ALDRIN RESOURCE CORP.

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

For the six months ended May 31, 2015

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed interim financial statements for the period ended May 31, 2015.

ALDRIN RESOURCE CORP.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	May 31, 2015	November 30, 2014 (Audited)
ASSETS		
Current assets		
Cash	$ 1,866	$ 5,058
GST receivable	16,619	23,652
Prepaid expenses	-	18,648
Total current assets	18,485	47,358
Non-current assets		
Exploration and evaluation assets (Note 4)	5,822,763	5,292,532
Furniture and equipment (Note 5)	25,330	28,144
Total non-current assets	5,848,093	5,320,676
Total assets	$ 5,866,878	$ 5,368,034
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 218,048	$ 123,332
Loans payable (Note 9)	153,748	-
Total current liabilities	371,796	123,332
Equity		
Share capital (Note 7)	16,579,813	16,133,617
Share subscription receivable (Note 7)	(7,050)	(7,050)
Reserves (Note 7)	878,342	864,475
Deficit	(11,956,323)	(11,746,340)
Total equity	5,494,782	5,244,702
Total liabilities and equity	$ 5,866,578	$ 5,368,034

Nature, continuance of operations, and going concern (Note 1)
Subsequent event (Note 10)

Approved and authorized on July 30, 2015 on behalf of the Board:

"Johnathan More", Director — Johnathan More

"Rob Dardi", Director — Rob Dardi

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

ALDRIN RESOURCE CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)
FOR THE

	Three months ended May 31, 2015	Three months ended May 31, 2014	Six months ended May 31, 2015	Six months ended May 31, 2014
EXPENSES				
Consulting (Note 9)	$ -	$ 29,625	$ -	$ 61,750
Depreciation	1,407	1,658	2,814	2,514
Filing fees	9,845	22,474	17,741	36,649
Interest expenses (Note 9)	3,748	-	3,748	-
Investor relation	-	27,686	-	49,967
Management fees (Note 9)	45,000	67,500	90,000	135,000
Marketing	-	37,809	-	74,795
Office and miscellaneous (Note 9)	18,985	29,112	39,702	58,575
Professional fees (Note 9)	17,023	78,944	39,345	110,124
Promotion and travel	8,046	19,268	14,918	35,880
Share-based payments (Note 7 and 9)	-	186,047	-	377,124
Loss before other items	(104,054)	(500,123)	(208,268)	(942,378)
OTHER ITEMS				
Interest income	-	-	-	52
Other income	-	114,518	-	190,852
Part XII.6 tax	-	-	(1,715)	-
Total other items	-	114,518	(1,715)	190,904
Loss and comprehensive loss for the period	$ (104,054)	$ (385,605)	$ (209,983)	$ (751,474)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	21,488,047	114,739,969	20,809,879	101,250,569

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

ALDRIN RESOURCE CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)
FOR THE

	Six Months Ended May 31, 2015	Six Months Ended May 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	$ (209,983)	$ (751,474)
Items not affecting cash:		
Depreciation	2,814	2,514
Shared-based payments	-	377,124
Other income	-	(190,852)
Accrued interest	3,748	-
Changes in non-cash working capital items:		
Decrease in GST receivable	7,033	2,877
Decrease in prepaid expenses	18,648	137,264
Increase (decrease) in accounts payable and accrued liabilities	60,700	(44,040)
Net cash used in operating activities	(117,040)	(466,587)
CASH FLOW FROM INVESTING ACTIVITIES		
Loan receivable repayment	-	250,000
Exploration and evaluation expenditures	(96,152)	(1,462,623)
Net cash used in investing activities	(96,152)	(1,212,623)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issuance	62,500	2,476,430
Share issuance costs	(2,500)	(254,040)
Loan received	150,000	-
Net cash provided by financing activities	210,000	2,222,390
Change in cash for the period	(3,192)	543,180
Cash, beginning of period	5,058	-
Cash, end of period	$ 1,866	$ 543,180
Cash paid (received) during the period for interest	$ -	$ (52)
Cash paid (received) during the period for taxes	$ -	$ -

During the period ended May 31, 2015, significant non-cash activities included:

a) $60,811 exploration and evaluation expenditures included in accounts payable;

b) issuance of 2,000,318 shares with a total fair value of $400,063 for the acquisition of exploration and evaluation assets (Note 4).

During the period ended May 31, 2014, significant non-cash activities included:

a) issuance of 2,653,485 agent's warrants with a fair value of $104,628;

c) $271,957 exploration and evaluation expenditures included in accounts payable; and

c) issuance of 4,000,000 shares with a total fair value of $400,000 for the acquisition of exploration and evaluation assets.

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

ALDRIN RESOURCE CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)

	Share Capital					
	Common Shares	Amount	Share subscription receivable	Reserves	Deficit	Total Equity
Balance, November 30, 2014	19,858,567	$ 16,133,617	$ (7,050)	$ 864,475	$ (11,746,340)	$ 5,244,702
Shares issued in private placement	346,667	48,533	-	13,867	-	62,400
Share issuance costs on private placement	-	(2,400)	-	-	-	(2,400)
Shares issued for acquisition of exploration and evaluation assets	2,000,318	400,063	-	-	-	400,063
Loss and comprehensive loss for the period	-	-	-	-	(209,983)	(209,983)
Balance, May 31, 2015	22,205,552	$ 16,579,813	$ (7,050)	$ 878,342	$ (11,959,323)	$ 5,494,782
Balance, November 30, 2013	13,474,417	$ 13,929,658	$ -	$ 449,130	$ (10,705,203)	$ 3,673,585
Share based payments	-	-	-	377,124	-	377,124
Shares issued in flow-through private placements	5,717,848	2,285,577	-	-	-	2,285,577
Shares issued for acquisition of exploration and evaluation assets	666,666	400,000	-	-	-	400,000
Share issuance costs on private placement	-	(254,040)	-	-	-	(254,040)
Agent’s warrants	-	(104,628)	-	104,628	-	-
Loss and comprehensive loss for the period	-	-	-	-	(751,474)	(751,474)
Balance, May 31, 2014	19,858,567	$ 16,313,617	$ -	$ 930,882	$ (11,456,677)	$ 5,730,772

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

1. NATURE, CONTINUANCE OF OPERATIONS AND GOING CONCERN

Aldrin Resource Corp. ("the Company") is incorporated under the British Columbia Business Corporations Act and its common shares are listed on the TSX Venture Exchange ("the Exchange") under the symbol "ALN". The principal business of the Company is the acquisition, exploration and evaluation of resource properties.

The Company's registered address, head office, principal address and records office is 202 – 837 West Hastings Street, Vancouver, British Columbia, Canada, V6C 3N6.

The Company is considered to be in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development and upon future profitable production.

These financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at May 31, 2015, the Company had an accumulated deficit of $11,956,323 and has incurred losses since inception. These material uncertainties may raise substantial doubt about the Company's ability to continue as a going concern. The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

2. BASIS OF PRESENTATION

Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

Basis of presentation

The unaudited condensed interim financial statements have been prepared on historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The unaudited condensed interim financial statements are presented in Canadian dollars, which is the functional currency of the Company, unless otherwise noted.

On December 4, 2014, the Company's common shares were consolidated on the basis of one post-consolidation Common Share for every six pre-consolidation Common Shares. The numbers of shares presented in these financial statements have all been adjusted to reflect the impact of this share consolidation.

Significant accounting judgments and critical accounting estimates

The preparation of these unaudited condensed interim financial statements in conformity with IFRS requires estimates and assumptions that affect the amounts reported in these unaudited condensed interim financial statements.

2. BASIS OF PRESENTATION (cont'd…)

Significant accounting judgments and critical accounting estimates (cont'd…)

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the determination of categories of financial assets and financial liabilities which has been identified as an accounting policy which involves assessments made by management.

Critical accounting estimates

Key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year include, but are not limited to, the following:

i) Deferred income taxes - The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

ii) Share-based payment – The fair value of share-based payment is determined using a Black-Scholes Option pricing model. Such option pricing models require the input of subjective assumptions including the expected price volatility, option life, dividend yield, risk-free rate and estimated forfeitures at the initial grant.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these financial statements are the same as those applied by the Company in its most recent annual consolidated financial statements for the year ended November 30, 2014.

Comparative figures

Certain comparative figures on the statements of financial position, statements of loss and comprehensive loss, and notes to the financial statements have been reclassified to conform to the presentation of the current reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New accounting pronouncements

The following standards have not yet been adopted and are being evaluated to determine their impact on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

New accounting standards and amendments to existing standards

New and amended standards adopted by the Company

The application of these amendments and standards had no material impact on current and prior period disclosures but may affect disclosures for future transactions.

- Amendments to IAS 32 - Financial Instruments: Presentation amendment provides clarification on the application of offsetting rules. This standard becomes effective for annual periods beginning on or after January 1, 2014.

- Amendments to IAS 36 – Impairment of Assets, clarifies the recoverable amount disclosures for non-financial assets, including additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount was based on fair value less costs of disposal. The amendments apply retrospectively for annual periods beginning on or after January 1, 2014. Earlier application is permitted except an entity shall not apply those amendments in periods (including comparative periods) in which it does not also apply IFRS 13.

- Amendments to IAS 24- The amendments to IAS 24 clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendments will only affect disclosure and are effective for annual periods beginning on or after January 1, 2014. statements.

- The IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("Obligating Event"). IFRIC 21 clarifies that the Obligating Event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014.

- Amendments to IFRS 2- *Share based payment*. The amendment clarifies vesting conditions by separately defining a performance condition and a service condition, both of which were previously incorporated within the definition of a vesting condition. The amendment is effective for share based payment transactions for which the grant date is on or after July 1, 2014.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New or revised standards and amendments to existing standards not yet effective

The Company has not applied the following new, revised and amended standards that have been issued but are not yet effective for the November 30, 2015 reporting period:

- New standard IFRS 9, Financial Instruments, classification and measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement." IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit and loss. This standard is effective for years beginning on or after January 1, 2018.

The Company is currently assessing the impact that these standards will have on the Company's financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period. The amendments and new standards are expected to have minimal impact on the Company's financial statements.

New accounting standards and amendments to existing standards

There are no IFRS or IFRIC Interpretations that are effective December 1, 2014 that are expected to have a material impact on the Company.

4. EXPLORATION AND EVALUATION ASSETS

During the period ended May 31, 2015, the following exploration expenses were incurred on the exploration and evaluation assets:

	Triple M Uranium Property	Virgin Uranium Property	Key Lake Property	Total
Acquisition costs				
Balance, November 30, 2014	$ 2,787,488	$ 675,000	$ -	$ 3,462,488
Cash paid	-	-	100,000	100,000
Shares issued	-	-	400,063	400,063
Balance, May 31, 2015	2,787,488	675,000	500,063	3,962,551
Exploration costs				
Balance, November 30, 2014	1,830,044	-	-	1,830,044
Drilling field work	993	-	-	993
Geological consulting	29,175	-	-	29,175
Balance, May 31, 2015	1,860,212	-	-	1,860,212
Total balance, May 31, 2015	$ 4,647,700	$ 675,000	$ 500,063	$ 5,822,763

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

During the year ended November 30, 2014, the following exploration expenses were incurred on the exploration and evaluation assets:

	Triple M Uranium Property	Virgin Uranium Property	Total
Acquisition costs			
Balance, November 30, 2013	$ 2,287,488	$ 675,000	$ 2,962,488
Cash paid	280,000	-	280,000
Shares issued	220,000	-	220,000
Balance, November 30, 2014	2,787,488	675,000	3,462,488
Exploration costs			
Balance, November 30, 2013	342,508	-	342,508
Assaying	12,003	-	12,003
Camp costs	21,473	-	21,473
Drilling	705,502	-	705,502
Drilling camp costs	485,432	-	485,432
Drilling field work	74,653	-	74,653
Geological consulting	146,890	-	146,890
Surveys: Geochemistry	11,533	-	11,533
Surveys: Ground geophysics	30,050	-	30,050
Balance, November 30, 2014	1,830,044	-	1,830,044
Total balance, November 30, 2014	$ 4,617,532	$ 675,000	$ 5,292,532

Key Lake property

During the period ended May 31, 2015, the Company and Fission 3.0 Corp. ("Fission 3.0") entered into a property option agreement whereby the Company can earn up to a 50% interest in Fission 3.0's Key Lake Property in the southeastern Athabasca Basin region, Saskatchewan Lake, by incurring $6,900,000 of staged exploration expenditures on or before May 1, 2019. During the period ended May 31, 2015, the Company paid $100,000 in cash and issued 2,000,318 shares to Fission 3.0. Details of the staged exploration expenditures are as follows:

Deadline	Interest Earned	Work Obligation
May 1, 2016	-	$1,000,000
May 1, 2017	20%	$1,700,000
May 1, 2018	10%	$2,000,000
May 1, 2019	20%	$2,200,000
Total	50%	$6,900,000

As part of the agreement, the Company will make semi-annual payments to Fission 3.0 of $100,000 during the earn-in period. The semi-annual payments may be made in cash or the equivalent in the Company's shares at the option of the Company.

4. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Triple M Uranium Property

During the year ended November 30, 2013, the Company entered into an option agreement to acquire an undivided 70% interest in the Triple M Uranium Property, Patterson Lake Area, Saskatchewan, upon the completion of the following:

i) a total payment of $1,000,000 due on various dates during the year ended November 30, 2013 (paid);

ii) payment of $500,000 on or before March 18, 2014 (during the year ended November 31, 2014, $280,000 was paid in cash and $220,000 was paid through issuance of 666,667 units of the Company;

iii) issuance of 2,083,333 common shares of the Company on July 17, 2013 (issued);

iv) issuance of 175,417 common shares as a finder's fee in connection with the acquisition of the property (issued); and

v) incurring an aggregate of $4,000,000 of property expenditures after July 17, 2013 over the next four years, as follows:

   a) $250,000 by March 18, 2014*;
   b) $750,000 by March 18, 2015*;
   c) $2,250,000 by March 18, 2016; and
   d) $4,000,000 by March 18, 2017.

   * As at May 31, 2015, the Company had incurred $1,860,212 of property expenditures.

The optionors will retain a 3% Net Smelter Royalty respecting the sale of ore concentrate from the property and a 3% Gross Overriding Royalty respecting any diamonds found on the property. The Company may elect at any time to repurchase 1% of the Net Smelter Royalty for $2,000,000. In addition, the optionors shall retain a 30% free carried interest in the property.

Virgin Uranium Property

During the year ended November 30, 2013, the Company entered into an agreement to purchase 100% interest in the Virgin Uranium. Pursuant to the agreement, the Company is required to complete the following:

i) payment of $75,000 upon signing of the option agreement (paid); and

ii) issuance of 833,333 common shares of the Company on October 23, 2013 (issued).

The property owners retain a 3% Net Smelter Return on all production from the property, or a 3% Gross Overriding Royalty in regards to diamonds.

(Expressed in Canadian Dollars)

5. FURNITURE AND EQUIPMENT

		Furniture and equipment
Cost		
Balance, November 30, 2014 and May 31, 2015	$	48,125
Accumulated depreciation		
Balance, November 30, 2014	$	19,981
Depreciation		2,814
Balance, May 31, 2015	$	22,795
Carrying amounts		
As at November 30, 2014	$	28,144
As at May 31, 2015	$	25,330

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

		May 31, 2015		November 30, 2014
Trade payables	$	55,117	$	9,946
Accrued liabilities		3,000		17,000
Due to related parties (Note 9)		159,931		96,386
Total	$	218,048	$	123,332

7. SHARE CAPITAL AND RESERVES

a) Authorized share capital as at May 31, 2015:

Unlimited number of voting common shares without par value
Unlimited number of preferred shares with no par value

b) Issued share capital:

During the period ended May 31, 2015, the Company:

1. Closed the first tranche of its non-brokered private placement financing by raising $62,400 through the sale of 346,667 units at a price of $0.18 per unit. Each unit is comprised of one common share and one warrant exercisable into one common share at $0.33 per share for a period of 24 months from closing. The common shares were valued at $0.14 per share for a total value of $48,533 and the residual value of $13,867 was allocated to reserves; and

2. Issued 2,000,318 shares with a total fair value of $400,063 for the acquisition of exploration and evaluation assets (Note 4).

7. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued share capital (cont'd…)

During the period ended May 31, 2014, the Company:

1. Completed a private placement financing of 1,625,314 units at a price of $0.57 per unit raising total gross proceeds of $926,429. Each unit is comprised of one flow-through common share and one half warrant. The flow-through common shares were valued at $0.51 per share for a total value of $731,391 and the residual value of $195,038 was allocated to deferred premium on flow-through shares. Each whole warrant is exercisable into one common share at $0.96 per share, expiring on June 24, 2015. In relation to the private placement the Company:

   i) paid $104,186 of share issuance costs; and

   ii) issued 130,025 agent's warrants exercisable at $0.96 per share, expiring on June 24, 2015. The fair value of the agent's warrants was estimated to be $19,931 using the Black-Scholes option pricing model assuming an expected life of 1.5 years, a risk-free interest rate of 0.75%, a forfeiture rate of 0% and an expected volatility of 107.57%.

2. Completed a private placement financing of 777,778 units at a price of $0.45 per unit raising total gross proceeds of $350,000. Each unit is comprised of one flow-through common share and one half warrant. The flow-through common shares were valued at $0.33 per share for a total value of $256,667 and $93,333 residual value was allocated to deferred premium on the flow-through shares. Each whole warrant is exercisable into one common share at $0.84 per share, expiring on March 12, 2016. In relation to the private placement, the Company:

   i) paid $40,689 of share issuance costs; and

   ii) issued 62,222 agent's warrants exercisable at $0.84 per share, expiring on March 12, 2016. The fair value of the agent's warrants was estimated to be $10,700 using the Black-Scholes option pricing model assuming an expected life of 2 years, risk-free interest rate of 0.51%, a forfeiture rate of 0% and an expected volatility of 94.44%.

3. Completed a private placement financing of 2,272,727 units at a price of $0.33 per unit raising total gross proceeds of $750,000. Each unit is comprised of one common share and one half warrant. Each whole warrant is exercisable into one common share at $0.60 per share, expiring on March 12, 2016. In relation to the private placement, the Company:

   i) paid $69,165 of share issuance costs; and

   ii) issued 166,667 agent's warrants exercisable at $0.60 per share, expiring on March 12, 2016. The fair value of the agent's warrants was estimated to be $35,355 using the Black-Scholes option pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.51%, a forfeiture rate of 0% and an expected volatility of 94.44%.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued share capital (cont'd…)

4. Completed a private placement financing of 1,041,667 units at a price of $0.48 per unit raising total gross proceeds of $500,000. Each unit is comprised of one common share and one warrant. Each whole warrant is exercisable into one common share at $0.72 per share, expiring on March 26, 2016. In relation to the private placement, the Company:

   i) paid $40,000 of share issuance costs; and

   ii) issued 83,333 agent's warrants exercisable at $0.72 per share, expiring on March 26, 2016. The fair value of the agent's warrants was estimated to be $38,642 using the Black-Scholes option pricing model assuming an expected life of 2 years, a risk-free interest rate of 0.53%, a forfeiture rate of 0% and an expected volatility of 98.12%.

5. Issuance of 666,667 units with a total fair value of $400,000 at $0.60 per share for acquisition of exploration and evaluation assets. Each unit is comprised of one common share and one-half warrant. Each unit is exercisable into one common share at $0.60 per share, expiring on March 18, 2016.

c) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

During the period ended May 31, 2015, the Company granted nil (2014 – 973,357) stock options with fair value calculated using the Black-Scholes option-pricing model of $nil (2014 – $319,688). Share-based payments expense for the period ended May 31, 2015 consisted of the fair value of stock options vested during the year for $nil (2014 - $377,124). This amount was also recorded as reserves on the statements of financial position.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2015	2014
Risk-free interest rate	-	1.90%
Expected life of options	-	5 years
Annualized volatility	-	101.18%
Dividend rate	-	0.00%
Forfeiture rate	-	0.00%

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

c. Stock options (cont'd…)

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2014 and May 31, 2015	1,894,177	$ 0.55
Number of options currently exercisable	1,894,177	$ 0.55
Weighted average remaining life of options outstanding	3.28 years	

As at May 31, 2015, the following stock options were outstanding:

Number of options	Exercise Price	Expiry Date
916,660	$ 0.600	July 21, 2018
483,330	0.510	January 7, 2019
281,688	0.510	March 12, 2019
133,332	0.480	May 1, 2019
79,167	0.360	October 29, 2019
1,894,177		

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2014	3,712,893	$ 0.74
Granted	346,667	0.33
Balance, May 31, 2015	4,059,560	$ 0.70

(Expressed in Canadian Dollars)

7. SHARE CAPITAL AND RESERVES (cont'd…)

d) Warrants (cont'd…)

As at May 31, 2015, the following warrants were outstanding:

Number of Warrants	Exercise Price	Expiry Date
812,652	$ 0.96	June 24, 2015*
388,886	$ 0.84	March 12, 2016
1,136,356	$ 0.60	March 12, 2016
333,333	$ 0.60	March 18, 2016
1,041,666	$ 0.72	March 26, 2016
346,667	$ 0.33	December 23, 2016
4,059,560		

* Subsequently expired.

e) Agent's warrants

Agent's warrants transactions are summarized as follows:

	Number of Agent's Warrants	Weighted Average Exercise Price
Balance, November 30, 2014 and May 31, 2015	442,245	$ 0.74

As at May 31, 2015, the following agent's warrants were outstanding:

Number of Agent's Warrants	Exercise Price	Expiry Date
130,025	$ 0.96	June 24, 2015*
62,222	$ 0.84	March 12, 2016
166,665	$ 0.60	March 12, 2016
83,333	$ 0.72	March 26, 2016
442,245		

* Subsequently expired.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company's primary financial instruments are classified as follows:

Financial instruments	Classifications
Cash	FVTPL
Loan receivable	LAR
Accounts payable and accrued liabilities	OFL

The fair value of these assets and liabilities approximates their respective carrying amounts due to their short term nature. The Company does not currently hold any financial instruments that would be included in the classification of available-for-sale.

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

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. As at May 31, 2015 the Company had GST receivable of $16,619 (November 30, 2014 – $23,652) from government authorities in Canada. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2015, the Company had a cash balance of $1,866 (November 30, 2014 – $5,058) to settle current liabilities of $371,796 (November 30, 2014 – $123,332). The Company will require financing from lenders, shareholders and other investors to generate sufficient capita its meet its short term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company is satisfied with the credit ratings of its banks. As of May 31, 2015, the Company did not hold any investments. The Company believes it has no significant interest rate risk.

8. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk (cont'd…)

b) Foreign currency risk

As at May 31, 2015, the Company has a minimal balance of cash in US dollars and does not believe that the foreign currency risk related to the balance is significant.

c) Price risk

The Company has no contractual commodity price risk. The recoverability of the Company's deferred exploration costs is indirectly related to the market price of precious and base metals. The Company's ability to continue with its exploration program is also indirectly subject to commodity prices. Commodity price risk is significant to the Company. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

9. RELATED PARTY BALANCES AND TRANSACTIONS

Transactions with related parties and key management personnel are as follows:

	Nature of transactions	Six Months Ended May 31, 2015	Six Months Ended May 31, 2014
Key management personnel:			
CEO and Director	Management	$ 60,000	$ 90,000
A company controlled by CFO and Director	Management	30,000	45,000
Director and Chairman	Consulting	-	2,500
Directors and Officers of the Company	Share-based payments	-	248,402
A company controlled by VP Exploration and Development	Geological and field [i)]	30,167	103,517
Total		$ 120,167	$ 489,419
Other related parties:			
Spouse of the CEO and Director	Consulting	$ -	$ 14,250
A firm of which the CFO and Director is a partner	Professional	23,250	63,300
A company controlled by CEO and Director	Rent and office	-	31,465
Total		$ 23,250	$ 109,015

i) Capitalized in exploration and evaluation assets.

(Expressed in Canadian Dollars)

9. RELATED PARTY BALANCES AND TRANSACTIONS (cont'd…)

The amounts due to other related parties and key management personnel included in accounts payable and accrued liabilities are as follows:

	May 31, 2015	November 30, 2014
Due to a firm of which the CFO and Director is a partner	$ 79,028	$ 55,515
Due to a company controlled by the CFO and Director	6,114	-
Due to a company controlled by VP Exploration and Development	47,803	13,788
Due to a Director and Chairman	13,125	13,125
Due to a company controlled by former Director	-	13,008
Due to spouse of the CEO and Director	-	950
Due to CEO and Director	13,861	-
	$ 159,931	$ 96,386

During the period ended May 31, 2015, the Company secured working capital debt financing of CDN $150,000 from non-arm's length parties. The loan will be for a term of one year and bears interest at the rate of 12% per annum calculated and compounded annually and paid quarterly. As an inducement to grant the loan, the Company will issue the lenders 122,448 common shares of the Company at a deemed price of CDN $0.245/share. As At May 31, 2015, no shares have been issued and accrued interests of $3,748 have been recognized on the loans.

	May 31, 2015	November 30, 2014
Due to spouse of the CFO and Director	$ 102,499	$ -
Due to CEO and Director	51,249	-
	$ 153,748	$ -

10. SUBSEQUENT EVENT

On July 13, 2015, the Company closed a $250,000 non-brokered private placement consisting of flow-through Units at a price of $0.18 per Unit (the "Offering"). Each unit is comprised of one flow-through share and one-half warrant, with each whole warrant entitling the holder to purchase one common non flow-through share at a price of $0.25 for a period of 24 months from closing.