CASCADERO COPPER CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2016 and 2015

(Unaudited – Expressed in Canadian dollars)

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CASCADERO COPPER CORPORATION
Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Expressed in Canadian dollars)

	May 31, 2016	November 30, 2015
ASSETS		
Current		
Cash and cash equivalents	**413,916**	38,117
Taxes receivable	**43,049**	30,470
Prepaid expenses	**24,078**	26,047
	481,043	94,634
Other assets	**5,723**	-
Exploration and evaluation assets	**34,551**	-
Equipment	**1,610**	2,056
	522,927	96,690
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Account payable and other payable	**200,949**	211,454
Accrued liabilities	**318,383**	318,383
Advances received	**1,093,725**	686,650
Provisions	**1,902**	-
Due to related parties	**1,197,239**	1,051,386
	2,812,198	2,267,873
Shareholders' equity		
Share capital	**18,712,975**	18,435,822
Contributed surplus	**4,254,712**	4,172,748
Deficit	**(25,256,958)**	(24,779,753)
	(2,289,271)	(2,171,183)
	522,927	96,690

Nature and continuance of operations (Note 1)
Commitments (Note 10)
Subsequent events (Note 12)

Approved by the Board:

"William McWilliam"	***"Tom McCabe"***
Director – William McWilliam	Director – Tom McCabe

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

CASCADERO COPPER CORPORATION
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Unaudited – Expressed in Canadian dollars)

	3 Months Ended May 31, 2016 $	6 Months Ended May 31, 2016 $	3 Months Ended May 31, 2015 $	6 Months Ended May 31 2015 $
REVENUE				
Interest income	-	-	-	-
	-	-	-	-
EXPENSES				
Accounting and audit	32,475	77,500	(1,150)	5,275
Advertising and promotion	1,016	1,016		
Amortization	222	445	400	801
Bank and interest charges	252	600	180	290
Filing, sustaining and finder's fees	14,410	20,520	9,560	15,180
Management fee	40,000	80,000	40,000	80,000
Office and miscellaneous	47,410	72,259	35,017	62,285
Part XII.6 tax	-	-	3,799	7,598
Professional fees/consulting fees	5,880	11,806	-	-
Insurance	3,206	6,412	-	-
Rent	4,500	9,000	4,500	9,000
Telephone	3,288	6,717	-	-
Business exploration cost	12,254	18,636	-	-
Travel, meals and promotion	22,523	38,343	-	-
(Recovery from) share on loss of investment and write off the advances	(37,400)	(37,400)	-	-
Stock based compensation	92,392	92,392	34,164	151,834
	242,428	398,246	126,470	332,263
Income (Loss) before other items	(242,428)	(398,246)	(126,470)	(332,263)
Other items				
Write-down of advances	(9,401)	(78,290)	(266,683)	(316,933)
Foreign exchange gain(loss)	(3,165)	(670)	(4,990)	(4,661)
Gain on bargain purchase	-	-	1,101,830	1,101,830
Net and comprehensive income (loss) for period	(254,994)	(477,206)	703,687	447,973
Basic and Diluted Income (Loss) Per Common Share	(0.002)	(0.003)	0.005	0.003
Weighted Average Number of Common Share Outstanding	137,983,603	137,983,603	151,692,528	151,692,528

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

CASCADERO COPPER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENT OF SHARHOLDERS' EQUITY AND DEFICIT
FOR THE QUARTER ENDED MAY 31, 2016 AND 2015

	Shares		Amount		Contributed Surplus		Treasury Shares	Deficit		Total
Balance, December 01,2014	151,692,528	$	19,677,899	$	3,956,338	$	(465,463)	(24,138,554)	$	(969,780)
Stock based compensation					151,834					151,834
Net loss for the quarter – Feb. 28, 2015								(255,714)		(255,714)
Net loss for the quarter – May 31, 2015								703,687		703,687
Balance, May 31, 2015	**151,692,528**		**19,677,899**		**4,108,172**		**(465,463)**	**(23,690,581)**		**(369,973)**
Balance, December 01, 2015	**151,692,528**		**19,677,899**		**4,172,748**		**(1,242,077)**	**(24,779,753)**		**(2,171,183)**
Stock based compensation	-		**-**		92,392					92,392
Stock option execrated					(10,428)					(10,428)
Stock option exercised			35,428							35,428
Warrants exercised			241,725							241,725
Net loss for the quarter – February 29, 2016								(222,211)		(222,211)
Net loss for the quarter – May 31, 2016								**(254,994)**		**(254,994)**
Balance, MAY 31, 2016	**151,692,528**		**19,955,052**		**4,254,712**		**(1,242,077)**	**(25,256,958)**		**(2,289,271)**

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

CASCADERO COPPER CORPORATION
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Expressed in Canadian dollars)

	3 Months Ended May 31, 2016 $	6 Months Ended May 31, 2016 $	3 Months Ended May 31, 2015 $	6 Months Ended May 31, 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (Loss) for the year	(254,994)	(477,206)	703,687	447,973
Items not affecting cash:				
Amortization	222	445	400	801
Stock based compensation	92,392	92,392	34,164	151,834
Write down of advances to affiliates /subsidiary	37,400	37,400	266,683	316,933
Gain on bargain purchase	-	-	(1,101,830)	(1,101,830)
	(124,980)	(346,969)	(96,896)	(184,289)
Changes in non-cash working capital items:				
(Increase) decrease in receivable	(6,045)	(12,579)	14,342	10,385
(Increase) decrease in other assets	(5,723)	(5,723)	-	-
(Increase) decrease in prepaid expenses	4,725	1,969	3,206	6,412
Increase (decrease) in accounts payable and other payable	16,658	(10,503)	(9,771)	(19,726)
Increase (decrease) in accrued liabilities	-	-	(36,200)	(32,401)
Increase (decrease) in provisions	1,902	1,902		
Increase (decrease) in due to related parties	56,957	145,853	67,821	143,645
Net Cash Used in Operating Activities	(56,506)	(226,050)	(57,498)	(75,974)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash acquired from acquisition of subsidiaries	-	-	308,069	308,069
Mineral properties	(34,551)	(34,551)	-	-
Advances made to equity affiliates/subsidiary	(37,400)	(37,400)	(266,683)	(316,933)
Net Cash Provided By (Used In) Investing Activities	(71,951)	(71,951)	41,386	(8,864)
CASH FLOWS FROM FINANCING ACTIVITIES				
Due to/from related parties	-	-	24,926	85,143
Contributed surplus	(10,428)	(10,428)	-	-
Options exercised	35,428	35,428	-	-
Warrants exercised	241,725	241,725	-	-
Advances rec'd from selling 25% interest in SHL	224,303	407,075	320,606	320,606
Net Cash Provided By (Used In) Financing Activities	491,028	673,800	345,532	405,749
Increase (Decrease) in Cash During the Period	362,571	375,799	329,420	320,911
Cash, Beg. of the Period	51,345	38,117	4,638	13,147
Cash, End of the Period	413,916	413,916	334,058	334,058
Cash Paid During the Period for interest	-	-	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cascadero Copper Corporation ("Cascadero" or the "Company") was incorporated pursuant to the Alberta Business Corporations Act on October 30, 2003 and continued into the Province of British Columbia on June 3, 2004. The Company is engaged in the business of acquiring, exploring and developing mineral properties located primarily in Argentina. The Company is considered to be in the exploration stage. The Company's head office, principal address, and records office is located at 554 East Kings Road, North Vancouver, British Columbia, Canada.

The Company is in the process of exploring and developing mineral properties and has not yet determined whether these properties contain precious mineral reserves that are economically recoverable.

These financial statements have been prepared on the basis of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business. Such adjustments could be material.

As at May 31, 2016, the Company has incurred cumulative losses of $25,256,958 and a negative working capital of $2,331,155. The ability of the Company to continue operations is dependent upon the continued financial support from its shareholders and creditors, and the successful development of mineral properties or alternatively upon the Company's ability to dispose of its interest in mineral properties on an advantageous basis in the future. The outcome of these matters cannot be predicted at this time. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will not be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. The above factors may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and liabilities in the normal course of business.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS in effect as of November 30, 2015.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on July 28, 2016.

b) Basis of Measurement

The annual financial statements have been prepared on a historical cost basis. The annual financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. The accounting policies set out in Note 3 have been applied consistently by the Company to all periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

These consolidated financial statements include the accounts of Cascadero and its wholly-owned subsidiaries:

Entities	Jurisdiction of Incorporation
Cascadero Minerals Corporation ("CMC")	Canada
Cascadero Minerals S.A. ("CMSA")	Argentina
SESA Holdings, LLC ("SHL") (see Note 5)	United States
Salta Exploraciones S.A. ("Salta")	Argentina
Salta Geothermal S.A. ("SGSA")	Argentina

b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position is comprised of cash held at major financial institutions and short term investments which are readily convertible into a known amount of cash. As at May 31, 2016 and 2015, the Company did not have cash equivalent.

c) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided using the declining balance method at the following annual rates:

Computer equipment	45%
Furniture and fixtures	20%

Additions during the year are amortized pro-rata based on the annual amortization rate.

d) Exploration and evaluation assets

(i) Pre-license expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred.

(ii) Exploration and evaluation expenditures

Once the legal right to explore has been acquired, costs directly associated with the exploration project are capitalized as either tangible or intangible exploration and evaluation assets according to the nature of the asset acquired. Such exploration and evaluation ("E&E") costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved and or probable mineral reserves are determined to exist. The Company has not established any NI 43-101 compliant proven or probable reserves on any of its mineral properties which have been determined to be economically viable.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

d) Exploration and evaluation assets - continued

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company.

The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

(iii) Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Indication of impairment includes but is not limited to expiration of the right to explore, substantive expenditures in the specific area is neither budgeted nor planned, and exploration for and evaluation of mineral resources in the specific area have not led to the discovery of any commercially viable quantities of mineral resources.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The Company has provided a 100% impairment provision towards its mineral properties in Canada and Argentina during the year ended November 30, 2015 and 2014. (See Note 5 and 6).

e) Foreign Currencies

The financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is Canadian dollars.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that state at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.

f) Earnings (loss) per share

Earnings (loss) per share are calculated using the weighted average number of shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

f) Earnings (loss) per share - continued

Diluted earnings (loss) per share for the quarter ended May 31, 2016 and 2015, are equal to loss per share as the effect of applying the treasury stock method is anti-dilutive.

g) Share-based payments

The Company recognizes share-based compensation expense for all stock options awarded to employees, officers, and directors based on the fair values of the stock options at the date of grant. The fair values of the stock options at the date of grant are expensed over the vesting periods of the stock options with a corresponding increase to equity. The fair value of stock options granted to employees, officers, and directors is determined using the Black-Scholes option pricing model with market related inputs as of the date of the grant. The fair value of stock options granted to non-employees is measured at the fair value of the services delivered unless fair value cannot be estimated reliably, in which case, fair value is determined using the Black-Scholes option pricing model. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Forfeitures are accounted for using estimates based on historical actual forfeiture data.

h) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enactive or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

i) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and changes to the current market-based discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

As at May 31, 2016, the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

j) Investment in Joint Ventures

A joint venture is a contractual agreement under which two or more parties conduct an economic activity and unanimous approval is required for the financial and operating policies.

Joint ventures are accounted for using the equity method, which involves recognition in the income statement of the Company's share of the net result of the joint ventures for the year. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. The Company's interest in a joint venture is carried in the statement of financial position at its share in the net assets of the joint venture, less any impairment loss. When the share in the losses exceeds the carrying amount of an equity-accounted company (including any other receivables forming part of the net investment in the company), the carrying amount is written down to nil and recognition of further losses is discontinued, unless the Company has incurred legal or contractual obligations relating to the company in question.

k) Financial Instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss;
- Held-to-maturity;
- Available for sale; and
- Loans and receivables

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

Financial assets at fair value through profit or loss ("FVTPL")

3. SIGNIFICANT ACCOUNTING POLICIES – continued

k) Financial Instruments - continued

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or;
- It is a derivative that is not designated and effective as a hedging instrument.

The Company does not have financial assets classified as FVTPL.

Held-to-maturity ("HTM")

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any financial assets classified as HTM investments.

Available-for-sale financial assets ("AFS")

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (i) loans and receivables, (ii) held-to-maturity investments or (iii) financial assets as at FVTPL. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS monetary items, are recognized in other comprehensive income or loss. When an investment is derecognized, the cumulative gain or loss in the investment revaluation reserve is transferred to profit or loss. The Company does not have any financial assets classified as AFS.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less and impairment losses. The Company classifies cash as loans and receivables.

De-recognition of financial assets

A financial asset is derecognized when:

- The contractual right to the asset's cash flows expire; or
- If the Company transfer the financial assets and substantially all risks and rewards of ownership to another entity.

Impairment of financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

k) Financial Instruments - continued

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

i. *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and due to related parties as other financial liabilities.

ii. *De-recognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

l) Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustments to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure 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 profit or loss during the period the new information became available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

l) Critical Accounting Estimates and Judgements - continued

Classification of Joint Arrangement

The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over the other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. The Company has considered its ownership position in SHL and concluded that it constitutes a joint venture until May 27, 2015 when the other participating party withdrew its interest in SHL. (Also see Note 5).

Business acquisition versus asset acquisition

The determination of whether an acquisition is a business acquisition or asset acquisition also requires significant judgement.

Provision

Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability.

Estimates

Share-based payment transactions

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.

m) Accounting standards issued but not yet in effective.

IFRS 9 – *Financial Instruments* is intended to replace IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principle-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at FVTPL, financial guarantees and certain other exceptions. The IASB issued amendments to IFRS 9 which deferred the mandatory effective date of IFRS 9 to annual periods beginning on or after January 1, 2018. The amendments also provide relief from the requirement to restate comparative financial statements for the effects of applying IFRS 9. The Company is currently evaluating the impact the final standard is expected to have on the consolidated financial statements.

IFRS 15 – *Revenue from contracts with customers*, the standard on revenue from contracts with customers was issued on May 28, 2014 and is effective for annual reporting periods beginning on or after January 1, 2018 for public entities with early adoption permitted. Entities have the option on using either a full retrospective or modified retrospective approach to adopt the guidance. The Company is assessing the impact of this standard.

4. FINANCIAL INSTRUMENTS

Fair Value of Financial Statements

The Company classified its fair value measure with a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The Company does not have financial instruments measured at fair value on a recurring basis. The fair value of the Company's cash and accounts payable and accrued liabilities are estimated to approximate their carrying values as at May 31, 2016 and 2015

Management of Industry and Financial Risk

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is primarily associated with cash and cash equivalents. Risk associated with cash is managed through the use of reputable financial institution. The carrying amount of financial assets included on balance sheet represents the maximum credit exposure.

Liquidity risk

Liquidity rest is the risk that the Company with not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk by maintaining sufficient cash and cash equivalent balances to enable settlement of transactions on the due date. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. Refer to the going concern note for additional disclosure (Note 1). As at May 31, 2016 and November 30, 2015, the Company had working capital (deficiency) as follows:

	May 31, 2016	Nov. 30, 2015
	$	$
Current assets	481,043	94,634
Current liabilities	2,812,198	2,267,873
Working capital deficiency	(2,331,155)	(2,173,239)

4. FINANCIAL INSTRUMENTS - continued

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

Currency Risk

The Company undertakes transactions denominated in foreign currencies and as such is exposed to risks due to fluctuations in foreign exchange rates. The Company does not hedge its foreign currency risk, and exposure of the Company's financial assets and liabilities to foreign exchange risk is summarized as follows:

	May 31, 2016	Nov.30, 2015
	$	$
US cash	**272**	23,082
US liabilities	**61,637**	(138,871)
Net	**(61,365)**	(115,789)

As at May 31, 2016, with other variables unchanged, a 1% strengthening (weakening) of the US dollar against the Canadian dollar would have increased (decreased) net income by approximately $614. As at May 31, 2016, the Company does not have significant financial assets or liabilities in Argentina Pesos.

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 is not exposed to significant interest rate risk.

Price Risk

Price risk is the risk that the fair value of financial instrument will fluctuate because of changes in market prices. The Company has no financial instruments subject to price risk.

5. LONG TERM INVESTMENT

In December 2008, the Company paid US$200,000 and TSX Venture Exchange approval was granted for the Company to issue 28,000,000 of its common shares with a fair value of $700,000 to Argentine Frontier Resources Inc. ("AFRI") for its 50% membership interest in SHL, a limited liability company formed under the laws of the State of Nevada, USA. SHL is the legal and beneficial holder of 100% of the issued and outstanding equity interest in Salta, a company duly formed under the laws of Argentina which holds certain mineral rights and properties. AFRI is controlled by the chief executive officer ("CEO) and director of the Company. The Company's 50% partner in SHL initially was Coralbrook Ltd. ("CBL"). On June 28 2013, by way of an Assignment and Assumption agreement CBL was replaced by Zoneplan Ltd ("ZP"). On June 30 2014, the interest of Zoneplan in SHL was assigned to Cyprus River Holdings Ltd ("CRH").

On May 26, 2015, CRH and the Company consented to the withdrawal of CRH as a member of SHL. This meant that the Company became the sole member of SHL and has exclusive authority to manage the affairs of SHL. In connection with CRH's withdrawal, CRH agreed to return 19,415,333 shares of the Company and make a cash payment of US$118,614, of which $71,404 (US$58,605) was received in 2015 and the balance has been received in prior years. The Company agreed to transfer Castor-Quevar property's 3% net smelter return to CRH and grant CRH a 1% net smelter return on 20 properties in Salta. The Company has determined the acquisition represents an asset acquisition.

5. LONG TERM INVESTMENT- continued

The fair values of the assets acquired and liabilities assumed in the acquisition at May 26, 2015 (the "Acquisition Date") are as follows:

	Amount **$**
Cash	308,069
Accounts payable and accrued liabilities	(785,780)
	(477,711)

The 19,415,333 shares of the Company received was measured at the value of $776,613 based on the trading price of the Company's shares at the Acquisition Date. The fair value of the Company's shares and the cash payment received net of the liabilities assumed has been recorded as the recovery of the investment into SHL.

Prior to CRH's withdrawal, the Company accounted its investment in SHL using the equity method of accounting as the Company shares joint control over the strategic, financial and operating decisions and a right to the net assets of the arrangement with CRH. The results of operations of SHL for the year ended November 30, 2014 is as follows:

	Amount **$**
Current assets	8,450
Non-current assets	6,190,778
current liabilities	522,127
Non-current liabilities	7,559,939
Revenue	—
Expenses	1,429,903
Net loss	(1,429,903)

During the year ended November 30, 2014, the Company's share of SHL losses was $714,952. In addition, the Company wrote down the remaining balance of the capital contributions to SHL in the amount of $1,663,831 to $1. The Company did not continue to recognize further losses of SHL as the Company does not have legal or contractual obligations to do so. From December 1, 2014 to the Acquisition Date, the Company has expensed the additional advances to SHL in the amount of $307,759.

6. MINERAL PROPERTIES

Toodoggone Property

On July 14, 2004, mineral properties were acquired in accordance with the Property Transfer Agreement dated May 10, 2004 between Stealth Minerals Limited ("SML") and the Company. A director of SML is also the CEO and director of the Company. The Property Transfer Agreement provided that the purchase price for certain land mineral claims would be equal to 60% of the total mineral property costs incurred by SML as at May 10, 2004. Accordingly, the Company acquired the mineral properties for $6,295,586 and issued 21,000,000 shares to SML.

On January 26, 2006, the Company acquired certain additional mining claims from SML for $150,000 and issued 1,000,000 shares to SML as consideration.

6. MINERAL PROPERTIES - continued

Toodoggone Property - continued

On March 3, 2009, the Company and Gold Fields Toodoggone Exploration Corporation ("Gold Fields"), a wholly owned subsidiary of Gold Fields Netherlands Services BV and a member of the Gold Fields Limited group of companies, signed an Option and Joint Venture Exploration Agreement. The Option Agreement grants Gold Fields an option to acquire a 51% interest in Toodoggone property by incurring expenditures of

at least $5 million over a three year period. If Gold Fields acquires the 51% interest, it has the option to acquire an additional 24% interest in the property by spending an additional $15 million or funding the completion of a feasibility study.

The Option Agreement also provides that Gold Fields, or one of its affiliates, will subscribe for 500,000 units of the Company at a price of $0.10 per unit with each unit consisting of one share and one share purchase warrant that can be exercised for one additional common share of the Company at $0.12 per share for one year. If Gold Fields continues with the Option Agreement, it is required to invest a further $100,000 in the Company's units on each of the first three anniversaries. During the year ended November 30, 2009, Gold Fields purchased the 500,000 units and exercised the 500,000 share purchase warrants. The Company paid a finder's fee of $7,500 to an arm's length party.

During the year ended November 30, 2010, Gold Fields opted to exercise a Force Majeure on the Toodoggone Option. As a result, it did not purchase any units of the Company during the year ended November 30, 2010. This Force Majeure was removed during the year ended November 30, 2011, and Gold Fields subscribed to $100,000 in the Company's shares in March 2011.

As of November 30, 2015, Gold Fields had acquired the 51% interest in the property per the Option Agreement.

During the year ended November 30, 2014, the Company determined that the property was impaired as no significant expenditures are planned or budgeted and the Company lacks the capital to continue spending on the property. As a result, the Company recognized an impairment loss of $9,709,593 leaving the property with a carrying value of $nil.

Total costs incurred in Toodoggone property for 2015 and 2014 are as follows:

	November 30, 2013 $	Additions $	Disposals/ Write-downs $	November 30, 2014 and 2015 $
Acquisition cost	6,445,586	—	—	6,445,586
Deferred exploration – general	3,098,388	—	—	3,098,388
mineral property	1,750	—	—	1,750
consulting	48,969	—	—	48,969
staking	84,306	—	—	84,306
prospecting	15,506	—	—	15,506
others	7,520	—	—	7,520
assay	7,568	—	—	7,568
Impairment recognized	—	—	(9,709,593)	(9,709,593)
	9,709.593	—	(9,709,593)	—

6. MINERAL PROPERTIES (CONTINUED)

CMSA AND Salta Geothermal S.A. (ARGENTINA)

	As of Nov. 30, 2015	Additions	As of May 31, 2016
Deferrer exploration –general	-	34,551	34,551

7. EQUIPMENT

	Computer equipment $	Furniture and fixture $	Total $
Cost			
Balance at November 30, 2013	**37,503**	**591**	**38,094**
Additions	2,404	-	2,404
Disposals	-	-	-
Balance at November 30, 2014	**39,907**	**591**	**40,498**
Additions	-	-	-
Disposals	-	-	-
Balance at November 30, 2015	**39,907**	**591**	**40,498**
Accumulated depreciation			
Balance at November 30, 2013	**35,540**	**373**	**35,913**
Additions	883	44	927
Disposals	-	-	-
Balance at November 30, 2014	**36,423**	**417**	**36,840**
Additions	1,568	34	1,602
Disposals	-	-	-
Balance at November 30, 2015	**37,991**	**451**	**38,442**
Additions - February 29, 2016	**216**	**7**	**223**
Additions – May 31, 2016	**216**	**7**	**223**
Balance at May 31, 2016	**38,423**	**465**	**38,888**
Net carrying amounts			
Balance at November 30, 2013	1,963	218	2,181
Balance at November 30, 2014	3,484	174	3,658
Balance at November 30, 2015	1,916	140	2,056
Balance at February 29, 2016	1,700	133	1,833
Balance at May 31, 2016	**1,484**	**126**	**1,610**

8. SHARE CAPITAL

a) Authorized

Unlimited number of no par value common shares
Unlimited number of preferred shares

b) Stock Option Plan

The Company has a stock option plan for the benefit of directors, management and certain consultants of the Company. Under the plan, the Company may grant options for up to 20% of the issued common shares. The exercise price of each option may be discounted up to 25% from the market price of the Company's common shares on the date of grant and an option's maximum term is five years.

During the quarter ended May 31, 2016

On May 6, 2016, the Company granted 1,900,000 stock options to consultants to acquire common shares of the Company at an exercise price of $0.07 per share expiring in 2 years less one day from the date of grant. All of these options vest 25% on the grant date, 25% six months from the grant date, 25% nine months from the grant date and 25% twelve months from the grant date.

For the period ended May 31, 2016, a total of $92,392 (May 31, 2015: $ 34,164) was recorded as share-based compensation expense relating to management and general consulting services.

The following options were outstanding as at May 31, 2016:

	2016		2015	
	Outstanding	**Weighted Average Exercise Price**	Outstanding	Weighted Average Exercise Price
Balance, beginning of year	19,950,000	$0.08	11,250,000	$0.13
Increase (decrease):				
Options granted	1,900,000	$0.07	10,650,000	$ 0.05
Options exercised	(500,000)	$0.05	-	-
Options cancelled/forfeited	(850,000)	-	(1.950,000)	-
Balance, end of quarter	20,500,000	$0.07	19,950,000	$0.08

c) Warrants

The following summarizes warrants outstanding as at May 31, 2016:

	2016		2015	
	Outstanding	**Weighted Average Exercise Price**	**Outstanding**	Weighted Average Exercise Price
Balance, beginning of the year	16,879,166	$0.06	16,879,166	$0.21
Increase (decrease):				
Warrants granted	-	-	-	-
Warrants expired	-	-	(16,879,166)	$0.21
Warrants exercised	(4,834,500)	$0.05	-	-
Warrants extended	-	-	16,879,166	$0.06
Balance, end of quarter	12,044,666	$0.05	16,879,166	$0.06

8. SHARE CAPITAL - continued

c) Warrants - continued

The following table summarizes information of the Company's warrants outstanding as at May 31, 2016:

2015			2014		
Number of Warrants Outstanding	**Weighted Average Exercise Price**	**Expiry Date**	Number of Warrants Outstanding	Weighted Average Exercise Price	Expiry Date
7,875,499	$0.05	Feb 13, 2017	12,709,999	$0.05	Feb. 13, 2017
4,169,167	$0.10	Oct. 22, 2017	4,169,167	$0.10	Oct. 22, 2017
12,044,666	$0.08		16,879,166	$0.08	

9. INCOME TAXES

	2015	2014
	$	$
Loss before income taxes	**(633,641)**	(12,639,468)
Statutory tax rate	**26%**	26%
Expected income tax recovery	**(164,747)**	(3,286,262)
Non-deductible expenses	**(82,492)**	3,449,708
Change in unrecognized deferred tax assets	**247,239**	(163,446)
Future income tax recovery	**—**	—

Significant components of the Company's unrecognized deferred income tax assets and liabilities after applying enacted corporate income tax rates are as follows:

	2015	2014
	$	$
Non-capital losses carry forward	2,024,022	1,843,133
Canadian exploration expenditures	1,318,441	(299,711)
Others	—	9,620
Unrecognized deferred income tax assets	3,342,463	1,553,042

The Company has non-capital losses of approximately $7,784,702 available to offset future income for income tax purposes which expire in various amount from 2015 to 2035. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements as the Company has provided a full valuation allowance for the potential future tax assets.

10. RELATED PARTY TRANSACTIONS

The related party balances and transactions not disclosed elsewhere in this consolidated financial statements are listed below. Related party transactions in normal course of operations are measured at the exchange amount. Due to the related parties are unsecured, non-interest bearing and no specific term of repayment.

a) The Company has the following balances owed to and from related entities as at May 31, 2016

i. $754,239 (Nov. 30, 2015: $635,935) due to the CEO who is also the director of the Company.
ii. $306,412 (Nov 30, 2015: $262,213) due to the Company's corporate secretary, who is also the immediate family member of the CEO for services provided.
iii. $99,564 (Nov 30, 2015: $88,435) due to AFRI, an entity controlled by the CEO who is the director of the Company.
iv. $37,024 (Nov. 30, 2015: $64,803) due to the Company's chief financial officer (the "CFO") of the Company.

b) During the quarter ended May 31, 2016 the Company had the following transactions with related parties:

i. Charged $4,500 (May 31, 2015: $4,500) in office rent to AFRI, a company controlled by the Company's CEO.
ii. Incurred $40,000 (May 31, 2015: $40,000) in management fees to the CEO.
iii. Incurred $21,000 (May 31, 2015: $18,000) in office and administrative fees charged by the Company's corporate secretary of the Company.
iv. Incurred $13,800 (May 31, 2015: $ 9,850) in accounting fees charged by the CFO of the Company.
v. Key management includes the CEO and CFO. The compensation paid or payable to key management for services during the periods ended May 31, 2016 and 2015 is identical to the disclosure above other than share-based compensation. During the year ended November 30, 2015, key management received share-based compensation of $52,714 (2013: $26,478).

11. CONTINGENT LIABILITY

Canada Revenue Agency ("CRA") has disallowed certain exploration expenditures incurred by the Company as non-eligible exploration expenditures that do not qualify for transfer of the tax deduction to holders of the flow-through shares. In this connection, the Company has been assessed by CRA on Part XII.6 tax, in respect of certain flow-through shares issued in the 2004 taxation year, in the amount of $237,976 plus interest of approximately $80,407 for a total of $318,383. Of this total in tax and interest, the Company will not contest an amount of $199,616. Accordingly, the full amount, contested and not contested, has been included in accrued liabilities in the Company's financial statements.

The balance in assessed Part XII.6 tax and interest is being formally contested by the Company as management disagrees with CRA's position on this amount. The outcome of this matter cannot be determined at this time. A provision has been made in these financial statements for the total amount of the contingent liability.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

13. SUBSEQUENT EVENTS

On July 8, 2016, the Company granted five hundred thousand stock options with an exercise price of $0.08 per share with an expiry date of June 28, 2017 to consultants of the Company.

On July 11, 2016, in a corporate update it was announced that John Downs was appointed to an advisory role for the Corporation. Mr. Downs brings invaluable experience and knowledge to the advisory position at this time in the Corporation's development of the Taron cesium prospect. He was a key employee in Cabot Corporation's Specialty Fluid Division from 1996 to 2014, and now has initiated a business specializing in advising clients with respect to all types of oil well formate brines, drilling, and well completion information (www.formatebrine.com). Cascadero anticipates, in going forward, that formate brines will be a large business segment. Cascadero also announced that the Company received a draft report from Rod McElroy, Ph.D, on the consumption of chemicals and energy requirments to produce cesium hydroxide (CsOH) according to the University of British Columbia (UBC) Hydrometallurgical Study flow sheet received by Cascadero in December 2015. A core drilling program, based on ongoing geostatistical modelling scheduled for the end of July, is also planned with an objective of defining a NI 43-101 compliant inferred resource of 8,000,000 to 10,000,000 metric tonnes or 11.5 to 14.5 years of production. For more detailed information on the above, please refer to our news release posted on our website and also on SEDAR.

On July 11, 2016 it was announced that Regberg Ltd. has exercised its option to acquire an additional 5% interest in the SESA Holdings LLC (LLC) Joint Venture for US$175,000 increasing Regberg's interest to 30% and decreasing Cascadero's interest to 70%. There are no other options to any party for further dilution of Cascadero's interest in SESA.