Camrova Resources Inc.
(formerly Baja Mining Corp.)

Consolidated Financial Statements
December 31, 2016
(expressed in United States dollars)

April 28, 2017

Independent Auditor's Report

To the Shareholders of Camrova Resources Inc.

We have audited the accompanying consolidated financial statements of Camrova Resources Inc., which comprise the consolidated balance sheets as at December 31, 2016 and December 31, 2015 and the consolidated statements of operations, comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Camrova Resources Inc. as at December 31, 2016 and December 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which discloses conditions and matters that indicate the existence of material uncertainty that may cast significant doubt about Camrova Resources Inc.'s ability to continue as a going concern.

(signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Camrova Resources Inc.
(formerly Baja Mining Corp.)
Consolidated Balance Sheets
As at December 31, 2016 and December 31, 2015
(expressed in United States dollars)

	December 31, 2016	December 31, 2015
ASSETS		
Cash and cash equivalents	66,433	650,684
Other current assets (note 4)	1,023,551	227,688
Current assets	1,089,984	878,372
Other receivables (note 4)	-	1,000,000
Shareholder loan receivable (note 5)	-	17,905,000
Total assets	1,089,984	19,783,372
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	235,313	376,589
Current liabilities	235,313	376,589
Subordinated debt (note 6)	-	10,000,000
Provision for foreign withholding tax liability (note 11)	-	1,541,444
Total liabilities	235,313	11,918,033
Share capital	291,467,000	291,467,000
Contributed surplus	144,091,000	144,084,000
Deficit	(441,251,147)	(433,223,318)
Accumulated other comprehensive income	6,547,818	5,537,657
Total shareholders' equity (note 7)	854,671	7,865,339
Total liabilities and shareholders' equity	1,089,984	19,783,372

Nature of operations and going concern (note 1)
Guarantees and commitments (note 13)

Approved by the Board and authorized for issue on April 27, 2017.

/s/ C. Thomas Ogryzlo Director   /s/ Wolf Seidler Director

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

Camrova Resources Inc.
(formerly Baja Mining Corp.)
For the years ended December 31, 2016 and 2015
(expressed in United States dollars)

Consolidated Statements of Operations

	Years ended December 31, 2016	2015
Expenses		
General and administration (note 8)	607,775	1,194,155
Exploration and evaluation expenditures (note 9)	49,412	110,119
Impairments (note 5)	17,905,000	-
Gain on debt modification (note 6)	(10,000,000)	-
Loss before other items	(8,562,187)	(1,304,274)
Foreign exchange (loss) gain	(1,005,744)	3,499,938
Finance income	964	3,591
Finance expense	(2,306)	(3,650)
(Loss) income before tax	(9,569,273)	2,195,605
Tax recovery (note 11)	1,541,444	-
(Loss) income for the year	(8,027,829)	2,195,605
(Loss) income per share		
Basic and diluted	(0.47)	0.13
Weighted average number of shares outstanding		
Basic and diluted	17,010,653	17,010,653

Consolidated Statements of Comprehensive Loss

	Years ended December 31, 2016	2015
(Loss) income for the year	(8,027,829)	2,195,605
Other comprehensive income (loss)		
Items that may be reclassified subsequent to profit or loss		
Currency translation adjustment	1,010,161	(3,521,746)
Total comprehensive loss	(7,017,668)	(1,326,141)

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

Camrova Resources Inc.
(formerly Baja Mining Corp.)
Consolidated Statements of Changes in Equity

(expressed in United States dollars)

	Share capital		Contributed		Accumulated other comprehensive	
	Number	Amount	surplus	Deficit	income	Total
Balance – January 1, 2015	17,010,653	291,467,000	144,054,000	(435,418,923)	9,059,403	9,161,480
Income for the year	-	-	-	2,195,605	-	2,195,605
Currency translation adjustment	-	-	-	-	(3,521,746)	(3,521,746)
Stock-based compensation expense	-	-	30,000	-	-	30,000
Balance – December 31, 2015	17,010,653	291,467,000	144,084,000	(433,223,318)	5,537,657	7,865,339
Loss for the year	-	-	-	(8,027,829)	-	(8,027,829)
Currency translation adjustment	-	-	-	-	1,010,161	1,010,161
Stock-based compensation expense	-	-	7,000	-	-	7,000
Balance – December 31, 2016	17,010,653	291,467,000	144,091,000	(441,251,147)	6,547,818	854,671

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

Camrova Resources Inc.
(formerly Baja Mining Corp.)

Consolidated Statements of Cash flows

For the years ended December 31, 2016 and 2015

(expressed in United States dollars)

	Years ended December 31, 2016	2015
Cash flows from operating activities		
Loss (income) for the year	(8,027,829)	2,195,605
Items not affecting cash		
Depreciation and accretion	-	8,609
Stock-based compensation expense	7,000	30,000
Unrealized foreign exchange	1,001,000	(3,496,000)
Impairments	17,905,000	-
Gain on debt modification	(10,000,000)	-
Income tax provision	(1,541,444)	-
	(656,273)	(1,261,786)
Net changes in working capital balances		
Other current assets	212,850	54,979
Accounts payable and accrued liabilities	(149,276)	(2,968)
	(592,699)	(1,209,775)
Effect of exchange rate changes on cash and cash equivalents	8,448	(30,865)
Decrease in cash and cash equivalents	(584,251)	(1,240,640)
Cash and cash equivalents - beginning of year	650,684	1,891,324
Cash and cash equivalents - end of year	66,433	650,684

Supplemental cash flow information (note 14)

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

1 NATURE OF OPERATIONS AND GOING CONCERN

Camrova Resources Inc. (the "Company" or "Camrova") was incorporated on July 15, 1985, under the Company Act of British Columbia. The Company has a minority investment in the El Boleo copper-cobalt-zinc-manganese deposit (the "Boleo Project" or the "Project") located near Santa Rosalia, Baja California Sur, Mexico. Minera y Metalúrgica del Boleo, S.A.P.I. de C.V. ("MMB") holds the mineral property rights to the Boleo Project. In addition, the Company intends to investigate and potentially pursue alternative project opportunities (notes 9 and 18). The Company is domiciled in Canada and its registered office is 600 – 890 West Pender Street, Vancouver, British Columbia, V6C 1J9.

The Company is a reporting issuer in Canada and trades on the TSX Venture Exchange, the Frankfurt Stock Exchange and the OTC market.

On October 17, 2016, the Company changed its name to Camrova Resources Inc. from Baja Mining Corp., and consolidated the Company's common shares on a twenty-old-shares-for-one-new basis. These consolidated financial statements reflect the share consolidation and all references to number of common shares, share options, and per common share amounts have been retroactively restated to present post-consolidation amounts.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities from normal operations when they become due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but not limited to twelve months from the end of the reporting period.

As at December 31, 2016, the Company had cash and cash equivalents of $66,433, working capital of $854,671, and an accumulated deficit of $441,251,147. The Company incurred negative cash flows from operations of $592,699 for the year ended December 31, 2016. The Company expects to incur further losses in the development of its business. Based on the Company's cash flow forecasts, it will require additional financing within the next 12 months in order to meet its ongoing corporate overhead, and to continue its discretionary exploration and evaluation programs. Management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or will be able to raise additional future funding when required. These factors cast significant doubt on the Company's ability to continue as a going concern.

These consolidated financial statements do not include the adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments may be material.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation

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

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis.

c) Principles of consolidation

These consolidated financial statements include the accounts of Camrova Resources Inc. and its subsidiaries.

Subsidiaries are all entities over which the Company has control. Control is defined as where the Company is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Company, until the date on which control ceases. All significant inter-company transactions and balances have been eliminated upon consolidation.

The Company's subsidiaries were Baja International S.à r.l. ("Baja Luxembourg") and its wholly owned subsidiary Boleo International S.à r.l. ("Boleo Luxembourg"). During 2015, the Company commenced an internal restructuring to eliminate its Luxembourg subsidiaries in an effort to simplify its legal structure and reduce operating complexity and costs.

On October 28, 2015, Boleo Luxembourg was placed in liquidation with the consent of its parent Baja Luxembourg. The closing of the liquidation of Boleo Luxembourg was effective December 3, 2015, with any remaining assets and liabilities distributable to Baja Luxembourg.

On December 28, 2015, Baja Luxembourg was placed in liquidation with the consent of its parent Camrova Resources Inc. The closing of the liquidation of Baja Luxembourg was effective March 25, 2016, with any remaining assets and liabilities distributable to Camrova.

d) Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). At December 31, 2016, the functional currency of Camrova Resources Inc., the parent entity, is the Canadian dollar.

The functional currency of the Company's subsidiaries is the U.S. dollar. The consolidated financial statements are presented in U.S. dollars, which is the group's presentation currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions

In preparing the financial results of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in currencies other than the functional currency of the individual entities are translated using the period end foreign exchange rate. Non-monetary assets, liabilities, and equity are translated using the rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of operations.

Translation of the consolidated financial statements into the presentation currency

The results and financial position of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: assets and liabilities using the exchange rate at period end; and income, expenses and cash flow items using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). All resulting exchange differences arising from the translation of the entities with a functional currency other than the US dollar are reported within accumulated other comprehensive income as a separate component of equity.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits, and short-term liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Financial assets and liabilities

The Company classifies it financial instruments in the following categories: at fair value through profit and loss, loans and receivables, available-for-sale, and other financial liabilities. The Company classifies its financial assets and liabilities at initial recognition according to their characteristics and management's intentions related thereto. Financial assets are derecognized when the rights to receive cash flows from the asset have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Where the Company expects to realize the asset or discharge the liability within twelve months, it is recorded as a current asset or liability; otherwise, it is recorded as a long-term asset or liability.

The Company has no fair value through profit or loss, or available-for-sale assets.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Financial assets and liabilities (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

The Company classifies its cash and cash equivalents, receivables, advances and deposits, and shareholder loan receivable in the consolidated balance sheets as loans and receivables.

Other financial liabilities

Other financial liabilities are recognized initially at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost using the effective interest method.

The Company classifies its accounts payable, accrued liabilities and debt in the consolidated balance sheets as other financial liabilities.

Financial assets – impairments

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment may include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

g) Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include property option payments and evaluation activity. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the period end, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

i) Stock-based compensation

The Company's share option plan provides for the granting of stock options to directors, officers, employees and service providers, which allows them to purchase common shares of the Company. The Company grants such options on a graded vesting basis for periods of up to five years at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options issued to employees, or those providing services similar to employees, is measured at the grant date, using the Black-Scholes option-pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized either as general and administration expense or as property, plant and equipment when grants are to individuals working directly on mineral projects. A corresponding increase is then recognized in equity.

The amount recognized is adjusted to reflect the number of share options expected to vest. Stock options issued to non-employees are recognized based on the fair value of the goods or services received.

j) Share purchase warrants

Share purchase warrants issued by the Company with an exercise price denominated in the Company's functional currency are considered equity instruments, with the consideration received reflected as contributed surplus. Upon exercise, the original consideration is reallocated from contributed surplus to share capital along with the associated exercise price.

k) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustments to tax payable in respect of previous years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) **Income taxes** (continued)

Deferred tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are reviewed at each reporting period and recognized to the extent that it is probable that future taxable profits will be available, against which they can be utilized.

Deferred tax assets and liabilities of the same taxable entity are offset when they relate to taxes levied by the same taxation authority and the entity has a legally enforceable right to set off current tax assets against current tax liabilities. Deferred tax assets and liabilities are presented as non-current.

l) **Earnings (loss) per share**

Basic earnings (loss) per share is computed by dividing the earnings (loss) for the year attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year.

Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if outstanding stock options and warrants were exercised and converted to common shares.

The weighted average number of diluted shares is calculated in accordance with the treasury stock method, whereby dilution is calculated based upon the number of common shares issued should “in-the-money” stock options and warrants be exercised and the proceeds used to repurchase common shares of the Company at the average market price during the period.

m) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

n) **Adoption of new or revised IFRS pronouncements not yet effective**

New and revised IFRS pronouncements that have been issued but are not yet effective, and that may have an impact on the disclosures and financial position of the Company, are disclosed below. The Company intends to adopt these new or revised standards and interpretations, if applicable, when they become effective.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Adoption of new or revised IFRS pronouncements not yet effective (continued)

(i) IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers,* ("IFRS 15") replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, and the related revenue-related interpretations. IFRS 15 introduces a single, principle based, five-step model for the recognition of revenue when control of a good or service is transferred to the customer. IFRS 15 also requires expanded disclosures to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers and to improve the comparability of revenue from contacts with customers. IFRS will be effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 15 on the consolidated financial statements.

(ii) IFRS 9 – Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, ("IFRS 9") to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 introduces a single approach to determine whether a financial asset is measured at fair value through profit and loss, fair value through other comprehensive income, or at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial asset.

For financial liabilities, IFRS 9 retains most of the IAS 39 requirements; however, where the fair value option is applied to financial liabilities, the change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income rather than net earnings, unless this creates an accounting mismatch.

In addition, a new expected credit loss model for calculating impairment on financial assets replaces the incurred loss impairment model used in IAS 39. IFRS 9 no longer requires a triggering event to have occurred before credit losses are recognized. An entity is required to recognize expected credit losses when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments. In addition, IFRS 9 requires additional disclosure about expected credit losses and credit risk.

IFRS 9 is effective for years beginning on or after January 1, 2018, with early adoption permitted. The Company is currently evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Adoption of new or revised IFRS pronouncements not yet effective (continued)

(iii) IFRS 16 – Leases

In January 2016, the IASB issued IFRS 16, *Leases*, (“IFRS 16”) replacing IAS 17, *Leases*, (“IAS 17”). For lessees applying IFRS 16, all leases are considered finance leases and will be recorded on the balance sheet. The only exemptions to this classification will be for leases that are twelve months or less in duration or for leases of low-value assets. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for years beginning on or after January 1, 2019, with early adoption permitted if the entity is also applying IFRS 15. The Company is currently evaluating the impact of adopting IFRS 16 on the consolidated financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires that the Company’s management make assumptions and estimates of effects of various future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period. Actual results may differ from those estimates.

Estimates are reviewed on an ongoing basis using historical experience and other factors that are considered relevant given the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

The significant assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period are as follows:

a) Impairment of amounts due from MMB

The Company exercises judgment when evaluating the evidence of impairment for amounts due from MMB, including the shareholder loan receivable and current other receivable. Where such evidence exists, estimates of future cash flows and the recoverable amount are required to determine the amount of any impairment. Management’s judgment and estimates in these areas are based on information available from internal and external resources at that time.

In assessing the current other receivable of $1,000,000 for impairment, management considered that the Company had reached a settlement agreement dated December 15, 2016, with MMB for repayment of this receivable in three equal instalments over the first three quarters of 2017. Two of the three scheduled instalments have been received to date in 2017. It is management’s judgment that no impairment was required on the current other receivable from MMB as of December 31, 2016 (note 4).

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

a) **Impairment of amounts due from MMB** (continued)

In assessing impairment for the shareholder loan receivable from MMB, management considered a number of factors relating to the Boleo Project, including: the financial position of MMB from their latest available financial statements; the debt repayment order by MMB as agreed in the new shareholders' agreement dated December 15, 2016; updated life of mine estimates by MMB in December 2016; the latest available cash projections and project funding from MMB; future taxes; and other market indicators. It is management's judgment that an impairment of $17,905,000 was required to be recognized as of December 31, 2016 bringing the carrying value of its shareholder loan receivable to $Nil (note 5).

b) **Measurement of the refundable deposit liability**

A refundable deposit liability of $10,000,000 was included in the cash proceeds received from the sale of 30% of the Company's interest in MMB to the Consortium in 2008. The terms of this refundable deposit liability were modified in the new shareholders' agreement dated December 15, 2016.

It is management's judgment that the amendments constituted a substantial modification of the terms requiring the extinguishment of the original financial liability and the recognition of a new financial liability under IAS 39. In considering the fair value of the new financial liability as of December 15, 2016, management considered that the refundable deposit liability becomes payable only if the MMB board decides not to produce manganese from the Boleo Project, and that the Company cannot accurately predict the outcome or timing of this decision as it outside of its control.

If MMB decides not to produce manganese, the Company will be obligated to issue a promissory note to the Consortium (the "Manganese Promissory Note") of which repayment will be made from any dividend, interest and debt repayment received by the Company from MMB. The Company will provide an assignment of its shares in MMB and its promissory note receivable from MMB with a principal balance of $28,224,121 as security, with 85% of any cash and other amounts and payments in kind (subject to any payments in kind being liquid and fungible), including payments on account of dividends, interest, and debt principle repayment, are received by Camrova from MMB (net of any withholdings and/or taxes due) to be applied as repayment against the Manganese Promissory Note.

In the event of termination (as defined in the agreement), the Company is obligated to repay any outstanding balance due under the Manganese Promissory Note only if the Company had received a minimum cumulative total of $2,000,000 in cash and other amounts and payments in kind (subject to any payments in kind being liquid and fungible), including dividend, interest and principle debt repayments from MMB.

Management considered that the cash flows for the refundable deposit liability are linked to the expected cash flows from the shareholder loan receivable, and that a full impairment was taken against the shareholder promissory note (note 3(a)), and attributed a nil fair value for the new financial liability (note 6).

(expressed in United States dollars, unless stated otherwise)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

c) **Income taxes**

Foreign withholding taxes are payable when interest from shareholder loans are received. The accrued withholding tax is estimated at each reporting period based on management's assessment of ultimate future tax obligations, and the portion attributable to the current reporting period.

As a result of recognizing a full impairment on the shareholder loan receivable, management reversed the related foreign tax withholding provision of $1,541,444 recognizing a tax recovery in the consolidated statements of operations (note 11).

4 RECEIVABLES AND OTHER ASSETS

	December 31, 2016	December 31, 2015
Prepaid expenses	13,615	14,090
Receivable from insurance recoveries	8,232	178,588
Receivable from MMB *(i)*	1,000,000	1,000,000
Other receivables, advances, and deposits	1,704	35,010
	1,023,551	1,227,688
Current balance	1,023,551	227,688
Long-term balance	-	1,000,000

(i) These invoices pertain to services provided by the Company to MMB pursuant to a management service agreement, which was terminated by MMB during the first quarter of 2013. The Company recognized an impairment of $568,000 during the year ended December 31, 2014, reducing the MMB receivable to $1,000,000. At December 31, 2015, the Company classified the MMB receivable as long-term upon consideration of the length of time this portion of the receivable had been outstanding, and the uncertainty to whether it would be realized into cash within twelve months.

In December 2016, the parties agreed on a settlement agreement in respect of the cumulative margin on services provided to MMB since 2009 through 2012 amounting to approximately US$1,000,000 payable in three equal instalments payable every three months commencing in January 2017. At December 31, 2016, the Company has classified the MMB receivable as current. The company has subsequently received two of the three scheduled instalments to date in 2017.

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(expressed in United States dollars, unless stated otherwise)

5 INVESTMENT IN MMB

	December 31, 2016	December 31, 2015
Shareholder loan receivable	-	17,905,000
Available for sale equity securities	-	-

The Company's investment in MMB is a combination of shares in common stock and shareholder loans. The shareholders of MMB are required to fund their proportionate equity percentage in the Boleo Project by advances through shareholder loans or subscriptions to additional shares.

At December 31, 2016, the Company held 10% (2015 - 10%) of the common shares of MMB at $Nil (2015 - $Nil).

Korea Resources Corporation ("KORES") is the ultimate controlling party and parent of MMB holding 74% (2015- 74%) of the common shares of MMB. The remaining 16% (2015 - 16%) ownership of MMB is held by a consortium of Korean companies, including KORES ("the Korean Consortium").

Shareholder loan receivable

On April 1, 2014, the Company agreed with KORES and other members of the Consortium to convert all outstanding shareholder loans to MMB into equity of MMB (the "Conversion"). The Conversion was based on principal and accrued interest balances as of December 31, 2013. Pursuant to the Conversion, the Company agreed to convert its $93,819,513 principal in shareholder loans to MMB into equity of MMB, and to restructure the accrued and unpaid interest of such loans amounting to $28,224,121 into a separate promissory note that matures December 31, 2018, and accrues ordinary interest at 4% per annum. The promissory note is subordinate to other priority debt held by MMB. In the event that on the maturity date the priority debt in MMB is still outstanding, the maturity date of the new promissory note will be automatically extended for successive one-year terms as required.

Management estimated the $17,905,000 carrying value of its investment in MMB approximated its fair value on initial recognition on April 1, 2014 and attributed 100% of the fair value of $17,905,000 for the Company's retained interest to the new promissory note.

Upon recognition of the new promissory note on April 1, 2014, the Company calculated an effective interest of 14.3% using the contractual cash flows associated with a $28,224,121 principal balance over the remaining term of the loan, which matures on December 31, 2018. However, management considered the going concern uncertainties for MMB, and had concluded not to recognize any investment income for the shareholder loan receivable for the year ended December 31, 2016 (2015 - $Nil).

As of December 31, 2016, management recognized an impairment of $17,905,000 to bring the carrying value of the shareholder loan receivable to $Nil (note 3(a)).

6 SUBORDINATED DEBT FACILITIES

Refundable deposit liability

A refundable deposit liability of $10,000,000 was included in the cash proceeds received from the sale of 30% of the Company's interest in MMB to the Consortium in 2008 (the "Manganese Refund"). This deposit was to be refundable to the Consortium should a decision be made not to produce manganese from the Boleo Project by the economic completion date. Alternatively, additional consideration was to be paid to the Company by the Consortium of approximately $13,000,000 upon a positive decision related to the production of manganese being made by the time of economic completion of the Boleo Project.

A new shareholders' agreement dated December 15, 2016 (the "New Shareholders' Agreement"), supersedes and replaces the prior shareholders' agreement between the shareholders of MMB dated May 30, 2008, as well as any prior understandings between MMB's shareholders respecting any terms potentially to be included in a new shareholders' agreement.

The New Shareholders' Agreement requires that in making the manganese production decision, the MMB Board shall exercise reasonable judgment and shall consider relevant information as to the technical and economic feasibility of manganese production at the Boleo Project.

If a decision is made not to produce manganese, (the "Manganese Non-Production Decision"), on the date of such decision, the Company will then be obligated to repay the Manganese Refund and at that time will issue a promissory note to the Korean Consortium evidencing its obligation to pay the Manganese Refund, which shall bear interest at a rate of 4% per annum commencing from the date of the Manganese Non-Production Decision (the "Manganese Promissory Note"). The Manganese Promissory Note must be repaid within 20 years following its issuance (the "Maturity Date"). While the Manganese Promissory Note remains outstanding, the Company will be obligated to make or cause payments to be made to the Korean Consortium from time to time limited and equal to 85% of any cash and other amounts and payments in kind (subject to any payments in kind being fungible), including payments on account of dividends, interest, and debt principal repayments, net of any related withholdings and/or taxes due or payable, received by the Company.

As continuing collateral security for its obligation to repay the Manganese Refund plus accrued interest, on issuance of the Manganese Promissory Note, the Company will concurrently execute and deliver to the Korean Consortium a security agreement granting a first-ranking security interest in all present and after-acquired MMB equity securities owned by the Company, and an assignment of a promissory note held by the Company and issued by MMB with a $28,224,121 principal balance (note 5) (collectively, the "Security").

Upon payment in full of the Manganese Refund and all interest thereon, or if a decision is subsequently made by the MMB Board to produce manganese (the "Manganese Positive Production Decision") prior to the fourth anniversary of the date the Manganese Non-Production Decision is made, the Security will be terminated and the debt evidenced by the Manganese Promissory Note shall be cancelled.

6 SUBORDINATED DEBT FACILITIES (continued)

Refundable deposit liability *(continued)*

The Korean Consortium shall be entitled to realize upon the Security upon the occurrence of any of the following events (each, a "Termination Event"), namely (i) the taking of any corporate action or initiation of any other steps or legal proceedings by or against the Company in conjunction with, or the occurrence of an insolvency, bankruptcy, or related restructuring, other than that not having a material adverse effect on the assets, business or value of the Company, or (ii) the failure to pay the Manganese Refund and all interest thereon in full by the Maturity Date.

Notwithstanding the occurrence of a Termination Event or the Korean Consortium realizing on the Security, the Company will remain obligated to pay to the Korean Consortium the outstanding balance of the Manganese Refund together with interest thereon, and the Korean Consortium will have full recourse against the Company for the full outstanding balance of the Manganese Refund together with interest thereon, following the occurrence of a Termination Event or the transfer of the entire Camrova Security to the Korean Consortium, provided that a cumulative total amount of not less than $2,000,000 in cash and other amounts and payments in kind (subject to any payments in kind being liquid and fungible), including on account of dividends, interest, and debt principle payments, has been paid to the Company by MMB on or before the time of such Termination Event (the "Recourse Threshold").

This arrangement restructures and defers a possible near-term obligation to repay the Manganese Refund if a Manganese Non-Production Decision is made and provides that settlement will be funded out of cash flows received from MMB, being subject to the Security and recourse rights (subject to the Recourse Threshold having been met) of the Korean Consortium detailed above. In order to achieve this outcome, the Company agreed to waive the requirement for the Korean Consortium to pay Camrova the $13,000,000 in further purchase consideration owing to the Company in the event of a Manganese Positive Production Decision, as set out in the 2008 SPA.

Management considered that the amendments constituted a substantial modification of the terms requiring the extinguishment of the original financial liability and the recognition of a new financial liability under IAS 39; and recognized a $Nil fair value for the new financial liability with a $10,000,000 gain reflected in the statement of operations (note 3(b)) as of December 31, 2016.

On April 21, 2017, the MMB Board of Directors adopted a formal decision not to produce manganese at the Boleo Project (the "Manganese Non-Production Decision"). The Company abstained from the MMB board vote on the Manganese Non-Production Decision and is awaiting receipt of further detail of MMB's and KORES' analysis, which the Company will consider in greater detail to satisfy that due process has been observed as is required pursuant to the New Shareholders' Agreement. The promissory note evidencing the Manganese Refund and the Security will be released to the Korean Consortium at that time.

(expressed in United States dollars, unless stated otherwise)

7 SHAREHOLDERS' EQUITY

These consolidated financial statements reflect a twenty-for-one share consolidation in October 2017, and all references to number of common shares, share options, and per common share amounts have been retroactively restated to present post-consolidation amounts (note 1).

a) Authorized share capital

The Company has been authorized to issue an unlimited number of common shares without par value.

b) Stock options

Details of the Company's stock option activity are as follows:

	Number of options	Weighted average exercise price (Cdn$ per option)
Stock options outstanding – January 1, 2015	558,125	13.21
Forfeited/expired	(255,625)	22.74
Stock options outstanding – December 31, 2015	302,500	5.16
Forfeited/expired	(65,625)	20.16
Stock options outstanding – December 31, 2016	236,875	1.00

The following table summarizes information about stock options outstanding and exercisable at December 31, 2016:

Range of prices (Cdn$ per option)	Number of outstanding options	Weighted average years to expiry for outstanding options	Weighted average exercise price for outstanding options (Cdn$)	Number of exercisable options	Weighted average exercise price for exercisable options (Cdn$)
1.00	236,875	2.69	1.00	236,875	1.00

The Company's stock option plan (the "Plan") allows the Company to grant stock options up to a maximum of 10% of the number of issued shares of the Company. Options granted under the Plan will vest with the right to exercise one-quarter of the options upon conclusion of every six months subsequent to the grant date, unless otherwise specified by the board of directors at the time the particular options are granted.

No stock options were granted in 2016 (2015 – nil).

The total stock-based compensation recorded during the year was $7,000 (2015 - $30,000). This has been recognized in general and administration expense and contributed surplus.

(expressed in United States dollars, unless stated otherwise)

7 SHAREHOLDERS' EQUITY (continued)

b) **Stock options** (continued)

At December 31, 2016, there were no (2015 – nil) potentially dilutive shares related to stock options that have been included in the diluted earnings per share calculation for the year presented because their effect is anti-dilutive.

Subsequent to December 31, 2016, the Company granted 1,363,750 stock options to nine directors, employees and consultants of the Company, exercisable at a price of $0.215 for a period of five years. The Company also approved the re-pricing of the 236,875 previously issued stock options at a new exercise price of $0.215, subject to TSX Venture Exchange approval (and in the case of insiders of the Company, disinterested shareholder approval).

8 GENERAL AND ADMINISTRATION EXPENSE

	Years ended December 31,	
	2016	**2015**
Wages, salaries, and management fees	356,459	592,563
Directors fees	74,285	107,916
Stock-based compensation (note 7(b))	7,000	30,000
Professional and consulting fees	41,637	182,887
Office and administration	113,272	219,724
Shareholders information	15,122	52,456
Depreciation	-	8,609
	607,775	1,194,155

9 EXPLORATION AND EVALUATION EXPENDITURES

Cinto Colorado

	Years ended December 31,	
	2016	**2015**
Legal and environmental due diligence	(17,681)	14,222
Metallurgy, operations engineering and design	59,387	57,274
Operating payments	7,706	38,623
	49,412	110,119

(expressed in United States dollars, unless stated otherwise)

9 EXPLORATION AND EVALUATION EXPENDITURES (continued)

On April 30, 2013, the Company entered into an option agreement (the "Agreement") whereby it could earn up to an 80% interest in Cinto Colorado S. de R.L. de C.V. ("Cinto Colorado"), a private Mexican company. Cinto Colorado's main asset is a surface lease, which entitles Cinto Colorado to process and/or sell tailings and slag now stored on the lands subject to the lease (the "Lands"). The Lands are situated within Santa Rosalia, Baja California Sur, Mexico and are adjacent to the existing Boleo Project of MMB.

The Cinto option agreement expired on December 31, 2016, as the Company had not undertaken and delivered a NI 43-101 compliant feasibility study for the development of the tailings in accordance with the terms of the Option Agreement.

As of December 31, 2016, the Company reversed legal and operating expense accruals of approximately $48,000 pertaining to Cinto Colorado, of which approximately $18,000 related to expenses accrued in 2015 and $30,000 related to expenses accrued during the first nine months of 2016.

10 RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel of the Company include executive officers and directors.

The compensation paid or payable to key management, or to companies in common with key management personnel, for services provided is shown below.

	Years ended December 31,	
	2016	**2015**
Short-term employee benefits	328,051	469,358
Stock-based compensation	4,910	24,108
	332,961	493,466

As at December 31, 2016, the accounts payable and accrued liabilities balance includes $134,341 owing to key management personnel (2015 - $Nil).

(expressed in United States dollars, unless stated otherwise)

11 INCOME TAXES

Income tax recognized in profit or loss is comprised of the following:

	Years ended December 31,	
	2016	**2015**
Withholding taxes	1,541,444	-
Current income tax	-	-
Tax recovery	1,541,444	-

A reconciliation between the tax expense and the product of accounting income or loss multiplied by the Company's statutory tax rate of 26% for the year ended December 31, 2016 (2015 – 26%) is as follows:

	Years ended December 31,	
	2016	**2015**
(Loss) income before tax	(9,569,273)	2,195,605
Statutory tax rate	26%	26%
Expected recovery (expense) at statutory tax rate	2,488,011	(570,857)
Difference in foreign tax rates	1,336	(6,082)
Effect of foreign exchange differences	1,093,429	(6,939,131)
Foreign withholding taxes	1,541,444	-
Non-deductible expenses	63,910	360,695
Change in estimates	(2,959)	(356,625)
	5,185,171	(7,512,000)
Change in unrecognized deferred tax assets	(3,643,727)	7,512,000
Tax recovery	1,541,444	-

The provision for accrued foreign withholding taxes of $Nil at December 31, 2016 (2015 - $1,541,444) is payable when interest from shareholder loans is received. As a result of recognizing a full impairment on the shareholder loan receivable, management reversed the related foreign tax withholding provision of $1,541,444 recognizing an tax recovery in the consolidated statements of operations (notes 3(c) and 5).

(expressed in United States dollars, unless stated otherwise)

11 INCOME TAXES (continued)

The significant components of deferred income tax assets and deferred income tax liabilities are as follows:

	December 31, 2016	December 31, 2015
Non-capital loss carry-forwards	8,012,905	10,030,681
Property, plant and equipment	489,292	474,642
Capital losses and contributions	30,125,264	24,497,931
Exploration expenses	651,959	632,439
	39,279,420	35,635,693
Unrecognized deferred tax assets	(39,279,420)	(35,635,693)
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Net deferred tax asset (liability)	-	-

At December 31, 2016, the Company had unrecognized non-capital losses for income tax purposes of $30,818,863 (2015 - $38,579,545) that may be used to offset future taxable income as follows:

		Local currency	USD equivalent	Expiry date
Non-capital losses				
Canadian dollar	CAD	41,378,710	30,818,863	2023 - 2036

12 SEGMENTED INFORMATION

Operating Segments

The Company currently operates in one business segment, being the acquisition, exploration and development of resource properties.

No revenues were earned from external customers in either 2016 or 2015.

Geographic Segments

The Company head office is located in Canada. The Company's subsidiaries, prior to their dissolution, were located in Luxembourg (note 2(c)).

(expressed in United States dollars, unless stated otherwise)

13 GUARANTEES AND COMMITMENTS

In 2012, the Company entered into a lease assignment for offices no longer being used by the Company. In order to induce the landlord to approve the assignment, the Company provided an indemnity agreement to the landlord. The Company will remain liable during the balance of the lease term in the event the assignee does not fulfill its obligations to the landlord. The lease expires September 30, 2020.

At December 31, 2016, total future aggregate minimum lease payments over the remaining lease term by the assignee to the landlord covered by this indemnity agreement is $1,897,200.

No amount has been accrued for this indemnity as of December 31, 2016, as management has assessed that it was not probable that the Company will be required to cover any amounts under the indemnity.

14 SUPPLEMENTAL CASH FLOW INFORMATION

	December 31, 2016	December 31, 2015
Cash in bank	45,746	155,962
Cash equivalents	20,687	494,722
	66,433	650,684

During the year ended December 31, 2016, the Company received interest in cash of $964 (2015 - $3,591).

15 MANAGEMENT OF CAPITAL

It is the Company’s objective when managing capital to safeguard the Company’s ability to continue as a going concern, to maximize the potential value of its investment in MMB and to pursue alternative project opportunities for the benefit of its stakeholders. The Company’s capital resources are now largely determined by the strength of the junior resource markets and by the status of the Boleo Project in relation to these markets, and the Company’s ability to compete for investor support for the Boleo Project and any other prospective projects.

The Company manages the capital structure and makes appropriate adjustments to it based upon changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets.

The Company’s short-term operating budgets are reviewed and updated annually and as necessary depending on various factors, including operational and strategic decision-making and general industry conditions.

16 FINANCIAL RISK MANAGEMENT

The Company's financial instruments are exposed to the following credit, liquidity and market risks:

a) **Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is primarily on its cash and cash equivalents, other receivables (note 4), and shareholder loan receivable (note 5). The maximum exposure to credit risk is equal to the carrying value of the financial assets.

Cash and cash equivalents are substantially invested with highly rated financial institutions with a minimum rating of "A".

b) **Liquidity risk** (note 1)

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure as outlined in note 16 to these consolidated financial statements.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. The contractual maturities of the Company's financial liabilities as of December 31, 2016 are as follows:

	Total	**Contractual Maturity**
Accounts payable and accrued liabilities	235,313	Due within 1 year

c) **Foreign exchange risk**

The Company incurs expenditures primarily in Canadian and United States (U.S.) dollars. Corporate expenditures are incurred primarily in Canadian dollars. Activities relating to the Company's investment in the Boleo Project and other exploration and evaluation expenditures are incurred primarily in the U.S. dollar.

As the functional currency of Camrova is the Canadian dollar, foreign exchange gains and losses arise in converting Camrova's U.S. dollar-based monetary assets and liabilities to Canadian dollars. These foreign exchange gains or losses are included in the consolidated statements of operations. Currency translation adjustments are recognized in other comprehensive loss arising from the translation of the net assets of Camrova in Canadian dollars into the presentation currency of U.S. dollars (note 2(d)).

(expressed in United States dollars, unless stated otherwise)

16 FINANCIAL RISK MANAGEMENT (continued)

c) Foreign exchange risk (continued)

A significant change in the currency exchange rate of the U.S. dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

As at December 31, 2016, U.S. dollar financial instruments subject to foreign exchange risk are as follows:

	Foreign currency amount
	USD
Cash and cash equivalents	27,339
Receivables	1,000,000
Accounts payable and accrued liabilities	(27,004)
Net U.S. assets (liabilities) exposed	1,000,335

A 1% appreciation or depreciation in the CAD/USD foreign exchange rate would result in an additional foreign exchange gain or loss of approximately $10,000 and an opposite currency translation gain or loss in other comprehensive loss of $10,000.

17 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

There are three levels of fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with level 1 inputs having the highest priority. The levels used to value the Company's financial assets and liabilities are described below.

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly, i.e. derived from prices.
- Level 3 – Inputs for the asset or liability that are not based on an observable market, i.e. unobservable inputs.

All of the Company's financial assets and financial liabilities are initially recorded at fair value. The carrying value of the financial assets and liabilities approximate their fair value as of December 31, 2016. The Company has not offset financial assets with financial liabilities.

18 SUBSEQUENT EVENTS

Virginia Project

Subsequent to December 31, 2016, the Company signed a letter of intent whereby the Company will provide funding to restart an existing copper processing plant located in Copiapó, Chile. The mining rights and equipment are owned by third parties.

Pursuant to the letter of intent, the Company will make an initial investment of $304,000 structured as a loan, with the option to make further advances to fund the Project for a total of investment of up to $1,206,000. The Company advanced $50,000 in the first quarter of 2017.

The letter of intent shall terminate in the event that the (i) the Company is not satisfied with the results of its due diligence review (ii) if required, TSX Venture Exchange or any applicable regulatory authority is not received, or (iii) the investment agreement is not executed by April 30, 2017.