Condensed Interim Consolidated Financial Statements

Chinapintza Mining Corp.

(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)

For the Three Months Ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited)

Chinapintza Mining Corp.

Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2016 and 2015

Notice of No Auditor Review of Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board.

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

		March 31, 2016 (Unaudited)		December 31, 2015 (Audited)
ASSETS				
Current Assets				
Cash	$	30,336	$	30,508
Other receivable		49,096		49,185
		79,432		79,693
Mineral Rights (note 4)		592,360		631,266
Total Assets	$	671,792	$	710,959
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	272,687	$	221,725
Advances from Related Parties (note 5)		709,924		729,927
Asset Retirement Obligations (note 4)		5,723		6,099
		988,334		957,751
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share Capital (note 6)		300,798		300,798
Surplus Reserve (note 6)		168,502		168,502
Cumulative Translation Reserve		46,873		59,972
Deficit		(919,936)		(868,899)
Equity (Deficit)		(403,763)		(339,627)
Non-controlling Interest		87,221		92,835
Total Equity (Deficiency)		(316,542)		(246,792)
Total Liabilities and Equity	$	671,792	$	710,959

Commitments and Contractual Arrangements (note 7)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed "James Xiang"
Director

Signed "Paul Haber"
Director

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended March 31, 2016 (Unaudited)	Three months ended March 31, 2015 (Unaudited)
Revenue	$ -	$ -
Expenses		
Consulting and professional fees	38,961	37,998
Management fees (note 10)	9,000	10,500
General and administrative	76	71
Filing and transfer agent fees	-	6,604
Director fees (note 10)	3,000	3,000
	51,037	58,173
Net Loss before Income Taxes	51,037	58,173
Deferred income taxes	-	-
Net Loss	51,037	58,173
Other Comprehensive Loss (Gain)		
Currency translation differences translating foreign operations attributable to the parent	13,099	(16,354)
Currency translation differences translating foreign operations attributable to non-controlling interest	5,614	(7,009)
Comprehensive Loss	$ 69,750	$ 34,810
Comprehensive Loss (Gain) attributable to:		
Controlling equity holders	$ 64,136	$ 41,819
Non-controlling interest	5,614	(7,009)
	$ 69,750	$ 34,810
Weighted Average Number of Shares Outstanding	44,054,375	44,054,375
Loss per Share – basic and diluted	$ 0.00	$ 0.00

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders’ Equity (Deficiency)
(Unaudited)
(Expressed in Canadian dollars)

	Number of Shares	Common Shares	Surplus Reserve	Cumulative Translation Reserve	Deficit	Shareholders’ Equity	Non-controlling Interest
Balance – December 31, 2014	**44,054,375**	**300,798**	**168,502**	**25,590**	**(609,379)**	**(114,489)**	**78,100**
Other comprehensive gain	-	-	-	16,354	-	16,354	7,009
Loss for the period	-	-	-	-	(58,173)	(58,173)	-
Balance – March 31 ,2015	**44,054,375**	**300,798**	**168,502**	**41,944**	**(667,552)**	**(156,308)**	**85,109**
Balance – December 31, 2015	**44,054,375**	**300,798**	**168,502**	**59,972**	**(868,899)**	**(339,627)**	**92,835**
Other comprehensive gain (loss)	-	-	-	(13,099)	-	(13,099)	(5,614)
Loss for the period	-	-	-	-	(51,037)	(51,037)	-
Balance – March 31 ,2016	**44,054,375**	**300,798**	**168,502**	**46,873**	**(919,936)**	**(403,763)**	**87,221**

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

Chinapintza Mining Corp
(An exploration stage company)
(Formerly Black Birch Capital Acquisition II Corp.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended March 31, 2016 (Unaudited)	Three months ended March 31, 2015 (Unaudited)
Cash provided by (used in):		
Operating Activities:		
Net loss for the period	$ (51,037)	$ (58,173)
Changes in non-cash working capital items:		
Other receivable	89	(1,412)
Accounts payable and accrued liabilities	50,962	47,998
Net Cash Used in Operating Activities	14	(11,587)
Financing Activities:		
Proceeds from related parties	-	48,962
Net Cash Provided by Financing Activities	-	48,962
Impact of foreign exchange on cash	(186)	232
Net increase (decrease) in cash	(172)	37,607
Cash - beginning of period	30,508	73,085
Cash - end of period	$ 30,336	$ 110,692

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

1. Nature and Continuance of Operations

Chinapintza Mining Corp (the "Company" or “CPA”) (formerly Black Birch Capital Acquisition II Corp (“Black Birch”) was incorporated pursuant to articles of incorporation dated November 3, 2009 under the Business Corporations Act (Ontario). The Company was a "Capital Pool Corporation" ("CPC"), as this term is defined in the policies of the TSX Venture Exchange (the "Exchange") since its listing. On June 14, 2013, Black Birch was acquired by Guangshou Ecuador Minerals Ltd.(“Guangshou”) in a reverse takeover transaction (see note 4) and as result Black Birch carries on the business of Guangshou and continues pursuant to the laws of British Columbia. As a result, these condensed interim consolidated financial statements reflect the financial position, operating results and cash flows of the Company’s legal subsidiary, Guangshou. Effective June 14, 2013, Black Birch changed its name to Chinapintza Mining Corp and trades under the symbol “CPA” on the TSX Venture Exchange. The address of the Company’s corporate office and principal place of business is 50 Richmond Street East, Suite 300, Toronto, Ontario, Canada, M5C 1N7.

The Company’s principal business is to acquire, explore and develop the gold and mineral mining rights in Chinapintza Property located in Ecuador. The Company has not yet determined whether the property contains mineral reserves that are economically recoverable.

On November 2, 2012, the Company’s subsidiary in Ecuador, Guangshou, entered into an agreement (“Shareholder Agreement”) with Condormining Corporation S.A. (“Condormining”) and JVChinapintza. As per the Shareholder Agreement, Condormining will transfer the title of the Chinapintza Property to JVChinapintza in order to further the exploration, evaluation, and if justified, the development and mining of mineral resources within the property for the benefit of the shareholders. The Company held 70% shareholder interest of JVChinapintza whereas Condormining held the other 30% shareholder interest of JVChinapintza.

Subsequent to March 31, 2016, the Company and its subsidiary, Guangshou, entered into an agreement with EGX and its subsidiary, Condormining, to terminate the Shareholder Agreement between Condormining and Guangshou dated November 2, 2012 for the joint ownership and exploration and development of the Chinapintza Property (see note 12).

2. Going Concern

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

2. Going Concern (Cont'd)

The Company's long term continuance is dependent on obtaining sufficient external financing, to realize the recoverability of its investment in mineral rights in the Chinapintza Property which is dependent upon the existence of economically recoverable reserves and upon future profitable production. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage. As at March 31, 2016, the Company has an accumulated deficit of $919,936 (December 31, 2015 - $868,899), and incurred a net loss of $51,037 (three months ended March 31, 2015 - $58,173) for the three months ended March 31, 2016. The Company has a cash flow from operations of $14 (three months ended March 31, 2015 - negative cash flow from operations of $11,587) for the three months ended March 31, 2016, and a negative working capital of $193,255 as at March 31, 2016 (December 31, 2015 - $142,032).

These condensed interim consolidated financial statements do not reflect adjustments to the carrying value of assets, liabilities, the reported expenses and financial position classifications used that might be necessary if the going concern assumption were not appropriate.

Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

a) Statement of compliance

These condensed interim consolidated financial statements of Chinapintza Mining Corp. and its subsidiaries (the "Company") have been prepared in accordance with IAS 34 – Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted
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The accounting policies set out in the Company's annual consolidated financial statements for the year ended December 31, 2015 were consistently applied to all the periods presented unless otherwise noted.

These condensed interim consolidated financial statements were authorized for issue by Board of Directors on May 27, 2016.

3. Significant Accounting Policies (Cont'd)

b) Basis of presentation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Guangshou and Guangshou's 70% interest and control in JVChinapintza. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Where control of an entity is obtained during a financial period, its results are included in the consolidated statement of loss and comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

These condensed interim consolidated financial statements have been prepared on a historical cost convention using the accrual basis of accounting except for the cash flow information.

Presentation of the consolidated statements of financial position differentiates between current and non-current assets and liabilities. The consolidated statements of loss and comprehensive loss are prepared using the functional classification.

c) New accounting standards and recent pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective as at March 31, 2016, and have not been applied in preparing these condensed interim consolidated financial statements. The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

International Accounting Standards		Effective Date
IFRS 9 – Financial Instruments	IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value	January 1, 2018

3. Significant Accounting Policies (Cont'd)

through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income

The Company is in the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt the new requirements.

4. Mineral Rights

On November 2, 2012, the Company's subsidiary in Ecuador entered into an agreement ("Shareholder Agreement") with Condormining Corporation S.A. ("Condormining") and JVChinapintza. As per the Shareholder Agreement, Condormining will transfer the title of the Chinapintza Property to JVChinapintza in order to further the exploration, evaluation, and if justified, the development and mining of mineral resources within the property for the benefit of the shareholders. The Company held 70% shareholder interest of JVChinapintza whereas Condormining held the other 30% shareholder interest of JVChinapintza.

As per the Shareholder Agreement, the Company shall provide sufficient funds, including working capital, to advance the operations of the Chinapintza Property to commercial production of mining operations. The funds advanced by the Company will not be repayable until the commercial operation begins and net profits are generated from the development of the Chinapintza Property.

JV Chinapintza, the Company's 70% owned subsidiary, acquired the Chinapintza Property from Condormining as a result of the Shareholder Agreement and the costs incurred by Condormining on the Chinapintza Property prior to the acquisition were capitalized by JVChinapintza.

(Expressed in Canadian dollars)

4. Mineral Rights (Cont'd)

The cumulative costs capitalized on the Company's mineral rights are as follows:

	March 31, 2016	December 31, 2015
Opening balance	$ 631,266	$ 529,142
Capitalized during the period	-	-
Foreign exchange movement	(38,906)	102,124
Closing balance	$ 592,360	$ 631,266

On December 23, 2014, Guangshou received a 30 day termination notice from Condormining which claims that Guangshou has made various breaches of its obligations under the terms of the Shareholder Agreement. Guangshou responded to the notice within 30 days rejecting all those claims and continues to be in discussion with Condormining to remedy and obligations under the Shareholder Agreement. As at March 31, 2016, Guangshou and Condormining were still in negotiation for a mutually acceptable resolution.

Subsequent to March 31, 2016, the Company and its subsidiary, Guangshou, entered into an agreement with EGX and its subsidiary, Condormining, to terminate the Shareholder Agreement between Condormining and Guangshou dated November 2, 2012 for the joint ownership and exploration and development of the Chinapintza Property (see note 12).

5. Advances from Related Parties

As at March 31, 2016, advances received from Condormining, the minority interest holder of JVChinapintza, amounted to $282,520 (December 31, 2015 - $301,077). The advances are non-interest bearing, unsecured and only payable by JVChinapintza from the net profits generated by Chinapintza Property when it enters into a commercial production stage in the future.

As at March 31, 2016, advances received from G.S. International Mining Co., Ltd, the controlling shareholder of the Company, amounted to $427,404 (December 31, 2015 - $428,850). The advances are non-interest bearing, unsecured and only payable by JVChinapintza from the net profits generated by Chinapintza Property when it enters into a commercial production stage in the future.

(Expressed in Canadian dollars)

6. Share Capital

a) *Authorized*
Unlimited number of common shares.

b) *Issued and outstanding*
Issued common shares are as follows:

	Number of shares	Amount
Opening Balance	-	$ -
Issued on inception (October 26, 2012)	800	798
Balance – December 31, 2012	**800**	**798**
Shares exchanged	(800)	-
Shares exchanged	35,000,000	131,062
Reverse takeover adjustments:		
Black Birch shares recognized	7,365,000	-
Shares issued to the Finder with the Qualifying Transaction	1,689,375	168,938
Balance – December 31, 2013, 2014, 2015, and March 31, 2016	**44,054,375**	**300,798**

c) *Surplus reserve*

The Company's surplus reserve balance as at March 31, 2015 is as follows:

		Amount
Opening Balance	$	-
Additions during the period from inception (October 26,2012) to December 31, 2013		168,502
Balance – December 31, 2013, 2014, 2015 and March 31, 2016	**$**	**168,502**

d) *Stock options and share-based payment*

The Company has a stock option plan which allows for the issuance of options to purchase shares at specific prices for a specific period of time. All directors, officers, employees, and consultants are eligible to participate in the plan. The total number of shares reserved for issuance under the stock option plan will not exceed 10% of the Company's issued common shares on the date of the grant.

As at March 31, 2016, the Company had no stock options issued and outstanding.

7. Commitments and Contractual Arrangements

As at March 31, 2016, the Company had the following contractual arrangements and commitments in place for the provision of certain services:

a) On November 2, 2012, the Company entered into a shareholder agreement ("Shareholder Agreement") with Condormining and its 70% owned subsidiary, JVChinapintza. As per the Shareholder Agreement, the Company is required to provide sufficient funds, including working capital to JVChinapintza until commercial production of the Chinapintza Property. All funds advanced to JVChinapintza will only be payable out of net profits generated from commercial production of its mineral reserves. On December 23, 2014, Guangshou received a 30 day termination notice from Condormining which claims that Guangshou has made various breaches of its obligations under the terms of the Shareholders Agreement. Guangshou responded to the notice within 30 days rejecting all those claims and continues to be in discussion with Condormining to remedy and obligations under the Shareholders Agreement. As at March 31, 2016, Guangshou and Condormining were still in negotiation for a mutually acceptable resolution. Subsequent to March 31, 2016, the Company and its subsidiary, Guangshou, entered into an agreement with EGX and its subsidiary, Condormining, to terminate the Shareholder Agreement (see note 12).

b) All mine production is subject to royalty payments to the Ecuadorean government. The Company will be subject to the following royalty payments:
    i. Minimum of 5% gross value of bullion produced for gold and silver;
    ii. Minimum of 5% gross value of metal produced for base metals including copper, lead and zinc.

8. Capital Management

As at March 31, 2016, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of $300,798 (December 31, 2015 - $300,798), surplus reserve of $168,502 (December 31, 2015 - $168,502), cumulative translation reserve of $46,873 (December 31, 2015 - $59,972), non-controlling interest of $87,221 (December 31, 2015 - $92,835), and deficit of $919,936 (December 31, 2015 - $868,899).

The Company's objective when managing capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development objectives, and to ensure that the Company continues as a going concern.

(Expressed in Canadian dollars)

9. Segmented Information

The Company operates in two reportable segments. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

Three months ended March 31, 2016	**North America**	**South America**	**Total**
Assets	$ 76,622	$ 595,170	$ 671,792
Net loss	$ 51,037	$ nil	$ 51,037
Comprehensive loss	$ 69,750	$ nil	$ 69,750

Year ended December 31, 2015	**North America**	**South America**	**Total**
Assets	$ 76,698	$ 634,261	$ 710,959
Net loss	$ 259,520	$ nil	$ 259,520
Comprehensive loss	$ 210,403	$ nil	$ 210,403

10. Related Party Transactions

The Company considers its Board of Directors and certain consultants which, by virtue of the contracts in place and the functions performed, to be key management. Compensation awarded to key management is listed below:

	Three months ended March 31, 2016	Three months ended March 31, 2015
Management fees	$ 9,000	$ 10,500
Director fees	3,000	3,000
Total	$ 12,000	$ 13,500

For the three months ended March 31, 2016, the Company paid or accrued management fees of $9,000 (March 31, 2015 - $10,500) to Venture North Capital Inc. and $3,000 (March 31, 2015 - $3,000) to Haber and Co. Ltd., companies controlled by officers and/or directors of the Company.

These transactions are in the normal course of operations and at the exchange amount agreed to by the related parties.

11. Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Fair value
As at March 31, 2016, the Company's financial instruments consist of cash, other receivable, accounts payable and accrued with which their carrying values approximate fair value due to their short-term nature.

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs and operations.

The Company intends to issue equity to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs.

Credit risk
Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash, other receivable and advances to related parties. The Company minimizes the credit risk of cash by depositing only with reputable institutions. There is no allowance for doubtful accounts recorded as at March 31, 2016.

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

i) Interest rate risk
The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates.

11. Financial Instruments (Cont'd)

ii) Currency risk
Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

12. Subsequent Events

On April 29, 2016, the Company and its subsidiary, Guangshou, entered into an agreement ("Termination Agreement") with Ecuador Gold and Copper Corp. ("EGX") and its subsidiary, Condormining, to terminate the Shareholder Agreement between Condormining and Guangshou dated November 2, 2012 for the joint ownership and exploration and development of the Chinapintza Property.

Pursuant to the Termination Agreement, the parties agreed that the Shareholder Agreement is terminated, Condormining retains 100% ownership of and title to the Chinapintza Property and the parties release each other from all liabilities, claims or obligations in respect of the Shareholder Agreement. In further consideration under the terms of the Termination Agreement, the Company will receive from EGX a settlement in the amount of $175,000 (the "Settlement Amount"), which payment shall be satisfied by EGX issuing common shares (the "Settlement Shares") of EGX to the Company at $0.30 per share amounting to 583,333 Settlement Shares, pursuant and subject to the policies of the TSX Venture Exchange.

13. Comparative Numbers

The comparative consolidated financial statements have been reclassified to conform to the presentation of the current period consolidated financial statements.