DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended February 29, 2016

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three months ended February 29, 2016 and February 28, 2015.

DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

February 29, 2016 and November 30, 2015

(Stated in Canadian dollars)

(Unaudited – Prepared by Management)

	February 29, 2016	November 30, 2015
ASSETS		
Current		
Cash	$ 377,348	$ 300,850
Marketable securities	7,269	7,269
Receivables	6,926	15,148
Prepaid expenses	6,125	16,126
	397,668	339,393
Equipment	28,449	-
Resource property costs – Note 5, Schedule	2,857,570	2,692,320
Reclamation bonds	20,000	20,000
	$ 3,303,687	$ 3,051,713
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 193,172	$ 273,635
Loans payable	10,233	14,433
Due to related parties – Note 7	107,126	163,372
	310,531	451,440
SHAREHOLDERS' EQUITY		
Share capital – Note 6	23,984,506	23,503,887
Contributed surplus – Note 6	2,539,789	2,564,322
Accumulated deficit	(23,531,139)	(23,467,936)
	2,993,156	2,600,273
	$ 3,303,687	$ 3,051,713

Approved on behalf of the Board:

"Brian Findlay"
Director

"Ben Ainsworth"
Director

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
February 29, 2016 and November 30, 2015
(Stated in Canadian dollars)
(Unaudited – Prepared by Management)

	February 29, 2016	February 28, 2015
Expenses		
Accounting and audit fees	$ 4,000	$ 5,850
Administration fees – Note 7	21,000	21,000
Bank charges and interest	1,201	932
Consulting fees – Note 7	22,525	52,000
Depreciation	2,456	-
Foreign exchange (recovery)	(83,898)	1,916
Investors relations	10,769	22,450
Legal fees	5,519	3,975
Listing, filing and transfer agent fees	15,665	8,434
Marketing	2,240	10,705
Office administration and general	10,615	25,688
Rent – Note 7	6,750	6,680
Share-based compensation – Notes 6 and 7	11,886	116,123
Travel, conferences and promotion	5,468	1,982
Wages and benefits – Note 7	27,007	14,047
Loss before other item	(63,203)	(291,782)
Other item:		
Write-down resource property costs	-	(4,890)
Net loss and comprehensive loss for the period	$ (63,203)	$ (296,672)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	114,957,149	77,414,731

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN DEFICIT
For the three months ended February 29, 2016 and February 28, 2015
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Common Stock Issued Shares	Amount	Contributed Surplus	Deficit	Total
Balance, November 30, 2014	76,454,733	$ 21,690,260	$ 2,338,509	$ (22,116,179)	$ 1,912,590
Shares issued for cash:					
On exercise of share purchase options - $0.05	1,800,000	90,000	-	-	90,000
Allocation of options exercised	-	107,924	(107,924)	-	-
Fair market value of stock based compensation	-	-	116,123	-	116,123
Net loss for the period	-	-	-	(296,672)	(296,672)
Balance, February 28, 2015	78,254,733	21,888,184	2,346,708	(22,412,851)	1,822,041
Shares issued for cash:					
Pursuant to a private placement – at $0.05	4,000,000	200,000	-	-	200,000
On exercise of share purchase options - $0.05	5,000,000	250,000	-	-	250,000
On exercise of share purchase options - $0.07	1,000,000	70,000	-	-	70,000
On exercise of share purchase warrants - $0.05	19,666,000	983,300	-	-	983,300
Shares issued as finders' fees	400,000	20,000	-	-	20,000
Share issue costs	-	(20,000)	-	-	(20,000)
Fair market value of stock based compensation	-	-	330,017	-	330,017
Allocation of options exercised		112,403	(112,403)	-	-
Net loss for the period	-	-	-	(1,055,085)	(1,055,085)
Balance, November 30, 2015	108,320,733	23,503,887	2,564,322	(23,467,936)	2,600,273
Shares issued for cash:					
On exercise of share purchase options - $0.05	1,070,000	53,500	-	-	53,500
On exercise of share purchase options - $0.07	250,000	17,500	-	-	17,500
On exercise of share purchase warrants - $0.05	7,464,000	373,200	-	-	373,200
Allocation of options exercised	-	36,419	(36,419)	-	-
Fair market value of stock based compensation	-	-	11,886	-	11,886
Net loss for the period	-	-	-	(63,203)	(63,203)
Balance, February 29, 2016	117,104,733	$ 23,984,506	$ 2,539,789	$ (23,531,139)	$ 2,993,156

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

DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

for the three months ended February 29, 2016 and February 28, 2015

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	February 29, 2016	February 28, 2015
Operating Activities		
Net loss and comprehensive loss for the period	$ (63,203)	$ (296,672)
Add items not affecting cash:		
Depreciation	2,456	-
Share based compensation	11,886	116,123
Unrealized foreign exchange	(42,057)	(6)
Write-down of resource property costs	-	4,890
Net change in non-cash working capital:		
GST receivable	8,222	2,542
Prepaid expenses	10,000	20,030
Accounts payable and accrued liabilities	(78,377)	(2,775)
Amount due from (to) related parties	(56,245)	2,394
	(207,318)	(153,474)
Financing Activities		
Loans payable	(4,200)	-
Proceeds from issuance of common shares	444,200	90,000
	440,000	90,000
Investing Activities		
Equipment	(30,905)	-
Resource property additions, net	(165,250)	(88,659)
	(196,155)	(88,659)
Effect of foreign exchange on cash	39,972	1
Increase (decrease) in cash during the period	76,499	(152,132)
Cash, beginning of the period	300,850	198,362
Cash, end of the period	$ 377,349	$ 46,230

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
for the three months ended February 29, 2016 and for the year ended November 30, 2015
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	Canada				USA	
	Cowtrail	Addie 1	Addie 2	Argentina	Nevada	Total
Acquisition costs						
Balance, November 30, 2014	$ -	$ -	$ -	$ -	$ 91,375	$ 91,375
Acquisition costs	-	-	-	25,781	-	25,781
Staking and filing fees	-	-	-	-	136,696	136,696
Balance November 30, 2015	-	-	-	25,781	228,071	253,852
Staking and filing fees	-	-	-	-	46,988	46,988
Proceeds	-	-	-	-	(38,934)	(38,934)
Balance February 29, 2016	-	-	-	25,781	236,125	261,906
Deferred exploration and development costs						
Balance, November 30, 2014	1	1	-	1,803,077	26,283	1,829,362
Administrative	-	-	-	60,517	-	60,517
Assays	-	-	-	-	29,462	29,462
Drilling	-	-	-	-	1,587	1,587
Geological consulting	-	-	-	27,930	472,262	500,192
Reports	-	-	-	-	4,447	4,447
Supplies and miscellaneous	45	45	-	438	7,225	7,753
Travel and accommodation	-	-	-	5,238	-	5,238
Truck and equipment rental	6,000	6,000	-	-	-	12,000
Write-down	(6,045)	(6,045)	-	-	-	(12,090)
Balance, November 30, 2015	1	1	-	1,897,200	541,266	2,438,468

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

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS
for the three months ended February 29, 2016 and for the year ended November 30, 2015
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

Continued

	Canada				USA	
	Cowtrail	Addie 1	Addie 2	Argentina	Nevada	Total
Balance, November 30, 2015	1	1	-	1,897,200	541,266	2,438,468
Administrative						
Assays	-	-	-	-	16,765	16,765
Geological consulting (Note 7)	-	-	-	36,541	86,948	123,489
Reports	-	-	-	-	7,648	7,648
Supplies and miscellaneous	-	-	-	6,738	-	6,738
Travel and accommodation	-	-	-	-	2,556	2,556
Balance, February 29, 2016	1	1	-	1,940,479	655,183	2,595,664
Total resource property costs						
As at November 30, 2015	$ 1	$ 1	$ -	$ 1,922,981	$ 769,337	$ 2,692,320
As at February 29, 2016	$ 1	$ 1	$ -	$ 1,966,260	$ 891,308	$ 2,857,570

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

Note 1 Nature of Operations

Dajin Resources Corp. (the "Company") is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publically traded on the TSX Venture Exchange.

The Company's principal business activities include acquiring and developing mineral properties. At February 29, 2016, the Company's principal mineral interests are located in Canada, United States and Argentina and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

Note 2 Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2015.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2016.

Note 2 Basis of Preparation – (cont'd)

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at February 29, 2016, the Company had not advanced its resource properties to commercial production. At February 29, 2016, the Company has not achieved profitable operations, has accumulated losses of $23,531,139 since inception and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgements made by management in the application of IFRS.

Note 3 Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2015.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2015.

Accounting standards issued but not yet applied

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments* (tentatively effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements is as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically resource property costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Note 4 Use of Estimates and Judgments – (cont'd)

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Share-based compensation transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Note 5 Resource Property Costs

(a) Addie 1 Property

The Company owns a 100% interest in 29 mineral claims located in the Spanish Mountain region in the Cariboo Mining District of south central British Columbia.

Thirteen of these claims are subject to a 2% net smelter returns ("NSR") royalty, of which 1% can be purchased by the Company for $500,000.

During the year ended November 30, 2014, the Company wrote-down the resource property costs to its net realizable value of $1. The Company allowed claims to lapse when they became due at November 30, 2015. Any costs incurred subsequently relating to these exploration and evaluation assets have been expensed.

(b) Addie 2 Property

The Company owns a 100% interest in 35 mineral claims located in the Cariboo Mining District in south central British Columbia.

Twenty-two of these claims are subject to a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

During the year ended November 30, 2014, the Company decided not to continue with this property and allowed the claims to lapse when they became due. Prior resource property costs of $1,196,738 were written-off.

Note 5 Resource Property Costs – (cont'd)

(c) Cowtrail Property

The Company owns a 65% joint venture interest in the Cowtrail Mineral Property, consisting of 32 mineral claims located in the Cariboo Mining District of south central British Columbia. The Company is in the process of preparing the terms for a joint venture agreement with its co-venturer.

The Company had also staked an additional 6 contiguous claims to own a total of 38 mineral claims applicable to this property.

During the year ended November 30, 2014, the Company wrote-down the resource property costs to its net realizable value of $1. Any costs incurred subsequently relating to these exploration and evaluation assets have been expensed.

(d) Argentina Concessions

The Company holds a 100% interest in 103,248 hectares (255,131 acres) of exploration or exploitation concessions covering the Company's Salinas Grandes/Guayatayoc boron, lithium and potash project. The Company's interest in these concessions is held by its wholly owned Argentina subsidiary, Dajin Resources S.A. ('S.A.')

During the current fiscal year, S.A. entered into an agreement with the Cooperativa de Trabajo Minero Produccion de Boratos Jujenos Ltda. ('Cooperativa'), which holds the mining rights to two properties located in the south-east part of Salinas Grandes, pursuant to which the Company has obtained the exclusive right to explore these properties for a term of three years. The agreement requires the payment of US$60,000, and at the end of the three year period the Company has exclusive right to option these properties for an additional thirty year period for a payment of US$700,000. During production the Company will pay Cooperativa a 3% royalty.

The mining leases held by Cooperativa, "Navidad" and "San Jose", cover a total area of 4,400 hectares (10,873 acres). An initial payment of US$20,000 has been made and Cooperativa now must obtain the exploration permits from the Argentinian regulatory authorities, to receive the balance of US$40,000. These permits will be the first to be granted to the Company for exploration work in Salinas Grandes, a salar where the Company has staked an area of 80,248 hectares (198,297 acres).

(e) Nevada Properties

During the year ended November 30, 2014, the Company acquired by staking a 100% interest in 228 mineral claims covering 1,218 hectares (3,010 acres) in the Teels Marsh basin of Mineral County, Nevada.

During the year ended November 30, 2015, the Company acquired by staking a 100% interest in 191 placer claims covering an area of 1,558 hectares (3,850 acres) in the Alkali Lake basin of Esmeralda County, Nevada.

The Company's interest in these mineral claims is held in an incorporated US company, Dajin Resources (US) Corp.

Note 5 Resource Property Costs – (cont'd)

(e) Nevada Properties – (cont'd)

On December 28, 2015, the Company entered into an agreement with Southern Sun Minerals Inc. ("Southern Sun") a public company, whereby Southern Sun has the option to earn up to a 60% interest in the Alkali Lake basin of Esmeralda County, Nevada. Southern Sun is required to make the following:

i) Cash payment of US$28,000 (Received) and issue 250,000 common shares (received subsequent to February 29, 2016) upon signing of the agreement;
ii) Cash payment of US$28,000 and incur US$200,000 in exploration expenditures on or before December 28, 2016;
iii) Cash payment of US$28,000 and incur US$250,000 in exploration expenditures on or before December 28, 2017; and
iv) Incur US$500,000 in exploration expenditures on or before December 28, 2018.

Note 6 Share Capital

Authorized:

200,000,000 common shares without par value
100,000,000 preferred shares without par value

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from year to year.

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Commitments - (cont'd)

Share-Based Compensation Plan - (cont'd)

A summary of the status of the stock option plan as of February 29, 2016 and November 30, 2015 and changes during the periods then ended on those dates is presented below:

	February 29, 2016		November 30, 2015	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	10,120,000	$0.06	6,070,000	$0.05
Forfeited	(100,000)	$0.05	-	-
Granted	-	-	11,850,000	$0.05
Exercised	(1,020,000)	$0.05	(7,800,000)	$0.06
Options outstanding at end of the period	9,000,000	$0.06	10,120,000	$0.06
Options exercisable at end of the period	8,375,000	$0.06	7,702,500	$0.06
Weighted remaining life in years		3.32		3.54

At February 29, 2016, the Company has 9,000,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
3,650,000	$0.05	June 20, 2019
2,500,000	$0.05	December 23, 2019
750,000	$0.05	January 2, 2020
600,000	$0.06	April 1, 2020
700,000	$0.06	May 1, 2020
200,000	$0.07	August 25, 2020
600,000	$0.10	September 10, 2020
9,000,000		

Subsequent to February 29, 2016, the Company issued 700,000 common shares pursuant to the exercise share purchase options for total gross proceeds of $35,000.

There were no share purchase options granted during the three months ended February 29, 2016.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Commitments - (cont'd)

Share-Based Compensation Plan - (cont'd)

During the three month period ended February 28, 2015 compensation expense of $116,123, using graded method, were recognized for options granted and vested during the period.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	February 29, 2016	February 28, 2015
Risk free interest rate	-	1.00%
Expected life of options in years	-	5 years
Expected volatility	-	123%
Dividend per share	-	$0.00
Forfeiture rate	-	30%

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing model may not necessarily provide a reliable measure of the fair value of its stock options.

Share Purchase Warrants

On April 2, 2015, the Company completed a non-brokered private placement for a total of 4,000,000 units at a price of $0.05 per unit for gross proceeds of $200,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of $0.05 per share on or before April 2, 2017. Finders' fees of 400,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

The Company fair valued the finders' units at $20,000 consisting of $20,000 for the 400,000 shares which are valued at $0.05 per share and $nil for the 400,000 share purchase warrants, also using the residual value method.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Commitments - (cont'd)

Share Purchase Warrants – (cont'd)

A summary of the status of share purchase warrants as of February 29, 2016 and November 30, 2015 and changes during the periods then ended on those dates is presented below:

	February 29, 2016		November 30, 2015	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of the period	9,964,000	$0.05	25,230,000	$0.05
Issued	-	-	4,400,000	$0.05
Exercised	(7,464,000)	$0.05	(19,666,000)	$0.05
Balance, end of the period	2,500,000	$0.05	9,964,000	$0.05

At February 29, 2016, the Company has 2,500,000 share purchase warrants exercisable at $0.05 per share expiring on October 9, 2016.

Subsequent to February 29, 2016, the Company issued 1,800,000 common shares pursuant to the exercise share purchase warrants for total gross proceeds of $90,000.

Note 7 Related Party Transactions

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Three months ended February 29, 2016	Three months ended February 28, 2015
Consulting fees	$ -	$ -
Wages and benefits	10,800	14,047
Stock-based compensation	83	184
	10,883	14,231
Key management compensation		
Administration fees	21,000	21,000
Consulting fees – Resource property cost	10,000	-
Rent	6,750	6,680
Stock-based compensation	4,194	68,380
	41,944	96,060
	$ 52,827	$ 110,291

Note 7 Related Party Transactions – (cont'd)

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Included in February 29, 2016 prepaid expenses is an advance rent payment of $2,250 (November 30, 2015: $2,250) to a company with a common director.

Due to related parties, representing amounts due to companies controlled by the directors and officers of the Company for unpaid fees and reimbursement of expenses are non-interest bearing, unsecured and are due on demand.

Note 8 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended February 29, 2016. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Note 9 Financial Instruments

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: FVTPL financial assets are measured at fair value and changes in fair value are recognized in income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in income.

Note 9 Financial Instruments – (cont'd)

The Company classifies and measures its financial instruments as follows:

- Cash and reclamation bonds are classified as loans and receivables. The fair value of cash approximates its carrying value due to its short term nature.
- Accounts payable and accrued liabilities, due to related parties and loans payable are classified as other financial liabilities and are measured at fair value at inception. Their fair values approximate their carrying values due to their short term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing it with institutions of high credit worthiness. As at February 29, 2016 the Company is not exposed to any significant credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. At February 29, 2016, the Company had cash of $377,348 (November 30, 2015 - $300,850) and current liabilities of $310,532 (November 30, 2015 - $451,440). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

Note 9 Financial Instruments – (cont'd)

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company monitors commodity prices of precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(e) Sensitivity Analysis

The Company has designated its cash and reclamation bonds as loans and receivables, and measures them at their amortized costs. Accounts payable and accrued liabilities, due to related parties, loans payable and advances on private placement are classified as other financial liabilities, which are measured at their amortized costs.

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. As of February 29, 2016, the Company was not a precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at February 29, 2016, the Company had in Canadian equivalent accounts payable of $49,582 (November 30, 2015: $78,870) denominated in US dollars and had cash of $168,994 (November 30, 2015: $54,145) and accounts payable of $55,752 (November 30, 2015: $101,587) denominated in Argentina pesos. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

(Stated in Canadian Dollars)

Note 10 Segmented Information

The Company operates in one business segment, mineral exploration. Its mineral properties and head office are located in three geographic locations, Canada, Argentina and the United States.

The Company's net loss and total assets are allocated to the geographic segments as follows:

	Three months ended February 29, 2016	Three months ended February 28, 2015
Net losses (income)		
Canada	$ 149,614	$ 296,921
Argentina	(43,918)	-
United States	(42,493)	(249)
	$ 63,203	$ 296,672

	February 29, 2016	November 30, 2015
Total Assets		
Canada	$ 1,100,122	$ 1,115,008
Argentina	1,312,259	1,167,369
United States	891,306	769,336
	$ 3,303,687	$ 3,051,713

Note 11 Subsequent Events

On April 5, 2016, the Company granted 3,500,000 share purchase options to certain directors, officers, employees and consultants at a price of $0.14 per share expiring on April 5, 2021. The granting is subject to shareholder and regulatory approval.

On April 20, 2016, the Company completed a non-brokered private placement for a total of 10,555,000 units at a price of $0.12 per unit for gross proceeds of $1,266,600. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of $0.17 per share on or before April 20, 2018. Finders' fees of 50,000 units and $3,600 were paid in respect to this financing. The Finders' units have similar terms as the non-brokered private placement.

Subsequent to February 29, 2016, the Company issued 700,000 common shares pursuant to the exercise share purchase options for total gross proceeds of $35,000.

Subsequent to February 29, 2016, the Company issued 1,800,000 common shares pursuant to the exercise share purchase warrants for total gross proceeds of $90,000.