BLIND CREEK RESOURCES LTD.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

NOVEMBER 30, 2016

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Blind Creek Resources Ltd.

We have audited the accompanying financial statements of Blind Creek Resources Ltd., which comprise the statement of financial position as at November 30, 2016, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blind Creek Resources Ltd. as at November 30, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Other Matter

The financial statements of Blind Creek Resources Ltd. for the year ended November 30, 2015 were audited by another auditor who expressed an unmodified opinion on those statements on March 29, 2016.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
March 30, 2017

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
STATEMENTS OF FINANCIAL POSITION
AS AT NOVEMBER 30,
(Expressed in Canadian Dollars)

	2016	2015
ASSETS		
Current		
Cash	$ 445	$ 2,155
Receivables	4,611	4,091
	5,056	6,246
Investment (Note 4)	10,200	3,500
Equipment (Note 5)	41,428	54,839
Exploration and evaluation assets (Note 6)	1,299,723	1,297,323
	$ 1,356,407	$ 1,361,908
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 47,456	$ 78,639
Due to related parties (Note 13)	102,423	469,548
	149,879	548,187
Shareholders' equity		
Share capital (Note 7)	15,352,021	14,709,305
Reserves	2,889,494	2,889,494
Deficit	(17,034,987)	(16,785,078)
	1,206,528	813,721
	$ 1,356,407	$ 1,361,908

Nature and continuance of operations (Note 1)
Subsequent events (Note 17)

On behalf of the Board:

"Christopher P. Cherry" Director *"Andrew H. Rees"* Director

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

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
YEARS ENDED NOVEMBER 30,
(Expressed in Canadian Dollars)

	2016	2015
EXPENSES		
Bank charges, interest and accretion	$ 340	$ 256
Consulting fees (Note 13)	15,450	11,973
Depreciation (Note 5)	13,411	18,072
Filing and transfer agent fees	15,242	15,511
Management fees (Note 13)	24,000	100,000
Office and miscellaneous	17,706	3,166
Professional fees	23,578	12,500
Travel, trade shows and promotion	1,979	-
	(111,706)	(161,478)
Recovery on provision (Note 10)	-	414,685
Gain on receipt of exploration and evaluation option payment (Note 4)	7,000	-
Loss on settlement of debt (Note 7)	(144,903)	-
Other than temporary investment impairment (Note 4)	(300)	(3,500)
	(138,203)	411,185
Net income (loss)and comprehensive income (loss) for the year	$ (249,909)	$ 249,707
Basic and diluted net income (loss) per common share	$ 0.04	$ 0.05
Weighted average number of common shares outstanding	6,674,602	5,296,774

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

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital				
	Common Shares	Amount	Deficit	Reserves	Total Shareholders' Equity
Balance, November 30, 3014	5,296,774	$ 14,709,305	$ (17,034,785)	$ 2,889,494	$ 564,014
Comprehensive income for the year	-	-	249,707	-	249,707
Balance, November 30, 2015	5,296,774	14,709,305	(16,785,078)	2,889,494	813,721
Comprehensive loss for the year	-	-	(249,909)	-	(249,909)
Shares issued for settlement of accounts payable and due to related parties (Note 7)	9,887,943	642,716	-	-	642,716
Balance, November 30, 2016	15,184,717	$ 15,352,021	$ (17,034,987)	$ 2,889,494	$ 1,206,528

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

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
STATEMENTS OF CASH FLOWS
YEARS ENDED NOVEMBER 30,
(Expressed in Canadian Dollars)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the year	$ (249,909)	$ 249,707
Items not affecting cash:		
Depreciation	13,411	18,072
Impairment of investments	300	3,500
Recovery on provision	-	(414,685)
Loss on settlement of debt	144,903	-
Accruals to related party loans payable	-	100,000
Gain on exploration and evaluation asset option payment	(7,000)	-
Changes in non-cash working capital items:		
Receivables	(520)	(2,633)
Accounts payable and accrued liabilities	38,468	(3,762)
Net cash used in operating activities	(60,347)	(49,801)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(2,400)	-
Net cash used in investing activities	(2,400)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Related party loans and advances	61,037	51,717
Net cash provided by financing activities	61,037	51,717
Change in cash during the year	(1,710)	1,916
Cash, beginning of year	2,155	239
Cash, end of year	$ 445	$ 2,155

Supplemental disclosure with respect to cash flows:

There were no cash payments of taxes or interest for the years presented. During the year ended November 30, 2016, the Company received common shares on the exercise of a mineral property option in the amount of $7,000 (2015 - $Nil). The Company reversed a provision by $Nil (2015 - $414,685).

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Canada Business Corporations Act on August 31, 2004 and was continued as a company under the Business Corporations Act of British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The Company's head office, principal address and registered records office is located at PO Box 48778 Stn. Bentall Centre, Vancouver, British Columbia, Canada. During the year ended November 30, 2015, the Company completed a 10 for 1 share consolidation. All references to number of shares and per share amounts have been restated to reflect the consolidation.

The Company's financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast doubt on the validity of this assumption. The Company has incurred ongoing losses and has an accumulated deficit. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production (see Note 17).

2. BASIS OF PRESENTATION

Statement of Compliance

These financial statements, including comparatives, have been prepared using accounting policies consistent 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"). They have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars unless otherwise noted.

Approval of the financial statements

The financial statements of the Company for the year ended November 30, 2016 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 30, 2017.

2. BASIS OF PRESENTATION (continued)

New or revised accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended November 30, 2016 and have not been applied in preparing these financial statements. The standards, amendments and interpretations that will be relevant to the Company are:

a. IFRS 9 – Financial Instruments: Classification and Measurement applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

b. IFRS 16 – Leases: Under IFRS 16, a single accounting model is introduced for leases, where all leases will require an asset and liability to be recognized on the balance sheet, when a lessee controls the right to use an identified asset through exclusive use of the asset for a period of time. This standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted provided the Company has adopted IFRS 15.

The Company has not adopted these standards yet, and believes it will have minimal impact on its financial statements.

Other accounting standards or amendments to existing accounting standards that have not been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iii) The recorded value of provisions. This amount represents a best estimate of the probable amount payable taking into account available evidence including past history of payments and uncertainty of outflow of future resources.

3. SIGNIFICANT ACCOUNTING POLICIES

Equipment

Equipment is recorded at cost less accumulated amortization, with amortization calculated on a declining balance basis at the following annual rates:

Exploration equipment	20%
Mobile equipment	30%

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, are identified and written off. The assets' residual values, amortization methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Subsequent expenditures relating to items of equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditure is recognized as repairs and maintenance.

Exploration and evaluation assets

All costs related to the acquisition of exploration and evaluation assets are capitalized on a property by property basis, net of recoveries. Exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are expensed to operations as incurred. If economically recoverable ore reserves are developed, capitalized costs of the related property are classified as mining assets and amortized using the unit-of-production method. When a property is abandoned, all related costs are written off to operations.

The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values. These costs are depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

From time to time, the Company may acquire or dispose of an exploration and evaluation asset pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of an option of the Company’s property are recorded as a reduction of the mineral property cost. The Company recognizes in income amounts received in excess of the carrying amount.

Although the Company has taken steps to verify the title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Evaluation and exploration assets are assessed for impairment by management when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management’s estimate of their net recoverable amount.

The recoverability of the carrying amount of exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively the sale of the respective areas of interest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset.

The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation.

Impairment of tangible assets

The Company’s tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset’s recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company computes the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes Option Pricing Model.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in reserves is transferred to share capital.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. 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 regard to previous years.

Deferred tax assets and liabilities and the related deferred tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. 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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Flow-through shares

On the issuance of flow-through shares, any premium received in excess of the closing market price of the Company’s common shares is initially recorded as a flow-through premium liability and included as a liability. Upon related expenditures being incurred, the Company proportionately derecognizes the liability and recognizes the offsetting amount in profit or loss.

The Company indemnifies the subscribers of flow-through shares against certain tax related amounts that become due related to their flow-through subscriptions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Classifications of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit and loss ("FVTPL"), loans and receivables, and available-for-sale (“AFS”). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

(a) Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method.

(b) Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as 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.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

(c) Available-for-sale investments

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets, other than impairment losses, are recognized as other comprehensive income and classified as a component of equity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(d) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the reporting period in which they are identified. Interest income is recognized by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

(ii) Financial liabilities and equity

Debt and equity instruments are classified as either FVTPL, other financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs. Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred. The 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.

4. INVESTMENT

Available-for-sale investment consists of an investment in common shares of BC Gold Corp (“BCGold”).

During the years ended November 30, 2014 and 2013, the Company received 350,000 common shares of BCGold fair valued at $17,750. As at November 30, 2014, the fair value of the BCGold shares was $7,000.

As at November 30, 2015, the fair value of the BCGold shares was $3,500, which represented an unrealized mark-to-market loss of $3,500 recorded as other than temporary impairment in profit or loss.

During the year ended November 30, 2016, BCGold completed a reverse split and the Company’s investment was reduced from 350,000 common shares to 70,000 common shares of BCGold. During the year ended November 30, 2016, the Company received an additional 100,000 common shares of BCGold fair valued at $7,000. At November 30, 2016, the fair value of the BCGold shares was $10,200 which represented an unrealized mark-to-market loss of $300 recorded as other than temporary impairment in profit or loss.

(Expressed in Canadian Dollars)

5. EQUIPMENT

Cost	Mobile Equipment	Field Equipment	Total
Balance November 30, 2014, 2015 and 2016	$ 133,293	$ 92,935	$ 226,228

Accumulated amortization	Mobile Equipment	Field Equipment	Total
Balance at November 30, 2014	$ 98,392	$ 54,925	$ 153,317
Amortization	10,470	7,602	18,072
Balance at November 30, 2015	108,862	62,527	171,389
Amortization	7,329	6,082	13,411
Balance at November 30, 2016	$ 116,191	$ 68,609	$ 184,800

Carrying amounts	Mobile Equipment	Field Equipment	Total
Balance at November 30, 2016	$ 17,102	$ 24,326	$ 41,428
Balance at November 30, 2015	$ 24,431	$ 30,408	$ 54,839

6. EXPLORATION AND EVALUATION ASSETS

Realization of assets
The investment in mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Environmental
The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

Exploration and evaluation asset costs and activity is as follows:

	Atlin	Blende	Yukon Carlin	Total
Balance, November 30, 2014 and 2015	$ 1	$ 1,297,321	$ 1	$ 1,297,323
Property development expenditures				
Filing fees	-	2,400	-	2,400
Balance, November 30, 2016	$ 1	$ 1,299,721	$ 1	$ 1,299,723

6. EXPLORATION AND EVALUATION ASSETS (continued)

Atlin

Since August 2004, the Company has staked claims in the Atlin region of British Columbia located in the Atlin Mining Division. The property consists of two major areas referred to as the Tagish Lake and Wann River Project and the Atlin Project.

In August 2013 and amended in August 2014, July 2015, and July 2016, the Company signed a letter agreement with BCGold where BCGold has the option to earn a 100% interest in certain claims of the Company's Atlin property.

To earn its 100% interest, BCGold was required to make cash payments totaling $225,000, issue 1,250,000 common shares and incur minimum $400,000 in exploration expenditures as follows:

- (i) issue 250,000 common shares within five business days of signing the letter agreement (received);
- (ii) pay $10,000, issue 250,000 common shares and incur $100,000 of expenditures on or before August 19, 2014 (deferred to August 19, 2015 by payment of 100,000 shares of BCGold – received; then further deferred to August 19, 2017 by payment of 100,000 shares of BCGold - received);
- (iii) pay $15,000, issue 250,000 common shares and incur $100,000 of expenditures on or before August 19, 2018;
- (iv) pay $50,000, issue 250,000 common shares and incur $100,000 of expenditures on or before August 19, 2019 and;
- (v) pay $150,000, issue 250,000 common shares and incur $100,000 of expenditures on or before August 19, 2020.

The Company retains a 2.0% net smelter return ("NSR") on the Property, which can be reduced to 0.5% by BCGold for a price of $1,500,000.

Blende

The Company has a 100% undivided interest in the Blende property located in the Mayo Mining District of the Yukon Territory.

Upon completion of a feasibility study, the Company will be required to pay $50,000 annually to the vendor until commencement of commercial production. The property is subject to a 2% NSR and a 1% Underlying Royalty Interest.

Yukon Carlin Gold Trend and Silver Property

The Company holds certain claims within the Yukon Carlin Trend, Yukon.

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value

During the year ended November 30, 2015, the Company completed a 10 for 1 share consolidation. All common share, warrant and stock option information presented in these financial statements have been retroactively restated.

During the year ended November 30, 2016 the Company issued 9,887,943 common shares of the Company at a fair value of $642,716 to settle accounts payable and accrued liabilities of $66,235 and amounts due to related parties of $428,162. The Company recorded a loss of $148,319 on the settlement.

Included in issued share capital are nil (2015 – 116,744) escrowed common shares.

8. STOCK OPTIONS

The Company has a rolling stock option plan (the "plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant, subject to a minimum exercise price of $0.10 per share. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

During the year ended November 30, 2015, the Company cancelled all outstanding stock options. The Company had 498,803 stock options with an expiry date of July 5, 2016, and an exercise price of $5.00. As at November 30, 2016 and November 30, 2015, there were no stock options outstanding.

9. WARRANTS

There were no warrants issued or outstanding during the years ended November 30, 2015 and 2016.

10. PROVISION

The Company entered into subscription and renunciation agreements (SRA) whereby the Company was to incur and renounce exploration expenditures in an amount equal to $2,300,000 by December 31, 2009. The SRA includes an indemnification clause, whereby failure to incur and renounce the full amount of exploration expenditure requires the Company to pay the investors an amount equal to the value of the tax credits that were to be received under the Canadian Tax Act. As a result of the Company failing to incur the necessary exploration expenditure in 2009, a provision of $414,685 was recognized in prior years and subsequently reversed in 2015 as likelihood of outflow of resources was remote.

(Expressed in Canadian Dollars)

11. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2015 - 26%) to income before income taxes. The reasons for the differences are as follows:

		2016		2015
Net income (loss) before income taxes	$	(249,909)	$	249,707
Statutory income tax rate		26%		26%
Expected income tax expense (recovery)		(65,000)		65,000
Changes in statutory, foreign tax and foreign exchange rates		2,000		2,000
Permanent difference		38,000		(107,000)
Change in unrecognized benefit of deferred tax assets		25,000		40,000
Total income tax expense	$	-	$	-

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

		2016		**2015**
Excess of unused exploration expenditures for Canadian tax purposes over carrying value of mineral property interests	$	1,886,000	$	1,886,000
Excess of undepreciated capital cost over carrying value of fixed assets		64,000		61,000
Share issuance costs		-		-
Marketable Securities		2,000		2,000
Non-capital losses carried forward - Canada		1,780,000		1,758,000
Unrecognized deductible temporary differences	$	3,732,000	$	3,707,000

The Company has non-capital losses of approximately $6,847,000 that may be carried forward and applied against taxable income in future years. These losses, if not utilized, will expire through 2036. Exploration and evaluation assets, property and equipment and net capital losses have no expiry date.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize these benefits.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, investment, accounts payable, and due to related parties. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, investments as AFS, and accounts payable and due to related parties are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments. Cash and investments are measured using level one of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is nominal risk associated with receivables as this is due primarily from a government agency.

b) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company’s monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company’s monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company’s financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of November 30, 2016. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company’s ability to continue as a going concern is dependent on management’s ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company’s financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

d) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company’s earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	2016	2015
Management fees charged by directors and corporations under their control	$ 24,000	$ 100,000
Consulting fees	9,000	7,500
Total	$ 33,000	$ 107,500

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

b) The amount due to the related parties consists of balances owed to directors and has no specific terms of repayment, is unsecured and non-interest-bearing.

c) See Note 7.

14. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the year.

15. SEGMENTED INFORMATION

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expense, whose operating results are reviewed regularly by the Company's chief operating decision maker, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition and exploration of mineral properties, all of which occurs within Canada.

16. CONTINGENCY

The Company has been named in a writ to a group of companies and individuals from a self-represented plaintiff claiming unspecified damages. The Company has not yet been served with the writ.

17. SUBSEQUENT EVENTS

Subsequent to November 30, 2016, the Company entered into the following transactions:

a) Completed a private placement and issued 5,000,000 common shares at a value of $0.10 per common share for gross proceeds of $500,000;

b) Issued 1,500,000 stock options to directors, officers and consultants of the Company. Each stock option allows the holder to acquire one common share at $0.12 for a period of 2 years from the date of grant. Also granted 350,000 stock options to a consultant. Each option allows the holder to acquire one common share at $0.20 for a period of 2 years from the date of grant; and

c) Entered into an agreement to acquire a 100% interest in the Engineer Mine property and the adjoining Gold Hill property with BCGold. The purchase price was an aggregate of $350,000 (paid) paid to various parties. Under the agreement, the Company will assume certain liabilities due from BCGold to a third party which amount in aggregate does not exceed $102,467.

   BCGold will be entitled to a 1% Net Smelter Royalty (“NSR”) payable from the proceeds of commercial production from the Engineer Mine, Gold Hill, and Blind Creek properties. The Company will have the right to buy back 100% of the NSR for $2,000,000.