Lorraine Copper Corp. (TSX-V:LLC)
Suite 110 - 325 Howe Street, Vancouver, BC, Canada, V6C 1Z7
tel: 604-681-7913 fax: 604-681-9855 toll free: 888-656-6611
email: info@eastfieldgroup.com website: www.lorrainecopper.com

LORRAINE COPPER CORP.

(An Exploration Stage Company)
Condensed Interim Financial Statements
August 31, 2016
(Unaudited)
(Expressed in Canadian Dollars)

Index	Page
Condensed Interim Financial Statements	

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Lorraine Copper Corp. as at August 31, 2016 and 2015, notes to interim condensed financial statements and related Management Discussion and Analysis have been prepared by and are the responsibility of management.

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

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

			August 31, 2016		February 29, 2016
Assets					
Current Assets					
Cash and cash equivalents		$	79,979	$	13,517
Accounts receivable			3,967		5,036
			83,946		18,553
Project Deposits			12,000		12,000
Mineral Property Interests	(Note 6)		4,012,763		3,964,703
Equipment	(Note 7)		633		633
		$	4,109,342	$	3,995,889
Liabilities and Shareholders' Equity					
Current Liabilities					
Accounts payable and accrued liabilities		$	24,808	$	28,324
Payable to related parties	(Note 9)		45,335		12,347
			70,143		40,671
Payable to related parties	(Note 9)		12,000		12,000
Promissory notes	(Note 10)		174,158		117,428
			256,301		170,099
Shareholders' Equity					
Share Capital	(Note 8)		5,713,418		5,615,856
Warrants Reserve	(Note 8)		130,538		130,538
Share-based Payments Reserve			310,248		310,248
Deficit			(2,301,163)		(2,230,852)
			3,853,041		3,825,790
		$	4,109,342	$	3,995,889

Approved on behalf of the Board:

"Donald Sharp" Director
Donald Sharp

"James W. Morton" Director
James W. Morton

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2016	2015	**2016**	2015
General and Administrative Expenses				
Amortization	**$ -**	$ -	**$ -**	$ -
Bank Charges and Interest expense	**72**	63	**179**	161
Consulting	**3,892**	2,850	**7,337**	5,403
Dues and licenses	**-**	6	**-**	6
Investor relations	**3,901**	4,017	**6,823**	6,924
Professional fees	**15,331**	-	**19,081**	3,062
Office	**960**	1,171	**1,655**	1,828
Rent	**4,928**	5,912	**11,235**	11,890
Salaries and benefits	**3,872**	4,440	**8,220**	8,376
Telephone	**423**	427	**830**	820
Transfer and filing fees	**3,697**	2,838	**8,227**	3,990
Loss before the following	**37,076**	21,724	**63,587**	42,460
Other (Income) Expense				
Interest Income	**(6)**	-	**(6)**	-
Interest Expense	**3,750**	-	**6,730**	-
Mineral property option proceeds	**-**		**-**	-
Net Loss and Comprehensive Loss	**$ 40,820**	$ 21,724	**$ 70,311**	$ 42,460
Loss Per Share, basic and fully diluted	**$ 0.002**	$ 0.001	**$ 0.003**	$ 0.001
Weighted Average Number of Common Shares Outstanding	**22,832,501**	45,665,002	**22,832,501**	45,665,002
Deficit, Beginning of Period	**$ 2,260,343**	$ 1,122,762	**$ 2,230,852**	$ 1,102,026
Net loss / (income)	**40,820**	21,724	**70,311**	42,460
Deficit, End of Period	**$ 2,301,163**	$ 1,144,486	**$ 2,301,163**	$ 1,144,486

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statement of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	**Amount**	**Warrants Reserve**	**Share-Based Payments Reserved**	**Deficit**	**Accumulated Other Comprehensive Income (Loss)**	**Total Equity**
Balance, February 28, 2015	22,832,501	$ 5,615,856	$ 130,538	$ 310,248	$ (1,102,026)	$ -	$ 4,954,616
Issued for cash		-	-	-	-	-	-
Private placement, net of issue cost	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	-	-
Share-based payments				-			-
Net (loss) for period	-	-	-	-	(42,460)	-	(42,460)
Balance, August 31, 2015	22,832,501	$ 5,615,856	$ 130,538	$ 310,248	$ (1,144,486)	$ -	$ 4,912,156
Issued for cash							
Private placement, net of issue cost	-	-	-	-	-	-	-
Fair value assigned to warrants of private			-				
placement	-	-		-	-	-	-
Share-based compensation				-			-
Net (loss) for period	-	-	-	-	(1,086,366)	-	(1,086,366)
Balance, February 29, 2016	22,832,501	$ 5,615,856	$ 130,538	$ 310,248	$ (2,230,852)	$ -	$ 3,825,790
Issued for cash							
Private placement, net of issue cost	-	97,562	-	-	-	-	97,562
Other Comprehensive income (loss)	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	
Net (loss) for period	-	-	-	-	(70,311)	-	(70,311)
Balance, August 31, 2016	22,832,501	$ 5,713,418	$ 130,538	$ 310,248	$ (2,301,163)	$ -	$ 3,853,041

See notes to condensed interim financial statements.

Lorraine Copper Corp.
(An Exploration Stage Company)
Condensed Interim Statement of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

	For the Six Months Ended August 31 2016	2015
Cash provided by (used in) Operating Activities		
Net Gain (Loss)	**$ (70,311)**	$ (42,460)
Items not affecting cash		
Share-based compensation	**-**	-
	(70,311)	(42,460)
Changes in non-cash working capital		
Accounts receivable	**1,069**	834
Investments – Short Term	**-**	-
Accounts payable and accrued liabilities	**46,202**	1,300
	(23,040)	(40,326)
Investing Activities		
Computer software	**-**	-
Purchase of equipment	**-**	-
Mineral property option proceeds	**-**	-
Mineral property acquisition costs	**-**	-
Mineral properties written off	**-**	-
Expenditures on Mineral Properties	**(8,060)**	(8,800)
Project deposits	**-**	-
	(8,060)	(8,800)
Financing Activity		
Shares issued for cash, net of issue costs	**97,562**	-
	66,462	(49,126)
(Decrease) Increase in Cash and Cash Equivalents	**66,462**	(49,126)
Cash and Cash Equivalents, Beginning of Period	**13,517**	120,072
Cash and Cash Equivalents, End of Period	$ **79,979**	$ 70,946

See notes to condensed interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Lorraine Copper Corp. (the "Company") was incorporated in British Columbia, and the common shares are listed for trading on the TSX Venture Exchange – Tier Two: symbol: LLC. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow. The Company's head office and principal address is 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These interim financial statements have been prepared on the basis of accounting principles 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 operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations. Such adjustments and reclassifications could be material.

2. BASIS OF PREPARATION

These interim financial statements were authorized for issue on October 19, 2016 by the directors of the Company.

Statement of Compliance

These interim condensed financial statements for the Company's reporting period ended August 31, 2016 have been prepared in accordance with and using accounting policies which are, without reservation, in full compliance with IAS 34 as issued by the International Accounting Standards Board ("IASB") as required by National Instrument 52-107 sec. 3.2(1)(b)(ii) and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), and as set out in the Handbook of the Chartered Professional Accountants of Canada ("CPA Handbook").

Basis of Measurement

These interim condensed financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value (Note 3), and are presented in Canadian dollars, the Company's reporting currency and the functional currency of all of its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements have been prepared in accordance with IFRS, and reflect the accounting policies, which have been applied consistently with those of the previous financial year.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

- Cash and cash equivalents as FVTPL
- Accounts receivable (excluding taxes receivable) as loans and receivables
- Deposits for reclamation as held-to-maturity
- Accounts payable and accrued liabilities and flow-through share premium as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivables and accounts payable (excluding due to related parties) approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of reclamation deposits approximates fair value since amounts held earn interest at market rates. The fair value of amounts due to related parties included in accounts payable and accrued liabilities have not been disclosed as their fair values cannot be reliably

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

measured since there is no quoted market prices for such instruments. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk refers to the potential that a counter party to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by holding these at major Canadian financial institutions. In regards to accounts receivable, the Company is not exposed to significant credit risk. Concentration of credit risk exists with respect to the Company's cash s as all amounts are held at a major Canadian financial institution.

	August 31, 2016	February 29, 2016
Cash held in accounts with Bank of Montreal	$ 79,979	$ 13,517

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains sufficient cash at August 31, 2016 in the amount of $79,979 and receivables of $3,967 in order to meet short-term liabilities. At August 31, 2016, the Company had accounts payable and accrued liabilities of $70,143, which are expected to be paid within the next 90 days.

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate and foreign currency risk as follows:

(i) Interest rate risk

The Company's cash held in bank accounts earns interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2016.

(ii) Foreign currency risk

The Company's operations are located in Canada with substantially all transactions denominated in Canadian dollars and, accordingly, the Company is not exposed to significant foreign currency risk.

5. CAPITAL MANAGEMENT

The Company's primary source of funds has been obtained through the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

The Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be on assurance that it will continue into the future.

6. MINERAL PROPERTIES

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2016 are as follows:

	Lorrine	OK	Total
Acquisition Costs			
Balance, beginning of period	$ 4,861,975	$ -	$ 4,861,975
Incurred during period	-	40,000	-
Mineral properties abandoned	-	-	-
Balance, end of period	4,861,975	40,000	4,901,975
Exploration Expenditures			
Professional fees, field crews	3,600	5,600	9,200
Geological	1,430	-	1,430
Communications	-	27	27
Total Expenditures for the period	5,030	5,627	10,657
Balance, beginning of the period	102,728	-	102,728
Total Expenditures	107,758	5,627	113,385
Option Proceeds			
Balance, beginning of period	-	-	-
Additions	-	-	-
Balance, end of period	-	-	-
Mineral Property (METC)	(909)	(1,688)	(2,597)
Impairment of mineral property	(1,000,000)	-	(1,000,000)
Cumulative mineral property Costs	$ 3,968,824	$ 43,939	$ 4,012,763

Acquisition and exploration expenditures incurred on the Lorraine mineral property for the six months ended August 31 2015.

Acquisition Costs	
Balance, beginning of period	$ 4,861,975
Incurred during period	-
Balance, end of period	4,861,975
Exploration Expenditures	
Professional fees, field crews	3,640
Other	-
Total Expenditures for the period	3,640
Balance, beginning of the period	90,158
Written off during the period	-
Total Expenditures	93,798
Option Proceeds	
Balance, beginning of period	-
Additions	-
Balance, end of period	-
Mineral Property (METC)	(3,978)
Cumulative mineral property Costs	$ 4,951,795

Lorraine-Jajay Project, Omineca Mining Division, British Columbia

The Company acquired the Lorraine-Jajay mineral property through the plan of arrangement with Eastfield Resources Ltd. and Lysander Minerals Corporation. This property is subject to an option agreement with Teck Resources Limited ("Teck"). Teck earned a 51% joint venture interest in the property by completing $9,000,000 of exploration expenditures by December 31, 2010. On January 28, 2011, Teck gave notice to the Company that it had earned in its 51% interest.

Teck and the Company entered into an agreement on November 26, 2015, pursuant to which the Company can earn a 100% interest in the Lorraine-Jajay mineral property by issuing Teck approximately 35.6 million common shares of the Company and granting various royalty and royalty buy-back rights. In order to close this agreement, the Company was required to complete

6. MINERAL PROPERTIES (continued)

financings totaling, in aggregate, $2.0 million by February 28, 2016, settle the $114,128 outstanding loan from Eastfield via the issuance of 2,282,560 common shares of the Company, complete a 2:1 share consolidation, and obtain shareholder approval of the foregoing conditions. The Company was unable to complete the closing transactions and the Lorraine project reverted to a joint venture of 51% Teck and 49% the Company.

Due to the prolonged depressed economic environment for mineral exploration stage companies and a delay in exploration and evaluation work on the mineral property interest, the Company performed a detailed review of impairment indicators during the year. Based on this review, the Company estimated the recoverable amount of its mineral property interest using the value in use methodology and determined that the carrying amount of the mineral property interest exceeded the estimated recoverable amount. An impairment estimate of $1,000,000 was therefore recorded at February 29, 2016 (2015 - $nil). The value in use estimate was calculated using a discounted cash flow methodology, which included assumptions on future commodity prices, mineral reserves and resources identified from current exploration and evaluation activities, capital expenditures, operating costs, discount rates, future foreign exchange rates and future inflation rates.

On April 28, 2016, the Company entered into an agreement with a related company, Eastfield Resources Ltd., to acquire the Eastfield's 40% interest in the OK (Okeover) copper molybdenum project located near Powell River on the southern British Columbia coast. Under the terms of the agreement the Company will pay $40,000 to Eastfield and assume responsibilities to cover its proportionate share of assessment work requirements on the property. Eastfield will additionally be entitled to 20% of any option payments resulting from third party agreements with the project for a period of three years. The OK project consists of 17 mineral claims dating to 1966 encompassing 6,313 hectares. Central to the claims is a north-south trending zone of porphyry mineralization extending approximately 6.0 km. One of these zones, the North Lake Zone, hosts an NI 43-101 compliant inferred mineral resource of 86.8 million tonnes grading 0.31% copper and 0.014% MoS_2 (0.009% Molybdenum) [N.C. Carter, P.Eng, 2006, filed on SEDAR].

7. EQUIPMENT

	Office Equipment	Computer Software	Total
COST			
Balance, February 28, 2015 and 2016 and May 31, 2016	$ 2,498	$ 188	$ 2,686
Disposals	-	-	-
Balance, August 31, 2016	**2,498**	**188**	**2,686**
ACCUMULATED AMORTIZATION			
Balance, February 28, 2015	1,707	188	1,895
Amortization	158	-	158
Balance, February 29, 2016 and Aug. 31, 2016	**1,865**	**188**	**2,053**
Net Book Value, February 29, 2016 and Aug. 31, 2016	**$ 633**	**$ -**	**$ 633**

8. SHARE CAPITAL

Authorized

Unlimited common shares without par value Unlimited preferred shares without par value

During the year ended February 29, 2016, the Company completed a common share consolidation at a ratio of two existing common shares for one new common share.

A private placement was completed on May 25, 2016 for the issue of 2,000,000 units priced at $0.05 per unit. Each unit comprised one common share and one share purchase warrant for the purchase of an additional share at a cost of $0.05 per share for a term of five years from the date of issue.

Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company has reserved up to 10% of issued share capital

8. SHARE CAPITAL (continued)

for the grant of options. Options will normally vest entirely at the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

Options for the purchase of 1,100,000 shares at $0.05 per share were granted during the quarter ended May 31, 2016.

The following options are outstanding at August 31, 2016:

	Options Outstanding			**Options Exercisable**	
Expiry Date	**Number of shares**	**Exercise price ($)**	**Weighted Average Remaining Life**	**Number of shares**	**Exercise price ($)**
26-May-23	1,150,000	$ 0.20	6.0	1,150,000	$ 0.20
3-May-26	1,100,000	0.05	9.7	1,100,000	0.05
	2,250,000		8.5	2,250,000	

Warrants

The following warrants are outstanding at August 31, 2016:

	Warrants Outstanding		**Weighted Average Remaining Life**
Expiry Date	**Number of shares**	**Exercise price ($)**	
10-Sep-19	1,000,000	$ 0.12	3.30
26-May-21	2,000,000	0.05	5.00
	3,000,000		4.10

The Company determines the fair value of the warrants granted using the Black-Scholes option pricing model. No warrants were granted during the quarter.

9. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed to by the parties.

During the quarter ended August 31, 2016 geological services totaling $7,200 (year ended Feb. 29, 2016 - $14,000) were provided to the Company by Mincord Exploration Consultants Ltd. ("Mincord"), a geological service company owned by two directors of the Company. Mincord's relationship with the Company is non-exclusive and without retainer, and is used on a project by project basis. Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. Related party transactions are recorded at the exchange amount as agreed by the parties.

In the normal course of business, the Company enters into transactions with a related company, Eastfield Resources Ltd. ("Eastfield") for the use of equipment, services and rental of office space. The Company is related to Eastfield through common directors. At August 31, 2016, accounts payable to related parties were $5,335 (February 29, 2016- $12,347).

10. PROMISSORY NOTE

The Company borrowed, on December 15, 2013, the sum of $100,000 from Eastfield Resources Ltd., a related company, secured by a loan agreement and promissory note. The term of this loan is 42 months and bears interest at a rate of 10% per annum. On April 26, 2016, the Company issued a $50,000 unsecured promissory note to Eastfield Resources Ltd. The promissory note has a term of 24 months and bears interest at a rate of 10% per annum, which is payable at the end of the term together with the principal.

11. SEGMENTED DISCLOSURES

The Company operates in one industry segment. Mineral properties and other capital assets are located in Canada and all exploration expenditures have been incurred in Canada.

12. SUBSEQUENT EVENTS

Subsequent to August 31, 2016, the Company:

(a) Closed an agreement with ALQ Gold Corporation ("ALQ") to acquire a 100% interest in the Lust Dust property in north-central B.C. by incurring aggregate exploration expenditures of $100,000 over the next year, by paying $50,000 and issuing 5,500,000 shares (payment and share issued completed in September, 2016).

(b) Closed an agreement with Propehcy Development Corp. to acquire Prophecy's 60% interest in the OK property joint venture for issuing 2,200,000 shares (share issuance completed in September, 2016), assuming Prohecy's debt to Eastfield Resources Ltd. of $19,078 and by paying to Prophecy 30% of any option payments received with respect to the property arising from any agreements entered into for the next five years.