem. The 27,250,000 common shares of Boss Power held by Anthem will be cancelled as a result of the transaction.