SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Aim Exploration Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **May 31, 2016**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

For the transition period from _________ to _________

Commission File Number: **333-182071**

AIM EXPLORATION INC.
(Name of Small Business Issuer in its charter)

Nevada	**67-0682135**
(state or other jurisdiction of incorporation or organization)	(I.R.S. Employer I.D. No.)
170 S Green Valley Pkwy, Suite 300	
Henderson, Nevada	**89012**
(Address of principal executive offices)	(Zip Code)

(844) 246-7378
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was require to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of " large accelerated filer " , " accelerated filer " and " smaller reporting company " in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☑

As **of July 19, 2016** the registrant had **16,399,876** shares of common stock issued and outstanding and **100,000** shares of preferred stock issued and outstanding.

AIM EXPLORATION INC.

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ITEM 1. FINANCIAL STATEMENTS

AIM EXPLORATION INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

May 31, 2016

(Unaudited)

AIM EXPLORATION INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

ASSETS	May 31, 2016	August 31, 2015 (Restated)
CURRENT ASSETS		
Cash	$ 1,036	$ 2,349
Loans receivable	45,800	45,800
Deposits	22,239	39,303
Total Current Assets	**69,075**	**87,452**
Mineral property investment	342,656	326,969
TOTAL ASSETS	**$ 411,731**	**$ 414,421**
LIABILITIES AND STOCKHOLDER'S DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 295,506	$ 214,513
Loans payable – related party	568,248	478,453
Convertible note – related party, net	186,514	103,762
Convertible note, net	366,480	86,707
Derivative liability	771,381	571,687
TOTAL LIABILITIES	**2,188,129**	**1,455,122**
STOCKHOLDERS' DEFICIT		
Capital Stock Authorized		
250,000,000 shares of common stock, $0.001 par value		
Issued and outstanding 16,399,876 shares (356,400 shares outstanding as at August 31, 2015) (Note 6)		
1,000,000 shares of preferred stock, $0.001 par value		
Issued and outstanding 100,000 shares (100,000 as at August 31, 2015)	142,122	89,200
Additional paid in capital	756,806	626,098
Accumulated deficit	(2,675,326)	(1,755,999)
TOTAL STOCKHOLDERS' DEFICIT	**(1,776,398)**	**(1,040,701)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 411,731**	**$ 414,421**

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

AIM EXPLORATION INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	9 months ended May 31, 2016	9 months ended May 31, 2015	3 months ended May 31, 2016	3 months ended May 31, 2015
REVENUE				
Total Revenue	$ -	$ -	$ -	$ -
Gross Profit	**-**	**-**	**-**	**-**
MINERAL PROPERTY OPERATIONS				
Acquisition	-	(37,556)	-	(37,556)
Exploration	-	12,349	-	1,950
Total Mineral Property Operations	-	(25,207)	-	(35,606)
EXPENSES				
Consulting fees	64,437	42,644	5,400	32,306
Filling fees	9,835	9,140	1,885	4,867
Finder's fees	15,000	9,000	-	-
Management fees	162,000	18,000	54,000	18,000
Office & general	40,509	36,244	20,934	23,848
Professional fees	105,016	121,396	10,942	44,683
Public relations	38,868	179,599	23,462	46,467
Total Expenses	**435,665**	**416,023**	**116,623**	**170,171**
Net Loss	**(435,665)**	**(390,816)**	**(116,623)**	**(134,565)**
Accretion	(452,826)	(34,089)	(128,470)	(11,342)
Interest expense	(46,143)	(12,268)	(16,136)	(8,444)
Finance costs	(172,601)	(67,135)	-	-
Gain (loss) on derivative liability	187,908	8,405	(41,528)	1,167
Total Other Expense	**(483,662)**	**(105,087)**	**(186,134)**	**(18,619)**
Net Loss	**$ (919,327)**	**$ (495,903)**	**$ (302,757)**	**$ (153,184)**
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ (0.37)**	**$ (0.01)**	**$ (0.04)**	**$ 0.00**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING (Note 6)	**2,481,750**	**88,225,824**	**6,728,673**	**89,100,000**
WEIGHTED AVERAGE NUMBER OF PREFERRED SHARES OUTSTANDING	**100,000**	**99,267**	**100,000**	**100,000**

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

AIM EXPLORATION INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

		9 months ended May 31, 2016		9 months ended May 31, 2015
OPERATING ACTIVITIES				
Net Loss	$	(919,327)	$	(495,903)
Accretion related to convertible note		452,826		34,089
Finance costs and derivative expense		218,744		67,135
Accrued interest on convertible note		-		10,306
Change in fair value of derivative liability		(187,908)		(31,921)
Shares issued for services		31,500		193,000
Adjustments to reconcile Net Loss to netCash used in operating activities:				
Loans Receivable		-		(45,800)
Deposits		17,064		14,171
Provisions		-		(55,000)
Accounts Payable		80,993		19,393
NET CASH USED IN OPERATING ACTIVITIES		**(306,108)**		**(290,530)**
FINANCING ACTIVITIES				
Convertible debt – related party		-		100,000
Convertible debt		215,000		45,000
Loans from related party		89,795		150,332
NET CASH PROVIDED BY FINANCING ACTIVITIES		**304,795**		**295,332**
NET (DECREASE) INCREASE IN CASH		**(1,313)**		**4,802**
CASH, BEGINNING OF PERIOD		**2,349**		**1,862**
CASH, END OF PERIOD	**$**	**1,036**	**$**	**6,664**

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Aim Exploration, Inc. ("Company") is an exploration stage company as defined by FASB ASC 915. The Company was organized to engage in mineral exploration and has incurred losses totaling $2,675,326 since inception. The Company was incorporated on February 18, 2010 in the State of Nevada and established a fiscal year end at August 31.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed consolidated financial statements present the condensed consolidated balance sheets, condensed consolidated statements of operations and condensed consolidated cash flows of the Company. These financial statements are presented in United States dollars and have been prepared in accordance with accounting principles generally accepted in the United States.

Principles of Consolidation

The condensed consolidated statements incorporate the financial statements of the Company and its wholly-owned subsidiary, Aim Exploration SA, of Peru. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at May 31, 2016 and 2015.

Advertising

Advertising costs are expensed as incurred. As of May 31, 2016, no advertising costs have been incurred.

Property

The Company does not own or rent any property. The Company's office space is being provided by the president at no charge to the Company.

Use of Estimates and Assumptions

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Company follows the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

Fair Value of Financial Instruments

The Company has adopted Accounting Standards Codification subtopic 820-10, Fair Value Measurements and Disclosures ("ASC 820-10"). ASC 820-10 defines fair value, establishes a framework for measuring fair value and enhances fair value measurement disclosure The adoption of ASC 820-10 requires that the Company disclose assets and liabilities that are recognized and measured at fair value on a non-recurring basis, presented in a three-tier fair value hierarchy, as follows:

- Level 1. Observable inputs such as quoted prices in active markets;
- Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following presents the gross value of assets that were measured and recognized at fair value:

- Level 1: none
- Level 2: none
- Level 3: none

The Company adopted ASC 825-10, Financial Instruments, which permits entities to choose to measure many financial instruments and certain other items at fair value. The adoption of this standard did not have an impact on the Company's financial position, results of operations or cash flows. The carrying value of cash and cash equivalents, accounts payable and accrued expenses, as reflected in the balance sheets, approximate fair value because of the short-term maturity of these instruments.

Derivative Liability

The conversion features embedded in the outstanding convertible notes payable are separately accounted for as a derivative liability in accordance with ASC 815-15, Embedded Derivative. This is because the number of shares that may be acquired upon conversion is indeterminable as the conversion rates are expressed as a percentage discount to the current fair market value of common stock at the time of conversion. Derivative liabilities are valued when the host instruments (convertible notes) are initially issued and are also revalued at each reporting date, with the change in the respective fair values being recorded as a gain or loss to the derivative liability.

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

In accordance with ASC 360, Property Plant and Equipment, the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Mineral Property Costs

Mineral property exploration costs are expensed as incurred until such time as economic reserves are quantified. To date, the Company has not established any proven or probable reserves on its mineral properties. The Company has capitalized $326,969 of mineral property acquisition costs reflecting its investment in its properties.

Stock-based Compensation

The Company adopted FASB guidance on stock based compensation upon inception at February 18, 2010. ASC 718-10-30-2 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company has not had any stock and stock options issued for services and compensation for the period from inception (February 18, 2010) through May 31, 2016.

Recent Accounting Pronouncements

In April 2014, the FASB issued ASU 2014-08, *Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360): Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity*. The amendments in the ASU change the criteria for reporting discontinued operations while enhancing disclosures in this area. It also addresses sources of confusion and inconsistent application related to financial reporting of discontinued operations guidance in U.S. GAAP. Under the new guidance, only disposals representing a strategic shift in operations should be presented as discontinued operations. In addition, the new guidance requires expanded disclosures about discontinued operations that will provide financial statement users with more information about the assets, liabilities, income, and expenses of discontinued operations. The amendments in the ASU are effective in the first quarter of 2015 for public organizations with calendar year ends. Early adoption is permitted. The Company does not expect the adoption to have a significant impact on its consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers.* This new standard will replace most existing revenue recognition guidance in U.S. GAAP. The core principle of the ASU is that an entity should recognize revenue for the transfer of goods or services equal to the amount it expects to receive for those goods and services. The ASU requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and estimates, and changes in those estimates. The ASU will be effective for the Company beginning January 1, 2017, and allows for both retrospective and modified- retrospective methods of adoption. The Company is in the process of determining the method of adoption it will elect and is currently assessing the impact of this ASU on its consolidated financial statements and footnote disclosures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* . The amendment in the ASU provides guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if conditions or events raise substantial doubt about the entity's ability to continue as a going concern. The amendments in this Update are effective for annual periods and interim periods within those annual periods beginning after December 15, 2016. Earlier adoption is permitted. The Company does not expect the adoption to have a significant impact on its consolidated financial statements.

In November 2014, the FASB issued ASU No. 2014-16 (ASU 2014-16), *Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity* . The amendments in this ASU do not change the current criteria in U.S. GAAP for determining when separation of certain embedded derivative features in a hybrid financial instrument is required. The amendments clarify that an entity should consider all relevant terms and features, including the embedded derivative feature being evaluated for bifurcation, in evaluating the nature of the host contract. The ASU applies to all entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share and is effective for public business entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. The adoption of ASU 2014-16 is not expected to have a material effect on the Company's consolidated financial statements. Early adoption is permitted.

In February, 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis.* ASU 2015-02 provides guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities such as limited partnerships, limited liability corporations, and securitization structures (collateralized debt obligations, collateralized loan obligations, and mortgage-backed security transactions). ASU 2015-02 is effective for periods beginning after December 15, 2015. The adoption of ASU 2015-02 is not expected to have a material effect on the Company's financial statements. Early adoption is permitted.

In August, 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date.* The amendment in this ASU defers the effective date of ASU No. 2014-09 for all entities for one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in ASU 2014-09 to annual reporting periods beginning December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 31, 2016, including interim reporting periods with that reporting period.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

In September, 2015, the FASB issued ASU No. 2015-16, *Business Combinations (Topic 805).* Topic 805 requires that an acquirer retrospectively adjust provisional amounts recognized in a business combination, during the measurement period. To simplify the accounting for adjustments made to provisional amounts, the amendments in the Update require that the acquirer recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amount is determined. The acquirer is required to also record, in the same period's financial statements, the effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of the change to the provisional amounts, calculated as if the accounting had been completed at the acquisition date. In addition an entity is required to present separately on the face of the income statement or disclose in the notes to the financial statements the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. The adoption of ASU 2015-016 is not expected to have a material effect on the Company's financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the United States Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

NOTE 3 – GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. Currently, the Company has a working capital deficit of $2,119,054, an accumulated deficit of $2,675,326 and net loss from operations since inception of $ 2,675,326. The Company does not have a source of revenue sufficient to cover its operation costs giving substantial doubt for it to continue as a going concern. The Company will be dependent upon the raising of additional capital through placement of our common stock in order to implement its business plan, or merging with an operating company. There can be no assurance that the Company will be successful in either situation in order to continue as a going concern.

The Company is funding its initial operations by way of issuing common shares.

The officers and directors have committed to advancing certain operating costs of the Company, including Legal, Audit, Transfer Agency and Edgarizing costs.

NOTE 4 – MINERAL PROPERTY

Peruvian Mining Claims:
On June 23, 2014, Aim Exploration, Inc. entered into a Mining Concession Asset Acquisition Agreement (the "Agreement") with Percana Mining Corp. ("Percana"). Pursuant to the Agreement, the Company acquired three separate mining concessions. Two of the concession titles are unencumbered and comprise 40% of the mining concessions. These two concessions are known as El Tunel Del Tiempo 1 code 11060780 and El Tunel Del Tiempo 2 code 11060781, and the registered ownership of these two concessions have been transferred to the Company. The third concession property known as Agujeros Negros MA-AG comprising the remaining 60% has not yet been transferred to the Company, however the Company has entered into a Contract of Mining Assignment and Option to Purchase the concession for a five year term. This contract provides AIM with full rights and authorities over the concession. .

NOTE 4 – MINERAL PROPERTY (Continued)

Peruvian Mining Claims (Continued):

In consideration for the above concessions, the Company has issued 15,750,000 restricted common shares (Note 6) to Percana in two separate blocks; the first block consists of 6,300,000 common shares which are to be held in escrow until either the Company raises $1,000,000 or when Percana waives this requirement. The second block consists of 9,450,000 shares which are to be held in escrow until such time as the Company is satisfied at its discretion that any arbitration issues have been resolved with the third concession, at which time the shares may be released out of escrow at the option of Percana. These Mining Concessions were acquired based on the assumption the properties are rich in high grade Anthracite Coal, currently there are 20 small tunnels on the property already producing anthracite coal which was being mined by illegal miners. Testing of the coal samples was performed indicating the presence of high-grade anthracite coal. Prior to acquisition AIM reviewed a non-compliant technical report prepared by Engineers/Geologists together with hiring a US based firm Gustavson Associates to visit the property and review the reports. The firm provided AIM with a report, which included recommendation for further exploration.

NOTE 5 – CONVERTIBLE NOTE

During the nine months ended May 31, 2016, the Company issued convertible notes with a principal balance of $215,000, with maturity dates ranging from February 29, 2016 to January 12, 2017, and an interest rate per annum ranging from 10% to 22%. The principal is convertible into common shares of the Company at a conversion rate equal to 50% - 60% of the lowest trading price of the Company's common stock for the fifteen prior trading days, as defined in the agreements.

During the nine months ended May 31, 2016, 355,039 common shares were issued in relation to conversion options exercised during the period. Of these common shares, $117,449 related to principal of the convertible notes, $7,895 to accrued interest, and $11,100 to fees.

During the year ended August 31, 2015, the Company issued convertible notes with a principal balance of $306,875, with maturity dates ranging from November 6, 2015 to July 22, 2016, and an interest rate per annum ranging from 8% to 12%. The principal is convertible into common shares of the Company at a conversion rate equal to 55% - 60% of the lowest trading price of the Company's common stock for the fifteen prior trading days, as defined in the agreements.

The Company is accounting for the conversion feature as a separate derivative liability under ASC 815. As such, the Company will carry the conversion feature liability at fair value on the balance sheet. The Company determined the fair value of the conversion feature as at the dates of issue and also as of the period ended May 31, 2016. To determine the put and call values, the Company used the Black-Scholes option valuation model using the following inputs:

	May 31, 2016	August 31, 2015
Fair value of common stock	$0.08	$0.21 - $0.42
Exercise price	$0.04	$0.1350 - $0.2585
Contractual term	0.10 year – 0.62 year	9 months – 1 year
Volatility	682.3%	119.50% - 143.10%
Risk-free interest rate	0.68%	0.12% - 0.41%

NOTE 5 – CONVERTIBLE NOTE (CONTINUED)

Volatility was determined using a peer group of public companies, and the Company used US treasuries with a similar contractual term to determine the risk-free interest rate.

On May 11, 2015, the Company exercised its option to redeem convertible notes with a principal balance of $47,250 within 180 days of their issuance, by opting to prepay the note at 150% of the principal amount plus accrued interest in the amount of $1,853. The Company recorded a loss on the repurchase of the convertible note in the amount of $20,664, which was credited to the additional paid in capital account.

During the nine months ended May 31, 2016, the Company recognized change in fair value of the derivative liability of $187,908 related to the change in fair value of the conversion feature. The change in fair value of the conversion feature was recorded through operating results.

When recording the conversion feature liability during the period, the Company recognized a 100% debt discount on the convertible notes payable of $215,000 and finance costs expense of $172,601 from amortization of debt discounts and excess of derivative liability over the face value of the note. The debt discount is being accreted to finance costs using the straight-line method over the contractual term of the debt. During the period ended May 31, 2016, the Company also recognized in the normal course accretion expense of $452,826.

NOTE 6 – CAPITAL STOCK

On April 25, 2016, the Company consolidated its share capital on a 250:1 basis. All common shares and per share amounts have been restated to reflect this share consolidation.

The Company has authorized 250,000,000 shares of common stock with a par value of $0.001 per share and 1,000,000 shares of preferred stock with a par value of $0.001 per share.

At May 31, 2016, 16,399,876 shares of common stock were issued and outstanding, and 100,000 shares of preferred stock were issued and outstanding.

In July 2014, the Company issued 63,000 common shares in connection with the acquisition of certain mining property to Percana. As a result of the share consolidation on April 25, 2016, the Company issued an additional 15,687,000 common shares to Percana on April 25, 2016, to bring their holdings up to their original position of 15,750,000 common shares. (Note 4)

During the year ended August 31, 2015, the Company issued 20,000 shares to 1 shareholder in connection with an asset acquisition agreement at fair value of $5,000. The Company also issued 1,400 common shares to 1 shareholder in connection with a six-month investor relations campaign at fair value of $175,000.

During the period ended May 31, 2016, the Company issued 355,039 common shares pursuant to the exercise of the option attached to outstanding convertible notes. (Note 5)

During the period ended August 31, 2015, the Company issued 100,000 preferred shares to 1 shareholder at fair value of $18,000, a related party of the Company, in connection with services rendered.

NOTE 7 – LOANS PAYABLE - RELATED PARTIES

During the period ended May 31, 2016 and 2015, advances from a director of the Company were $550 and $Nil, respectively. The amounts are unsecured, non-interest bearing and are due on demand.

During the period ended May 31, 2016 and 2015, advances from related parties were $49,240 and $166,128, respectively, and amounts advanced to one related party were $121,995 and $25,500, respectively. The amounts are unsecured, non-interest bearing and are due on demand.

During the period ended May 31, 2016 and 2015, management fees totaling $162,000 and $Nil, respectively, were accrued as payable to two directors of the Company

NOTE 8 – RESTATEMENTS

During the period ended May 31, 2016, accounting errors were discovered that required a restatement of amounts previously reported, related to loan payable that was issued against a finder's fee incurred. The loan payable was amended, and the terms revised to a convertible note payable. The loan payable and its subsequent amendment to a convertible note payable were not reported during the year ended August 31, 2015. This error resulted in changes to the convertible note, derivative liability, accretion expense, finder's fee expense, interest expense, finance costs, and the change in fair value of derivative liability. As a result of correcting these errors, our net loss increased by $157,923 for the year ended August 31, 2015, and $18,484 for the three months ended November 30, 2015.

NOTE 8 – RESTATEMENTS – CONTINUED

BALANCE SHEET

August 31, 2015						
ASSETS		Originally Stated	Adjustments	Note		Restated
CURRENT ASSETS						
Cash	$	2,349			$	2,349
Loans receivable		45,800				45,800
Deposits		39,303				39,303
Total Current Assets		**87,452**				**87,452**
Mineral property investment		326,969				326,969
TOTAL ASSETS	**$**	**414,421**			**$**	**414,421**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)						
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$	214,513			$	214,513
Loans payable – related party		478,453				478,453
Convertible note – related party		103,762				103,762
Convertible note, net of unamortized discount		70,936	13,328 + 2,443	b		86,707
Derivative liability		429,535	146,204 – 4,052	a, c		571,687
TOTAL LIABILITIES		**1,297,199**	**157,923**			**1,455,122**
STOCKHOLDERS' EQUITY (DEFICIT)						
Capital StockAuthorized						
250,000,000 shares of common stock, $0.001 par value						
Issued and outstanding 126,126,678 shares (89,100,000 shares outstanding as at August 31, 2015)						
1,000,000 shares of preferred stock, $0.001 par value						
Issued and outstanding 100,000 shares (1,000,000 as at August 31, 2015)		89,200				89,200
Additional paid in capital		626,098				626,098
Accumulated deficit		(1,598,076)	(157,923)			(1,755,999)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)		**(882,778)**	(157,923)			**(1,040,701)**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	**$**	**414,421**			**$**	**414,421**

Notes:

a. Record issuance of convertible note
b. Record accretion and accrue interest
c. Mark-to market convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

August 31, 2015	Originally Stated	Adjustments	Note	Restated
REVENUE				
Total Revenue	$ 0			$ 0
Gross Profit	**0**			**0**
MINERAL PROPERTY OPERATIONS				
Acquisition expenses	(37,556)			(37,556)
Exploration expenses	15,713			15,713
Total Mineral Property Operations	(21,843)			(21,843)
EXPENSES				
Accretion	72,001	13,328	b	85,329
Consulting fees	128,451			128,451
Filling fees	15,923			15,923
Finder's fees	34,925	78,678	a	113,603
Management fees	241,500			241,500
Office & general	70,806			70,806
Professional fees	306,925			306,925
Public relations	180,452			180,452
Total Expenses	**1,050,983**	**92,006**		**1,050,983**
Net Loss	**(1,029,140)**			**(1,029,140)**
Interest expense	(46,669)	(2,443)	b	(49,112)
Finance costs	(238,472)	(67,526)	a	(305,998)
Change in fair value of derivative liability	12,301	4,052	c	16,353
Write-down of accounts payable	11,285			11,285
Total Other Expense	(261,555)	(65,917)		(327,472)
Net Loss	**$ (1,290,695)**	**$ (157,923)**		**$ (1,448,618)**
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ 0.01**			**$ 0.01**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**88,446,164**			**88,446,164**
BASIC AND DILUTED LOSS PER PREFERRED SHARE	**$ 0.00**			**$ 0.00**
WEIGHTED AVERAGE NUMBER OF PREFERRED SHARES OUTSTANDING	**99,452**			**99,452**

Notes:

a. Record issuance of convertible note
b. Record accretion and accrue interest
c. Mark-to market convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common Stock		Preferred Stock							
	Number of shares	Amount $	Number of shares	Amount $	Additional Paid-in Capital $	Share Subscriptions Receivable $	Accumulated Deficit Originally Stated $	Adjustments $	Notes	Total $
Balance at inception – February 18, 2010 Founders shares, issued for cash	- 10,000,000	-10,000	--	--	--	-(10,000)	--			--
Net Loss to August 31, 2010	-	-	-	-	-	-	(29,400)			(29,400)
Balance, August 31, 2010	10,000,000	10,000	-	-	-	(10,000)	(29,400)			(29,400)
Subscription Received Common stock issued for cash Net loss for the year ended August 31, 2011	- 40,000,000-	-40,000-	---	---	---	10,000--	--(18,939)			10,00040,000(18
Balance, August 31, 2011	50,000,000	50,000	-		-	-	(48,339)			1,661
Net loss to August 31, 2012	–	–	–	–	-	-	(28,109)			(28,109)
Balance, August 31, 2012	50,000,000	50,000	-	-	-	-	(76,448)			(26,448)
Sale of common stock 18,000,000 common shares at $0.001 par value	18,000,000	18,000	-	-	-	-	-			18,000
Imputed Interest	-	-	-	-	2,035	-	-			2,035
Net loss for the year ended August 31, 2013	-	-	-	-	-	-	(47,901)			(47,901)
Balance, August 31, 2013	68,000,000	68,000	-	-	2,035	-	(124,349)			(54,314)
15,750,000 common shares at $0.001 par value	15,750,000	15,750	-	-	311,219	-	-			326,969
Net loss for the year ended August 31, 2014	-	-	-	-	-	-	(183,032)			(183,032)
Balance, August 31, 2014	83,750,000	83,750	-	-	313,254	-	(307,381)			89,623
Shares issued for services	350,000	350	1,000,000	100	192,550	-	-			193,000
Shares issued in deposit	5,000,000	5,000	-	-	-	-	-			5,000

Convertible debt discount	-	-	-	-	99,630	-	-			99,630
Gain on repurchase of convertible note	-	-	-	-	20,664	-	-			20,664
Net loss for the year ended August 31, 2015	-	-	-	-	-	-	(1,290,695)	(157,923)	a	(1,448,618)
Balance, August 31, 2015	**89,100,000**	**89,100**	**1,000,000**	**100**	**626,098**	**-**	**(1,598,076)**	**(157,923)**		**(1,755,999)**

Notes:

a. Record issuance of convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

August 31, 2015	Originally Stated	Adjustments	Note	Restated
OPERATING ACTIVITIES				
Net Loss	$ (1,290,695)	$ (157,923)	a, b, c	$ (1,290,695)
Accretion related to convertible note	72,001	13,328	b	72,001
Debt discount related to convertible note	(35,478)			(35,478)
Finance costs	238,472	67,526	a	238,472
Accrued interest on convertible note	11,544	2,443	b	11,544
Loss on derivative liability	(12,301)	(4,052)	c	(12,301)
Loss on repurchase of convertible note	20,664			20,664
Shares issued for services	193,000			193,000
Write-down of accounts payable	(11,285)			(11,285)
Adjustments to reconcile Net Income (Loss) to netCash used in operating activities:				
Loans Receivable	(45,800)			(45,800)
Deposits	(8,798)			(8,798)
Provisions	(55,000)			(55,000)
Accounts Payable	189,566			189,566
NET CASH USED INOPERATING ACTIVITIES	**(734,110)**	**(78,678)**		**(734,110)**
FINANCING ACTIVITIES				
Convertible debt – related party	170,000			170,000
Convertible debt	306,875	78,678	a	306,875
Payments on convertible notes	(47,250)			(47,250)
Loans from related party	304,972			304,972
NET CASH PROVIDED BY FINANCING ACTIVITIES	**734,597**	**78,678**		**734,597**
NET INCREASE IN CASH	**487**			**487**
CASH, BEGINNING OF PERIOD	**1,862**			**1,862**
CASH, END OF PERIOD	**$ 2,349**			**$ 2,349**

Notes:

a. Record issuance of convertible note
b. Record accretion and accrue interest
c. Mark-to market convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

BALANCE SHEET

November 30, 2015				
ASSETS	**Originally Stated**	**Adjustments**	**Note**	**Restated**
CURRENT ASSETS				
Cash	$ 2,722			$ 2,722
Loans receivable	45,800			45,800
Deposits	17,707			17,707
Total Current Assets	**66,229**			**66,229**
Mineral property investment	326,969			326,969
TOTAL ASSETS	**$ 393,198**			**$ 393,198**
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIT)				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$ 217,112			$ 217,112
Loans payable – related party	455,733			455,733
Convertible note – related party	82,255			82,255
Convertible note, net of unamortized discount	166,463	13,328 + 2,443 + 19,562 + 3,645	b	205,441
Derivative liability	736,435	146,204 – 4,052 – 4,723	a, c	873,864
TOTAL LIABILITIES	**1,657,998**	**176,407**		**1,834,405**
STOCKHOLDERS' EQUITY (DEFICIT)				
Capital StockAuthorized				
250,000,000 shares of common stock, $0.001 par value				
Issued and outstanding 126,126,678 shares (89,100,000 shares outstanding as at August 31, 2015)				
1,000,000 shares of preferred stock, $0.001 par value				
Issued and outstanding 100,000 shares (1,000,000 as at August 31, 2015)	89,200			89,200
Additional paid in capital	651,005			651,005
Accumulated deficit	(2,005,005)	(176,407)	a, b, c	(2,181,412)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	**(1,264,800)**	(176,407)		**(1,441,207)**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	**$ 393,198**			**$ 393,198**

Notes:

a. Record issuance of convertible note
b. Record accretion and accrue interest
c. Mark-to market convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

November 30, 2015	Originally Stated	Adjustments	Note	Restated
REVENUE				
Total Revenue	$ -			$ -
Gross Profit	-			-
MINERAL PROPERTY OPERATIONS				
Acquisition expenses	-			-
Exploration expenses	-			-
Total Mineral Property Operations	-			-
EXPENSES				
Accretion	76,883	19,562	b	96,445
Consulting fees	46,937			46,937
Filling fees	1,890			1,890
Finder's fees	-			-
Management fees	54,000			54,000
Office & general	7,768			7,768
Loss on impairment	-			-
Professional fees	29,678			29,678
Public relations	829			829
Total Expenses	**217,985**	**19,562**		**237,547**
Net Loss	**(217,985)**			**(237,547)**
Interest expense	(22,044)	(3,645)	b	(25,689)
Finance costs	(137,921)			(137,921)
Change in fair value of derivative liability	(28,979)	4,723	c	(24,256)
Total Other Expense	(188,944)	1,078		(187,866)
Net Loss	**$ (406,929)**	**$ (18,484)**		**$ (425,413)**
BASIC AND DILUTED LOSS PER COMMON SHARE	**$ 0.01**			**$ 0.01**
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**88,446,164**			**88,446,164**
BASIC AND DILUTED LOSS PER PREFERRED SHARE	**$ 0.00**			**$ 0.00**
WEIGHTED AVERAGE NUMBER OF PREFERRED SHARES OUTSTANDING	**99,452**			**99,452**

Notes:

b. Record accretion and accrue interest
c. Mark-to market convertible note

NOTE 8 – RESTATEMENTS – CONTINUED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

November 30, 2015	Originally Stated	Adjustments	Note	Restated
OPERATING ACTIVITIES				
Net Loss	$ (406,929)	$ (18,484)	a, b, c	$ (406,929)
Accretion related to convertible note	76,883	19,562	b	76,883
Finance costs and derivative expense	122,921			122,921
Accrued interest on convertible note	22,044	3,645	b	22,044
Change in fair value of derivative liability	28,979	(4,723)	c	28,979
Adjustments to reconcile Net Income (Loss) to netCash used in operating activities:				
Deposits	21,596			21,596
Accounts Payable	2,599			2,599
NET CASH USED INOPERATING ACTIVITIES	**(131,907)**			**(131,907)**
FINANCING ACTIVITIES				
Convertible debt	155,000			155,000
Loans from related party	(22,720)			(22,720)
NET CASH PROVIDED BY FINANCING ACTIVITIES	**132,280**			**132,280**
NET INCREASE IN CASH	**373**			**373**
CASH, BEGINNING OF PERIOD	**2,349**			**2,349**
CASH, END OF PERIOD	**$ 2,722**			**$ 2,722**

Notes:

a. Record issuance of convertible note
b. Record accretion and accrue interest
c. Mark-to market convertible note

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Safe Harbor Statement

This report on Form 10-Q contains certain forward-looking statements. All statements other than statements of historical fact are "forward-looking statements" for purposes of these provisions, including any projections of earnings, revenues, or other financial items; any statements of the plans, strategies, and objectives of management for future operation; any statements concerning proposed new products, services, or developments; any statements regarding future economic conditions or performance; statements of belief; and any statement of assumptions underlying any of the foregoing. Such forward-looking statements are subject to inherent risks and uncertainties, and actual results could differ materially from those anticipated by the forward-looking statements.

These forward-looking statements involve significant risks and uncertainties, including, but not limited to, the following: competition, promotional costs, and risk of declining revenues. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of a number of factors. These forward-looking statements are made as of the date of this filing, and we assume no obligation to update such forward-looking statements. The following discusses our financial condition and results of operations based upon our financial statements which have been prepared in conformity with accounting principles generally accepted in the United States. It should be read in conjunction with our financial statements and the notes thereto included elsewhere herein.

The following discussion should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this Form 10-Q. The discussions of results, causes and trends should not be construed to imply any conclusion that these results or trends will necessarily continue into the future.

Results of Operation

Our financial statements have been prepared assuming that we will continue as a going concern and, accordingly, do not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

We expect we will require additional capital to meet our long term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

Results of Operations for the Nine Months Ended May 31, 2016 Compared to the Same Period in 2015

No Revenues

Since our inception on February 18, 2010 to May 31, 2016, we have not yet earned any revenues. As of May 31, 2016, we have an accumulated deficit of $2,675,326. At this time, our ability to generate any significant revenues continues to be uncertain.

Net Loss

We incurred a net loss of $919,327 for the nine months ended May 31, 2016 compared to our net loss of $495,903 for the nine months ended May 31, 2015. The increase in net loss was mainly due to increased consulting fees, management fees, office expenses, professional fees as well as accretion, finance and interest costs related to the outstanding convertible notes. Since February 18, 2010 (date of inception) to May 31, 2016, we have incurred a net loss of $2,675,326.

Expenses

Our total operating expenses for the nine months ended May 31, 2016 were $919,327 compared to $495,903, for the same period in 2015. Our consulting fees increased by $21,793 from $42,644 to $64,437 for the nine months ended May 31, 2016. Filing fees increased by $695 from $9,140 for the nine months ended May 31, 2015 to $9,835 for the nine months ended May 31, 2016. Finder's fees increased by $6,000 from $9,000 for the nine months ended May 31, 2015 to $15,000 for the nine months ended May 31, 2016. Management fees increased by $144,000 from $18,000 for the nine months ended May 31, 2015 to $162,000 for the nine months ended May 31, 2016. Office and general costs consisting of bank charges, travel, meals and entertainment, office maintenance, communications (cellular, internet, fax and telephone), courier, postage costs and office supplies, increased by $4,265 from $36,244 for the nine months ended May 31, 2015 to $40,509 for the nine months ended May 31, 2016. Professional fees decreased by 16,380 from $121,396 for the nine months ended May 31, 2015 to $105,016 for the nine months ended May 31, 2016. Public relation costs decreased by $140,731 from $179,599 for the nine months ended May 31, 2015 to $38,868 for the nine months ended May 31, 2016.

In addition, we incurred costs related to the convertible notes issued and outstanding during the comparable periods. Interest expense relating to such notes increased by $33,875 from $12,268 for the nine months ended May 31, 2015 to $45,143 for the nine months ended May 31, 2016. Accretion increased by $418,737 from $34,089 for the nine months ended May 31, 2015 to $452,826 for the nine months ended May 31, 2016. Finance costs increased by 105,466 from $67,135 for the nine months May 31, 2015 to $172,601 for the nine months ended May 31, 2016. A change in the fair value of the derivative liability in the amount of $187,908 was recognized during the nine months ended May 31, 2016 in comparison to a change of $8,405 during the nine months ended May 31, 2015.

Liquidity and Capital Resources

Nine Month Period Ended May 31, 2016

As at May 31, 2016, our total assets were $411,731 compared to $414,421 in total assets at August 31, 2015. As at May 31, 2016, our current liabilities were $2,188,129, which was comprised of accounts payable of $295,506, loans from related party of $568,248, convertible notes due to related parties of 186,514, convertible notes, net of unamortized discount of $366,480 and a derivative liability of $771,381. Stockholders' deficit was $1,776,398 as of May 31, 2016 compared to stockholders' deficit of $1,040,701 as of August 31, 2015.

Cash Flows from Operating Activities

We have not generated positive cash flows from operating activities. For the nine months period ended May 31, 2016, net cash flows used in operating activities was $306,108, compared to $290,530 for the same period in 2015.

Cash Flows from Financing Activities

We have financed our operations primarily from either advancements, convertible notes or the issuance of equity. For the nine months period ended May 31, 2016 net cash provided by financing activities was $304,795 compared to the nine month period ended in 2015, which was $295,332.

Plan of Operation

Our plan of operation for the next twelve months is to grow our business through the exploration of our current properties and additional properties that we acquire.

Going Concern

Our independent auditors' review report accompanying our August 31, 2015 financial statements contained an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. The financial statements have been prepared "assuming that we will continue as a going concern," which contemplates that we will realize our assets and satisfy our liabilities and commitments in the ordinary course of business.

Inflation

The amounts presented in the financial statements do not provide for the effect of inflation on our operations or financial position. The net operating losses shown would be greater than reported if the effects of inflation were reflected either by charging operations with amounts that represent replacement costs or by using other inflation adjustments.

Off-Balance Sheet Arrangements

As of May 31, 2016, we had no off-balance sheet transactions that have or are reasonably likely to have a current or future effect on our financial condition, changes in our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Management's Report on Internal Control over Financial Reporting.

Our internal control over financial reporting is a process that, under the supervision of and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, was designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted according principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our trustees; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that our controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As management, it is our responsibility to establish and maintain adequate internal control over financial reporting. As of February 29, 2016, under the supervision and with participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting using criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation, we concluded that the Company maintained ineffective internal control over financial reporting as of February 29, 2016, based on criteria established in the Internal Control Integrated Framework issued by the COSO.

This quarterly report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this quarterly report.

Evaluation of disclosure controls and procedures.

As of May 31, 2016, the Company's chief executive officer and chief financial officer conducted an evaluation regarding the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act). Based upon the evaluation of these controls and procedures, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were ineffective as of the date of filing this quarterly report applicable for the period covered by this report.

Changes in internal controls.

During the period covered by this report, no changes occurred in our internal control over financial reporting that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. The Company is not currently subject to any pending litigation.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES

During the nine-month period ended May 31, 2016, the Company entered into the following transactions:

On August 14, 2015, the Company issued to Auctus Fund, LLC a convertible promissory note in the principal amount of $76,750, in connection with a securities purchase agreement entered into by the parties on August 14, 2015. The note accrues interest at a rate of 10% per annum, with a maturity date of May 14, 2016. The holder of the note may convert any or all of the principal outstanding into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock during the fifteen trading days prior to issuing a notice of conversion to the Company.

On August 31, 2015, the Company issued to St. George Investments LLC a convertible promissory note in the principal amount of $40,000, in connection with a securities purchase agreement entered into by the parties on August 31, 2015. The purchase price for this note and warrant (as described in the securities purchase agreement) shall be $25,000, computed as follows: original principal balance of $40,000, less a $10,000 original issue discount and $5,000 to cover lender's legal fees, accounting costs, due diligence, and other transaction costs incurred in connection with the note. Interest does not accrue on the outstanding principal. The note matures six months after the purchase price is delivered to the Company by the lender. The holder of the note may convert any or all of the principal outstanding into shares of the Company's common stock at a price equal to 60% of the lowest trading price of the common stock during the twenty trading days prior to issuing a notice of conversion to the Company.

On September 17, 2015, the Company issued to EMA Financial, LLC a convertible promissory note in the principal amount of $40,000, in connection with a Securities Purchase Agreement entered into by the parties on September 17, 2015. The note accrues interest at a rate of 12% per annum, with a maturity date of September 17, 2016. The holder of the note may convert any or all of the principal outstanding into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock during the 20 trading days prior to issuing a notice of conversion to the Company.

On October 28, 2015, Aim Exploration Inc. (the "Company") entered into a Note Purchase Agreement with Tangiers Investment Group, LLC ("Tangiers" or "Holder" in the event of assignment or succession) for the sale of a 10% convertible promissory note (the "Note"), in the principal amount of $330,000 (the "Principal Sum"), convertible into shares of common stock of the Company. Upon execution of the Note, Tangiers delivered $75,000 to the Company. The Note has an original issue discount of $7,500, which Tangiers retained for due diligence and legal bills related to the transaction. The financing closed on October 28, 2015 (the "Closing Date"). The Effective Date is that day when the Note is executed by both parties and the delivery of the first payment of consideration is made (the "Effective Date").

The Note bears interest at the rate of 10% per annum. All interest and principal must be repaid one (1) year after the Effective Date (the "Maturity Date"). The Note is convertible into common stock, at Tangiers' option, at the lower of (i) $0.10 per share or (ii) 50% of the lowest trading price of the Company's common stock during the 25 consecutive trading days prior to the date on which Tangiers elects to convert all or part of the Note (the "Conversion Price").

The Note may be prepaid by the Company, in whole or in party, according to the following: if under 30 days from the Effective Date, Prepayment amount shall be 100% of Principal sum plus accrued interest; between 31 and 60 days, 110% of Principal Sum plus accrued interest; between 61 and 90 days, 120% of Principal Sum plus accrued interest; between 91 and 120 days, 130% of Principal Sum plus accrued interest; between 121 and 150 days, 140% of the Principal Sum plus accrued interest; and between 151 and 180 days, 150% of Principal Sum plus accrued interest. After 180 days from the Effective Date, the Note may not be prepaid without written consent from the Holder.

In the event of a default, the Note may be accelerated by Tangiers, whereby the outstanding balance is immediately due and payable in cash at 150% of the outstanding Principal Sum of the Note. In addition, an interest rate of the lesser of 18% per annum or the maximum rate permitted under law will be applied to the outstanding balance. Tangiers is prohibited from owning more than 9.99% of the Company's outstanding shares pursuant to the Note.

The Company claims an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act") for the private placement of these securities pursuant to Section 4(2) of the Act and/or Regulation D promulgated there under since, among other things, the transaction did not involve a public offering, Tangiers is an accredited investor, Tangiers had access to information about the Company and their investment, Tangiers took the securities for investment and not resale, and the Company took appropriate measures to restrict the transfer of the securities.

Related to entering into the Note, the parties documented their intention that the Company's obligations to repay under the terms of the Note be secured by certain assets, represented by the Security Agreement and Memorandum of Security Agreement, entered into by the parties on October 28, 2015.

On October 28, 2015, the Company entered into a Strategic Consulting Agreement with Tangiers for strategic advising and consulting services. The Term is twelve months, although it may be terminated at any time. As consideration for providing consulting services, the Company shall pay Tangiers one hundred twenty thousand dollars ($120,000) in restricted shares of the Company's common stock, payable in four equal installments of $30,000 per month each, due at ninety-day intervals. Additionally, the Company shall issue to Tangiers 500,000 five-year warrants with an exercise price of fifteen cents ($.15) a share and a cashless exercise option. The Company also granted Tangiers the option to purchase up to fifteen thousand (15,000) tons of coal per month (FOB) at a fifteen percent (15%) discount to market on a to be determined formula.

On that same date, the Company entered into an Investment Agreement and Registration Rights Agreement with Tangiers (the "Investment Agreement") through which the Company has agreed to issue and sell to Tangiers an indeterminate number of shares of the Company's common stock, par value of $.001 per share, up to an aggregate purchase price of five million dollars ($5,000,000). The Company is obligated to register these shares to be sold under the Investment Agreement on Form S-1.

On January 12, 2016, the Company issued to Yoshar Trading, LLC a convertible promissory note in the principal amount of $30,000, in connection with a Securities Purchase Agreement entered into by the parties on January 12, 2016. The note accrues interest at a rate of 10% per annum, with a maturity date of January 12, 2017. The holder of the note may convert any or all of the principal outstanding into shares of the Company's common stock at a price equal to 55% of the lowest trading price of the common stock during the 20 trading days prior to issuing a notice of conversion to the Company.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits

Exhibit Number	**Exhibit Description**
10.1	Consulting Agreement with Tangiers Investment Group, LLC dated October 28, 2015
10.2	Investment Agreement with Tangiers Investment Group, LLC dated October 28, 2015
10.3	Registration Rights Agreement with Tangiers Investment Group, LLC dated October 28, 2016
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14 or 15d-14 of the Exchange Act pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

SIGNATURE	**CAPACITY IN WHICH SIGNED**	**DATE**
/s/ James Robert Todhunter James Robert Todhunter	President, Chief Executive Officer	July <*>, 2016
/s/ Gregorio Formoso Gregorio Formoso	Secretary, Treasurer, Principal Accounting Officer, Principal Financial Officer and Director	July <*>, 2016

Exhibit 31.1

Certification Of The Chief Executive Officer - Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, James Robert Todhunter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aim Exploration Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

By: /s/ *James Robert Todhunter*
James Robert Todhunter
President and Chief Executive Officer

July <*>, 2016

Exhibit 31.2

Certification Of The Chief Financial Officer - Pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Gregorio Formoso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Aim Exploration Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report.

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

By: /s/ *Gregorio Formoso*
Gregorio Formoso
Chief Financial Officer, Principal Accounting Officer

July <*>, 2016

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Aim Exploration Inc., (the " Company ") on Form 10-Q for the quarter ended February 29, 2016, as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, James Robert Todhunter, Chief Executive Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: *<u>/s/ James Robert Todhunter</u>*
James Robert Todhunter
President and Chief Executive Officer

July <*>, 2016

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Aim Exploration Inc., (the " Company ") on Form 10-Q for the quarter ended February 29, 2016, as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Gregorio Formoso, Chief Financial Officer of the Company certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: *<u>/s/ Gregorio Formoso</u>*
Gregorio Formoso
Chief Financial Officer, Principal Accounting Officer

July <*>, 2016