CASCADERO COPPER CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED NOVEMBER 30, 2016 and 2015

(EXPRESSED IN CANADIAN DOLLARS)

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Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **Cascadero Copper Corporation**

We have audited the accompanying consolidated financial statements of Cascadero Copper Corporation (the "Company"), which comprise the consolidated statements of financial position as at November 30, 2016 and 2015, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2016 and 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matter and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Mao & Ying LLP

Vancouver, Canada,
March 28, 2017

Chartered Professional Accountants

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CASCADERO COPPER CORPORATION

(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars unless otherwise stated)

	Notes		**November 30, 2016**		November 30, 2015
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**733,042**	$	38,117
Taxes receivable			**33,596**		30,470
Prepaid expenses			**16,824**		26,047
			783,462		94,634
Equity investment	5		**1**		—
Due from a related party	10		**59,702**		—
Exploration and evaluation assets	6		**—**		—
Equipment	7		**3,579**		2,056
		$	**846,744**	$	96,690
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable		**$**	**139,205**	$	211,454
Accrued Liabilities	11		**334,041**		318,383
Advances received	5		**—**		686,650
Due to related parties	10		**1,217,211**		1,051,386
			1,690,457		2,267,873
Equity					
Share capital	8		**20,150,159**		18,435,822
Contributed surplus	8(b)		**4,327,112**		4,172,748
Other comprehensive income			**4,861**		—
Accumulated deficit			**(25,325,845)**		(24,779,753)
			(843,713)		(2,171,183)
		$	**846,744**	$	96,690

Nature of operations and going concern (Note 1)
Contingent liability (Note 11)

Approved by the Board of Directors

"William McWilliam"
Director

"Tom McCabe"
Director

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

CASCADERO COPPER CORPORATION

(An exploration stage company)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars unless otherwise stated)

	Notes		For the year ended November 30, 2016		For the year ended November 30, 2015
Expenses					
Professional fees		**$**	**112,907**	$	72,852
Depreciation			**1,425**		1,603
Management fees	10(b)		**160,000**		160,000
Interest expenses	11		**15,658**		15,196
General and administrative	10(b)		**634,340**		103,730
Rent	10(b)		**18,000**		18,000
Share-based compensation	8(b)		**198,222**		216,410
Business exploration cost			**78,290**		13,569
Recovery from write-off the advances			—		(24,427)
Gain on loss control of Argentina Entities	5		**(1,341,275)**		
Impairment of equity investment in Argentina Entities	5		**561,503**		—
Write-off exploration and evaluation assets	6		**109,595**		30,747
			548,665		607,680
Loss before the other items			**(548,665)**		(607,680)
Other items					
Other income			**1,421**		—
Foreign exchange gain (loss)			**1,152**		(33,519)
			2,573		(33,519)
Net loss for the year		**$**	**(546,092)**	$	(641,199)
Exchange differences on translating foreign operations			4,861		—
Comprehensive loss for the year			**(541,231)**		**(641,199)**
Basic and diluted loss per common share		**$**	**(0.004)**	$	(0.005)
Weighted average number of shares outstanding, basic and diluted			137,293,906		147,451,902

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

CASCADERO COPPPER CORPORATION

(An exploration stage company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars unless otherwise stated)

	Notes	Number of shares issued	Number of treasury shares	Number of Shares outstanding	Share capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total
Balance, November 30, 2014		**151,692,528**	**4,240,626**	**147,451,902**	**19,212,436**	**3,956,338**	**(24,138,554)**	—	**(969,780)**
Share-based compensation	8(b)	—	—	—	—	216,410	—	—	216,410
Treasury shares	5	—	19,415,333	(19,415,333)	(776,614)	—	—	—	(776,614)
Net loss for the year		—	—	—	—	—	(641,199)	—	(641,199)
Balance, November 30, 2015		**151,692,528**	**23,655,959**	**128,036,569**	**$ 18,435,822**	**$ 4,172,748**	**$ (24,779,753)**	**$ —**	**$ (2,171,183)**
Share-based compensation	8(b)	—	—	—	—	198,222	—	—	198,222
Shares issued for cash	8(b)	18,113,667	—	18,113,667	1,161,000	(43,858)	—	—	1,117,142
Treasury shares	5	—	(5,824,600)	5,824,600	553,337	—	—	—	553,337
Foreign currency translation difference		—	—	—	—	—	—	4,861	4,861
Net loss for the year		—	—	—	—	—	(546,092)	—	(546,092)
Balance, November 30, 2016		**169,806,195**	**17,831,359**	**151,974,836**	**$ 20,150,159**	**$ 4,327,112**	**$ (25,325,845)**	**$ 4,861**	**$ (843,713)**

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

CASCADERO COPPER CORPORATION

(An exploration stage company)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars unless otherwise stated)

	Notes		**For the year ended November 30, 2016**		For the year ended November 30, 2015
Operating Activities					
Net loss of the year		**$**	**(546,092)**	$	(641,199)
Adjustments for items not involving cash:					
Depreciation			**(1,425)**		1,603
Share-based compensation			**198,222**		216,410
Foreign exchange			**(10,399)**		—
Gain on loss control of Argentina Entities	5		**(1,341,275)**		—
Impairment of equity investment in Argentina Entities	5		**561,503**		—
Equity loss on investments and write-off of the advances to equity affiliates			**—**		307,759
Recovery of advances to SHL			**—**		(298,903)
			(1,139,466)		(414,330)
Net changes in non-cash working capital items (net of liabilities assumed in acquisition)					
Taxes recoverable			**(3,126)**		(1,813)
Prepaid expenses			**9,223**		(13,223)
Due from/to related parties			**106,123**		462,507
Accounts payable and accrued liabilities			**(49,916)**		(695,130)
Cash used in operating activities			**(1,077,162)**		(661,989)
Investing activities					
Advances made to equity affiliates			**—**		(307,759)
Cash received upon disposition of Argentina Entities, net of cash disposed	5		**96,846**		686,650
Cash acquired upon acquisition of SHL	5		**—**		308,069
Cash from investing activities			**96,846**		686,960
Financing Activities					
Shares capital	8		**1,117,142**		—
Treasury shares	5		**553,337**		—
Cash from financing activities			**1,670,479**		—
Foreign exchange on cash and cash equivalents			**4,762**		—
Increase in cash during the year			**694,925**		24,970
Cash and cash equivalents, beginning of the year			**38,117**		13,147
Cash and cash equivalents, end of year		**$**	**733,042**	$	38,117
Supplemental disclosure of cash flow information					
Cash paid for:					
Interest		**$**	—	$	—
Income taxes		**$**	—	$	—

The accompanying notes are an integral part of these 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 Canada and 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.

The Company has a history of losses with no operating revenue other than interest income. As at November 30, 2016, the Company has incurred cumulative losses of $25,325,845 and a negative working capital of $906,995. The ability of the Company to continue operations and carry out its planned business objectives is dependent on its ability to raise adequate financing from shareholders and other investors, the continued support from its directors 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 PREPARATION

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, 2016.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 28, 2017.

b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for those as explained in the accounting policies below.

c) Use of estimates

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting polices and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company to all periods presented in these consolidated financial statements. The Company did not adopt any new accounting standards changes or amendments effective December 1, 2015 that had a material impact on these consolidated financial statements except for Note 3 (a) below.

a) Principles of consolidation

These consolidated financial statements include the accounts of Cascadero and the accounts and operations of the following entities:

Entities	Jurisdiction of Incorporation	Ownership
SESA Holdings, LLC ("SHL")	United States	Control
Cascadero Minerals Corporation ("CMC")	Canada	Note (ii) below
Salta Exploraciones S.A. ("Salta")	Argentina	Note (i) below
Cascadero Minerals S.A. ("CMSA")	Argentina	Note (ii) below
Salta Geothermal S.A. ("SGSA")	Argentina	Note (ii) below
Trumetals S.A. ("TSA")	Argentina	Note (ii) below

Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investees);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect it returns.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains controls over the subsidiary and ceases when the Company loses control the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the statement of loss and comprehensive loss from the date the Company gains control until the date the Company ceases to control the subsidiary.

(i) On December 18, 2015, the Company disposed Salta to an unrelated party for $6,885 (Argentine Pesos 50,000). Immediately prior to the disposition, the Company has transferred all mineral properties out of Salta. Salta had no operations from December 1, 2015 to December 17, 2015.

(ii) Up until November 29, 2016, Cascadero is the legal and beneficial holder of a 100% of the issued and outstanding shares of CMSA, SGSA and TSA. These entities were duly formed under the laws of Argentina which holds certain mineral properties in Argentina. On November 30, 2016, the Company underwent a reorganization by transferring and assigning all legal and beneficial interests in CMSA, SGSA and TSA to CMC (the "Reorganization") and CMC became a vehicle indirectly holding all

Argentina mineral properties. After the Reorganization, CMC, CMSA, SGSA and TSA are collectively referred as the Argentina Entities. As at November 30, 2016, the Company is still in the process of completing the legal documents in connection with the Reorganization. As fully discussed in Note 5, the Company lost control in the Argentina Entities effective November 30, 2016, and retained a joint control. Therefore, these consolidated financial statements include the accounts and operating results of the Argentina Entities up to November 29, 2016. The Argentina Entities' operating results are accounted for using the equity method effective November 30, 2016. Up until November 29, 2016, CMC had no material transactions.

The Company has adopted the amendment issued by the IASB in September 2014 "*Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures (Amendments to IFRS 10 and IAS 28")* (the "2014 Amendment") in fiscal year 2016. This amendment modified the IFRS 10 and requires the gain or loss on transactions that do not constitute a business is recognized only to the extent of the unrelated investors' interests in the joint venture. In addition, if parent retains an investment in the former subsidiary and the former subsidiary is now an associate or a joint venture that is accounted for using the equity method, the parent recognizes the part of the gain or loss resulting from the re-measurement at fair value of the investment retained in that former subsidiary in its profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remaining part of that gain is eliminated against the carrying amount of the investment retained in the former subsidiary.

b) Joint arrangements

A joint arrangement is a contractual arrangement where two or more parties undertake an economic activity that is subject to joint control. Joint control exists when the parties involved in the contractual arrangement agree to share control over the economic activity, and the financial and operating decisions are agreed to be made by unanimous consent.

There are two types of joint arrangements: joint operations and joint ventures. A joint operation exists when the parties with joint control have rights to the assets and the obligations for the liabilities. A joint venture exists when the parties with joint control have the rights to the net assets of the arrangement.

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 joint venture), the carrying amount is written down to nil and recognition of further losses is discontinued, unless the Company has legal or contractual obligations relating to the joint venture in question.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in associate or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as share of profit/loss of an associate and a joint venture in the statement of operations.

c) Presentation currency and foreign currency translation

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.

The functional currencies of the Company, CMC and SHL are the Canadian dollars, while the Argentina entities are the Argentine pesos. The assets and liabilities of foreign operations are translated to the

presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rate of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income.

d) Foreign currency transaction

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 that state at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in other than the functional currency are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to the statement of operations.

e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at November 30, 2016 and 2015, the Company did not have cash equivalent.

f) 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.

g) 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.

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.

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.

(iii) Impairment

Exploration and evaluation assets are assessed for impairment at the each reporting period or 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 to its mineral properties in Canada and Argentina during the years ended November 30, 2016 and 2015 (see Notes 5 and 6).

h) 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.

Diluted earnings (loss) per share for the years ended November 30, 2016 and 2015, are equal to loss per share as the effect of applying the treasury stock method is anti-dilutive.

i) Share-based payments

The Company recognizes share-based compensation expense for all stock options awarded to directors, officers and employees 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 directors, officers and employees 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.

j) 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.

k) 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 November 30, 2016 and 2015, the Company had no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

l) 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")

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 and due from a relate party as loans and receivables.

Derecognition 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.

Financial liabilities

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

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.

Derecognition of financial liabilities

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

m) 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:

(i) Judgements

Valuation of 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. Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount.

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 or jointly controlled and require equity accounting. Determination of the date that the Company's interest in Argentina Entities changed from control to joint control also required significant judgement. The Company has determined that effective November 30, 2016, the Company lost control in the Argentina Entities and retained joint control in these entities as the participating parties have joint control and a right to the net assets of the arrangement and therefore, has accounted for its investment using the equity method since November 30, 2016.

Significant judgements and estimates are also required to determine the fair value of the investments retained in the Argentina Entities that were the former subsidiaries.

At each reporting date, the Company determines whether there is objective evidence that the investment in associate or joint venture is impaired. Significant judgement is required when determining whether facts and circumstances suggest that the carrying amount of the investment in associate or joint venture may exceed its recoverable amount.

Business versus asset

Identify a transaction as being a business or asset requires judgement regarding whether the set of assets and liabilities acquired or disposed constitutes a business based on the particular circumstances.

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.

(ii) 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. The assumptions and models used for estimating fair value for share-based payment are disclosed in Note 8.

n) Accounting standards issued but not yet in effective.

A number of new standards, amendments to standards and interpretations, are not yet effective for the year ended November 30, 2016, and have not been applied in preparing these consolidated financial statements. The following pronouncements are those that the Company considers most significant and are not intended to be a complete list of new pronouncements that effect the financial statements. The Company is currently assessing the impact that these standards will have on its consolidated financial statements.

(i) Amendments to IAS1, Presentation of Financial Statements ("IAS 1")
On December 18, 2014, the IASB issued amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The changes clarify that materiality considerations apply to all parts of the financial statements and the aggregation and disaggregation of line items within the financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016 with early adoption permitted. The Company intends to adopt these amendments in its financial statements for the annual period beginning on December 1, 2016. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

(ii) Amended standard IAS 7, Statement of Cash Flows
These amendments to IAS 7 "Statement of Cash Flows" were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities. These amendments are effective for annual periods commencing on or after January 1, 2017.

(iii) Amended standard IAS 12, Income Taxes
These amendments relate to the recognition of deferred tax assets for unrealized losses associated with debt instruments measured at fair value. These amendments are effective for annual periods commencing on or after January 1, 2017.

(iv) Amended standard IFRS 7, Financial Instruments: Disclosures
The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments. These amendments are effective date January 1, 2018.

(v) New standard IFRS 9, Financial Instruments
Replacement of IAS 39 Financial Instruments: Recognition and Measurement. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 with early adoption permitted.

(vi) New standard IFRS 15, Revenue from Contracts with Customers
IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

(vii) New standard IFRS 16, Leases
Effective for annual periods commencing on or after January 1, 2019, this replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met.

4. FINANCIAL INSTRUMENTS

a) Management of capital risk

The Company has defined its capital as common shares, contributed surplus and retained earnings. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to maintain appropriate cash reserves on hand to support continued operations and shareholder returns, maintain capital structure while keeping capital costs at a minimum, and to invest cash on hand in highly liquid, highly rated financial instruments. The company is not exposed to externally imposed capital restrictions, and the Company's objectives and strategies described above have not changed since last year. These objectives and strategies are reviewed on a continuous basis.

b) Fair value of financial instruments

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, accounts payable and accrued liabilities are estimated to approximate their carrying values as at November 30, 2016 and 2015.

c) 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 risk 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).

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:

	2016	2015
	$	$
US cash	**243,900**	23,082
US liabilities	**(100,688)**	(138,871)
Net	**143,212**	(115,789)

As at November 30, 2016, with other variables unchanged, a 10% strengthening (weakening) of the US dollar against the Canadian dollar would have increased (decreased) net income by approximately $14,321.

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 INVESTMENTS

a) Regberg Ltd. Transaction in 2016

On December 21, 2015, the Company and Regberg Ltd. ("Regberg") signed an Amendment #2 Operating Agreement SESA Holdings, LLC (the "Amendment #2 Agreement"). According to the Amendment #2 Agreement, Regberg acquired 25% in SHL for US$850,000. Regberg has an option to acquire a further 5% interest in SHL by paying US$175,000 before May 18, 2018 (collectively referred as the "Regberg Transaction"). In April 2016, Regberg exercised the option to acquire additional 5% interest. In connection with the Regberg Transaction, the Company also issued 5,824,600 treasury shares held by CMC to Regberg in November 2016. The treasury shares issued to Regberg was measured at $0.095 per share, being the Company's stock trading price at date of issuance.

SHL held certain mineral properties in Argentina through its wholly owned Argentina subsidiary, Salta. Immediately prior to disposition of Salta (Note 3 (a)), the Company transferred all of its Argentina mineral properties to CMSA, SGSA and TSA. On November 30, 2016, the Company underwent a reorganization whereby the Company transferred and assigned all of its beneficial interests in CMSA, SGSA and TSA to CMC and has agreed that Regberg has 30% of direct interest in CMC under the Regberg Transaction.

In accordance with the Amendment #2 Agreement, all decisions affecting Argentina Entities' operations shall require the consent of a majority of the managers. Each of the Company and Regberg is entitled to appoint one of the managers so long as they maintain at least a 25% interest in CMC. If either party's interest in CMC is reduced below 25%, there shall be three managers, and the party holding an interest greater than 75% shall be entitled to appoint two managers and the party holding an interest less than 25% shall be entitled to appoint one manager. The operating agreement does not give each party the right to the assets and obligations for the liabilities relating to the arrangement, rather they split the net value. Pursuant to the same agreement, each party will be responsible for funding its respective share of exploration cost. Failing to provide its pro rata share of the funds required would cause an adjustment to its interests in the Argentina Entities based on the formula defined in the Amendment #2 Agreement. No profits can be distributed without consent by the majority of the managers.

The Company has concluded that the Argentina Entities is a joint venture, it lost the control in Argentina Entities effective November 30, 2016, and the retained joint control in these entities on the same date. The Company has accounted it for using the equity method effective November 30, 2016.

The Company has adopted the 2014 Amendment which requires the gain or loss from lost control of a subsidiary that does not constitute a business as defined in IFRS 3 as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method is recognized only to the extent of the unrelated investors' interest in the associate or joint venture. The Company has determined that Argentina Entities do not constitute a business as defined in IFRS 3. Therefore, the Company has recognized a net gain of $1,341,275 consisting of $795,435 as a result of disposition of 30% interest in the Argentina Entities and $545,840 representing the re-measurement of the fair value of the interest retained in the Argentina Entities to the extent of unrelated investors' interest during the year ended November 30, 2016 by applying the 2014 Amendment. The fair value of the interest retained in the Argentina Entity is measured on a relative fair value basis. The Argentina Entities had nominal net book value as at November 30, 2016, the initial re-measurement of the interest retained in the Argentina Entities in the amount of $561,504 mainly assigned to the mineral claims located in Argentina.

Subsequent to the initial re-measurement of the interest retained in the Argentina Entities, the Company performed an impairment assessment and wrote down the investment in Argentina Entities to $1 as the recovery and the collectability is in doubt.

These consolidated financial statements include the accounts and operations of the Argentina Entities for the period up until November 29, 2016. Summarized financial information of the Argentina Entities and reconciliation with the carrying amount of the investment in the consolidated financial statements are set out below:

	Amount **$**
Cash	18,653
Current liabilities	(4,322)
Non-current liabilities	(2,351)
Net	**11,979**
Investment in Argentina Entities	**1**

The Argentina Entities had no contingent liabilities or capital commitments as at November 30, 2016.

b) Cyprus River Holdings Ltd. ("CRH") withdraw from joint venture arrangement in 2015

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 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 has 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.

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 were 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 in 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.

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.

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.

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

The Company has written off all of the capitalized exploration expenditures relating to Toodoggone property during the year ended November 30, 2014 leaving the property with a carrying value of $nil because no significant expenditures were planned or budgeted and the Company lacks the capital to continue spending on the property. The Company did not incur any additional exploration cost on Toodoggone property during the years ended November 30, 2016 and 2015.

Argentina Mineral Properties

The Company, through CMSA, SGSA and TSA holds certain mineral properties in Argentina. The summary of exploration costs incurred for the years ended November 30, 2016 and 2015 are as follows:

	2016	2015
	$	$
Mineral rights renew fees	**86,542**	26,124
Geological and exploration	**8,909**	2,842
Environmental	**4,571**	1,781
Food and lodging	**2,361**	—
Equipment and truck rental	**7,212**	—
	109,595	30,747

7. EQUIPMENT

	Computer equipment $	Furniture and fixture $	Total $
Cost			
Balance at November 30, 2014	**39,907**	**591**	**40,498**
Additions	—	—	—
Disposals	—	—	—
Balance at November 30, 2015	**39,907**	**591**	**40,498**
Additions	2,414	—	2,414
Disposals	—	—	—
Balance at November 30, 2016	**42,321**	**591**	**42,912**
Accumulated depreciation			
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	863	28	891
Disposals	—	—	—
Balance at November 30, 2016	**38,854**	**479**	**39,333**
Net carrying amounts			
Balance at November 30, 2014	3,484	174	3,658
Balance at November 30, 2015	1,916	140	2,056
Balance at November 30, 2016	**3,467**	**112**	**3,579**

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 year ended November 30, 2016:

On May 5, 2016, the Company granted 1,900,000 stock options to its directors, officers and consultants to acquire common share of the Company at an exercise price of $0.07 per share expiring two years from the date of grant. On July 7, 2016, the Company granted 500,000 stock options to its officers and consultants to acquire common share of the Company at an exercise price of $0.08 per share expiring one year from the date of grant. On November 22, 2016, the Company granted 1,400,000 stock options to its directors and consultants to acquire common share of the Company at an exercise price of $0.08

per share expiring one year from the date of grant.

All of these stock 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.

During the year ended November 30, 2015:

On January 15, 2015, the Company granted 7,650,000 stock options to directors, employees and consultants to acquire common shares of the Company at an exercise price of $0.05 per share expiring in three years from the date of grant. On October 1, 2015, the Company granted additional 3,000,000 stock options to consultants to acquire common shares of the Company at an exercise price of $0.05 per share expiring in two years from the date of grant. All of these stock 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.

The fair value of the options granted were estimated using the Black-Scholes options pricing model with the following assumptions:

	2016 Grants	2015 Grants
Weighted average fair value	**$0.06**	$0.01
Risk-free interest rate	**0.57%**	0.46%
Dividend yield	**0.00%**	$0.00
Expected volatility	**130.14%**	139.77%
Weighted average expected life of options	**1-2 years**	2-3 years

Option pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the company's stock options. The Company's expected volatility is based on the historical volatility of the Company's share price.

For the year ended November 30, 2016, a total of $198,222 (2015 - $216,410) was recorded as share-based compensation expense relating to management and general consulting services.

The continuity schedule of stock options as at November 30, 2016 and 2015 is as follows:

	2016		2015	
	Outstanding	**Weighted Average Exercise Price**	Outstanding	Weighted Average Exercise Price
Balance, beginning of year	**19,950,000**	**$0.10**	11,250,000	$0.13
Increase (decrease):				
Stock options granted	**3,800,000**	**$0.08**	10,650,000	$0.05
Exercised	**(2,180,000)**	**$0.05**	—	—
Stock options expired/forfeited	**(1,500,000)**	**$0.08**	(1,950,000)	$0.10
Balance, end of year	**20,070,000**	**$0.06**	19,950,000	$0.10
Stock options exercisable, end of year	**17,770,000**	**$0.05**	15,787,500	$0.08

The following table summarizes information about stock options outstanding as at November 30, 2016:

Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life Years
300,000	300,000	$0.12	0.66
250,000	250,000	$0.10	0.90
15,820,000	15,820,000	$0.08	0.94
1,900,000	950,000	$0.07	1.42
1,800,000	450,000	$0.05	0.89
20,070,000	17,770,000		

c) Warrants

The following summarizes warrant activity during the year:

	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 expired	**(945,496)**	**$0.10**	(16,879,166)	$0.21
Warrants exercised	**(15,933,670)**	**$0.06**	—	—
Warrants extended	**—**	**—**	16,879,166	$0.06
Balance, end of the year	**—**	**—**	16,879,166	$0.06

9. INCOME TAXES

	2016	2015
	$	$
Loss before income taxes	**(546,092)**	(641,199)
Statutory tax rate	**26%**	26%
Expected income tax recovery	**(141,984)**	(166,712)
Non-deductible expenses	**56,494**	60,929
Change in unrecognized deferred tax assets	**85,490**	105,783
Income tax expense	**—**	—

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

	2016	2015
	$	$
Non-capital losses carry forward	**3,118,549**	2,024,022
Canadian exploration expenditures	**1,318,441**	1,318,441
Unrecognized deferred income tax assets	**4,436,990**	3,342,463

The Company has non-capital losses of approximately $11,994,000 available to offset future income for income tax purposes which expire in various amount from 2025 to 2036. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the consolidated financial statements.

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 from and to the related parties are unsecured, and non-interest bearing.

a) The Company has the following balances owed to and from related entities as at November 30, 2016:

(i) $750,054 (November. 30, 2015 - $635,935) due to the Bill McWilliam ("Mr. McWilliam") who was the CEO until March 17, 2017, and became the Chairman of the Company.
(ii) $350,430 (November 30, 2015 - $262,213) due to the Judith Harder ("Ms. Harder") who was the corporate secretary until March 17, 2017, and became the CEO of the Company. Ms. Harder is also the immediate family member of the Chairman of the Company.
(iii) $107,623 (November 30, 2015 - $88,435) due to AFRI, an entity controlled by the CEO and Chairman of the Company.
(iv) $9,104 (November 30, 2015 - $64,803) due to the Company's chief financial officer (the "CFO").
(iv) $59,702 (November 30, 2015 - $nil) due from Cosmos Mineral S.A. an entity related to the Company by way of common management.

b) During the year ended November 30, 2016, the Company had the following transactions with related parties:

(i) Incurred $18,000 (2015 - $18,000) in office rent to AFRI.
(ii) Incurred $160,000 (2015 - $160,000) in management fees to the Mr. McWilliam.
(iii) Incurred $13,200 (2015 - $13,200) in automobile expenses to the Mr. McWilliam.
(iv) Incurred $84,000 (2015 - $84,000) in office and administrative fees to Ms. Harder for the corporate secretary services.
(v) Incurred $54,175 (2015 - $38,900) in accounting fees to the CFO of the Company.
(vi) The Company entered into a management agreement with Mr. McWilliam on December 1, 2015, pursuant to which the Company has agreed to pay an annual service fee of $160,000 plus $1,100 car allowance per month. The management agreement has an initial term of three years and can be extended another three years.
(vii) The Company entered into a service agreement with Ms. Harder on December 1, 2015, pursuant to which the Company has agreed to pay an annual service fee of $84,000. The service agreement has an initial term of one year and is renewable annually.

c) Key management compensation

Key management includes the CEO and CFO. The compensation paid or payable to key management for services during the years ended November 30, 2016 and 2015 is identical to the disclosure above other than share-based payments. During the year ended November 30, 2016, key management received share-based payment of $5,402 (2015 – $52,714).

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 $96,065 for a total of $334,041.

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. SEGMENTED INFORMATION

The Company operates in one segment, being the operation of acquisition and exploration of mineral properties. Substantial of all of the Company's carrying value of long-term assets as at November 30, 2016 and 2015 are located in Canada.

13. COMPARATIVE FIGURES

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

14. SUBSEQUENT EVENTS

a) In December 2016, the Company completed a non-brokered private placement for gross proceeds of $1,034,770 by issuing 10,347,700 units at a price of $0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.15 per share for a period of two years.

b) In March 2017, the Company granted 1.7 million stock options to its directors and consultants to acquire common shares of the Company at an exercise price of $0.11 per share expiring two years from the date of grant.