

GOLD JUBILEE CAPITAL CORP.
(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)
(Expressed in Canadian dollars)

FOR THE SIX MONTHS ENDED MAY 31, 2016

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENT

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, 2016.

GOLD JUBILEE CAPITAL CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	May 31, 2016	November 30, 2015 (Restated – Note 4)	December 1, 2014 (Restated – Note 4)
ASSETS			
Current assets			
Cash	\$ 502,671	\$ 25,309	\$ 70,186
Receivables (Note 5)	23,922	16,126	47,523
Prepaid expenses, deposits and advances (Note 6)	<u>8,438</u>	<u>8,906</u>	<u>23,631</u>
Total current assets	<u>535,031</u>	<u>50,341</u>	<u>141,340</u>
Non-current assets			
Loans receivable (Note 7)	26,121	26,914	-
Reclamation bond (Note 8)	<u>13,000</u>	<u>13,000</u>	<u>3,500</u>
Total non-current assets	<u>39,121</u>	<u>39,914</u>	<u>3,500</u>
Total assets	<u>\$ 574,152</u>	<u>\$ 90,255</u>	<u>\$ 144,840</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities (Note 9)	<u>\$ 101,919</u>	<u>\$ 323,779</u>	<u>\$ 33,966</u>
Total liabilities	<u>101,919</u>	<u>323,779</u>	<u>33,966</u>
SHAREHOLDERS' EQUITY			
Share capital (Note 11)	3,683,932	2,360,667	1,762,876
Reserves (Note 11)	289,938	161,731	93,221
Deficit	<u>(3,501,637)</u>	<u>(2,755,922)</u>	<u>(1,745,223)</u>
Total shareholders' equity	<u>472,233</u>	<u>(233,524)</u>	<u>110,874</u>
Total liabilities and shareholders' equity	<u>\$ 574,152</u>	<u>\$ 90,255</u>	<u>\$ 144,840</u>

Nature and continuance of operations (Note 1)

Commitments (Note 16)

Subsequent events (Note 17)

Approved by the Board of Directors and authorized for issue on July 29, 2016:

<u>“Minaz Devji”</u>	Director	<u>“George Cavey”</u>	Director
Minaz Devji		George Cavey	

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

GOLD JUBILEE CAPITAL CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited)

	Three Months Ended May 31, 2016	Three Months Ended May 31, 2015 (Restated – Note 4)	Six Months Ended May 31, 2016	Six Months Ended May 31, 2015 (Restated – Note 4)
GENERAL EXPENSES				
Consulting and management fees (Note 14)	\$ 47,160	\$ 15,000	\$ 62,160	\$ 30,000
Exploration and evaluation expenditures - Pyramid (Note 8)	101,758	8,612	109,258	14,612
Exploration and evaluation expenditures -general	15,913	12,248	23,413	26,179
Investor relations	164,466	-	164,466	-
Office and miscellaneous	30,908	14,787	40,523	25,522
Professional fees (Note 14)	41,457	35,230	58,957	48,244
Rent	7,035	7,450	17,375	19,450
Share-based payments (Note 14)	102,197	-	102,197	-
Transfer agent and filing fees	26,906	9,231	27,950	13,560
Travel expenses	53,517	-	55,836	6,418
Loss before other items	(591,317)	(102,558)	(662,135)	(183,985)
OTHER ITEMS				
Deposit written off (Note 10)	(78,330)	-	(78,330)	-
Loss on debt settlement (Note 11)	(5,250)	-	(5,250)	-
Recovery of benefits expense	-	-	-	18,000
Total other items	(83,580)	-	(73,580)	18,000
Loss and comprehensive loss for the period	\$ (674,897)	\$ (102,558)	\$ (745,715)	\$ (165,985)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of outstanding common shares	46,569,075	27,350,000	39,731,288	27,350,000

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

GOLD JUBILEE CAPITAL CORP.
(An Exploration Stage Company)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Six Months Ended May 31, 2016	Six Months Ended May 31, 2015 <small>(Restated – Note 4)</small>
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period	\$ (745,715)	\$ (165,985)
Items not involving cash:		
Loss on debt settlement	5,250	-
Share-based payments	102,197	-
Changes in non-cash working capital items:		
Decrease (increase) in receivables	(7,796)	41,601
Decrease (increase) in prepaid expenses	468	2,451
Increase (decrease) in accounts payable and accrued liabilities	<u>(144,942)</u>	<u>106,405</u>
Net cash used in operating activities	<u>(790,538)</u>	<u>(15,528)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Private placement	1,300,000	-
Share issuance costs	<u>(32,100)</u>	<u>-</u>
Net cash provided by financing activities	<u>1,267,900</u>	<u>-</u>
Change in cash during the period	477,362	(15,528)
Cash, beginning of period	<u>25,309</u>	<u>70,186</u>
Cash, end of period	<u>502,671</u>	<u>54,658</u>
Interest received	\$ -	\$ -
Interest paid	\$ -	\$ -

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

GOLD JUBILEE CAPITAL CORP.

(An Exploration Stage Company)

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

(Unaudited)

	Common Shares	Share Capital	Reserves	Deficit (Restated – Note 4)	Total Shareholders' Equity (Restated – Note 4)
Balance November 30, 2014	27,350,000	\$ 1,762,876	\$ 93,221	\$ (1,745,223)	\$ 110,874
Loss and comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(165,985)</u>	<u>(165,985)</u>
Balance, May 31, 2015	<u>27,350,000</u>	<u>\$ 1,762,876</u>	<u>\$ 93,221</u>	<u>\$ (1,911,208)</u>	<u>\$ 55,111</u>
Balance, November 30, 2015	33,114,075	\$ 2,360,667	\$ 161,731	\$ (2,755,922)	\$ (233,524)
Private placement	13,000,000	1,300,000	-	-	1,300,000
Share issuance costs	-	(32,100)	-	-	(32,100)
Warrants granted	-	(26,010)	26,010	-	-
Shares for debt settlement	525,000	81,375	-	-	81,375
Share-based payments	-	-	102,197	-	102,197
Loss and comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(745,715)</u>	<u>(745,715)</u>
Balance, May 31, 2016	<u>46,639,075</u>	<u>\$ 3,683,932</u>	<u>\$ 289,938</u>	<u>\$ (3,501,637)</u>	<u>\$ 472,233</u>

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

GOLD JUBILEE CAPITAL CORP.

(An Exploration Stage Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited)

FOR THE SIX MONTHS ENDED MAY 31, 2016

1. NATURE AND CONTINUANCE OF OPERATIONS

Gold Jubilee Capital Corp. (the “Company”) is incorporated under the laws of the province of British Columbia, Canada on July 19, 2007 and its common shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “GJB”. The Company’s principal business activities include the acquisition and exploration of resource properties in Canada.

The head office of the Company is located at Suite 480 - 505 Burrard Street, Vancouver, BC, Canada, V7X 1M3. The registered address and records office of the Company is located at Suite 1780 - 400 Burrard Street, Vancouver, BC, Canada, V6C 3A6.

Going concern of operations

These condensed interim 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. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term.

As at May 31, 2016, the Company had an accumulated deficit of \$3,501,637 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.

	May 31, 2016	November 30, 2015
Deficit	\$ (3,501,637)	\$ (2,755,922)
Working capital (deficiency)	433,112	(273,438)

2. BASIS OF PREPARATION**Statement of compliance**

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

GOLD JUBILEE CAPITAL CORP.
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(Expressed in Canadian dollars)
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2. BASIS OF PREPARATION (cont'd...)

Basis of presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments 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. All dollar amounts presented are in Canadian dollars, which is the functionally currency of the Company, unless otherwise specified. All amounts are rounded to the nearest dollar.

Change in accounting policy

During the period ended May 31, 2016, the Company retrospectively changed its accounting policy for exploration and evaluation assets. See Note 4.

Significant accounting judgments and critical accounting estimates

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

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 following:

- i) Determination of categories of financial assets and financial liabilities which has been identified as an accounting policy which involves assessments made by management;
- ii) Determination and assessment of the Company's ability to continue going concern (Note 1); and
- iii) Recoverability of the carrying value of the Company's exploration and evaluation assets.

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.

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3. SIGNIFICANT ACCOUNTING POLICIES

Resource properties – exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, properly option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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.

Flow-through shares

Under Canadian income tax legislation, a company is permitted to issue flow through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance of these shares between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A deferred flow-through premium liability is recognized for the difference. The liability is reversed when the expenditures are made and is recorded in other income. The spending also gives rise to a deferred tax timing difference between the carrying value and tax value of the qualifying expenditure.

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

As at May 31, 2016 and November 30, 2015, the Company has determined that it does not have any decommissioning obligations.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Financial instruments

Financial assets

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the condensed interim statements of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Financial assets (cont'd...)

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of loss and comprehensive loss.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of loss and comprehensive loss. All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Other financial liabilities: This category includes all other liabilities, all of which are recognized at amortized cost.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is expensed over the vesting terms. Consideration paid for the shares on the exercise of stock options is credited to capital stock. When vested options are forfeited or are not exercised at the expiry date the amount previously recognized in share-based compensation is transferred to accumulated losses (deficit). The Company estimates a forfeiture rate and adjusts the corresponding expense each period based on an updated forfeiture estimate.

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

Share-based payments

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued using residual value method which involves comparing the selling price of the units to the Company's share price on the announcement date of the financing. The market value is then applied to the common share, and any residual amount is assigned to the warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date of the agreement to issue shares as determined by the Board of Directors.

Loss per share

The Company recognizes the dilutive effect on loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive. Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

Share issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital will be charged against the related share capital.

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.

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 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New and amended standards adopted by the Company

There are no IFRS or IFRIC interpretations that are effective December 1, 2015 that are expected to have material impact on the Company.

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, 2016 reporting period:

- a) 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.

4. CHANGE IN ACCOUNTING POLICY

During the period ended May 31, 2016, the Company retroactively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received.

Under the new policy, exploration and evaluation expenditures incurred prior to the establishment of technical feasibility and commercial viability of extracting mineral resources and prior to a decision to proceed with mine development are charged to operations as incurred. As required by IAS8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated condensed interim statement of financial position as of November 30, 2015 and December 1, 2014.

Management considers this accounting policy to provide more reliable and relevant information and more clearly represents the Company's activities.

The financial statement impact as at December 1, 2014 is as follows:

	As previously reported	Adjustment	Restated
Exploration and evaluation assets	\$ 739,590	\$ (739,590)	\$ -
Total assets	884,430	(739,590)	144,840
Deficit	1,005,633	739,590	1,745,223
Total shareholder's equity	850,464	(739,590)	110,874
Total liabilities and shareholder's equity	\$ 884,430	\$ (739,590)	\$ 144,840

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4. CHANGE IN ACCOUNTING POLICY (cont'd...)

The financial statement impact as at November 30, 2015 is as follows:

	As previously reported	Adjustment	Restated
Exploration and evaluation assets	\$ 1,342,892	\$ (1,342,892)	\$ -
Total assets	1,433,147	(1,342,892)	90,255
Deficit	1,413,030	1,342,892	2,755,922
Total shareholder's equity	1,109,368	(1,342,892)	(233,524)
Total liabilities and shareholder's equity	\$ 1,433,147	\$ (1,342,892)	\$ 90,255

Exploration and evaluation costs that were capitalized have now been expensed in the statement of loss and comprehensive loss in accordance with the change in accounting policy. Exploration and evaluation costs that were recorded as an investing activity in the statement of cash flows are now recorded as cash flows used in operating activities.

5. RECEIVABLES

The Company's receivables are as follows:

	May 31, 2016	November 30, 2015
GST receivable	\$ 23,922	\$ 16,126

6. PREPAID EXPENSES, DEPOSITS AND ADVANCES

The Company's prepaid expenses, deposits and advances are as follows:

	May 31, 2016	November 30, 2015
Prepaid expenses	\$ 2,728	\$ 3,196
Security deposit	5,710	5,710
	\$ 8,438	\$ 8,906

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7. LOANS RECEIVABLE

During the year ended November 30, 2015, the Company advanced USD\$20,000 (CAD\$26,914) to an arms-length company in relation to negotiations for an interest in a mineral property in Serbia. The loan is unsecured, non-interest bearing and repayable on demand.

As at May 31, 2016, the loan was revalued to \$26,121 based on the CAD to USD exchange rate of \$1.3061.

8. RESOURCE PROPERTIES

Pyramid Copper Property

Acquisition Costs		
Balance as at November 30, 2015 and May 31, 2016		\$ 39,025
Exploration costs		
Balance as at November 30, 2014	\$ 700,565	
Assaying and surveying	23,120	
Aircraft rentals	148,962	
Camp cost	32,283	
Geophysics	92,457	
Geological and consulting	351,647	
Mineral exploration tax credit	<u>(45,167)</u>	
Balance as at November 30, 2015	1,303,867	
Aircraft rentals	65,000	
Geological services	<u>44,258</u>	
Balance as at May 31, 2016		\$ 1,413,125
<hr/>		
General exploration and property investigation costs		\$ 23,413

Pyramid Copper, Canada

On May 22, 2013, the Company entered into an agreement to purchase 100% interest in mineral claims collectively known as the Pyramid Copper Property, located in northern British Columbia, Canada. Per the terms of the agreement, the Company paid \$12,900 and issued 500,000 common shares, valued at \$25,000, to the vendor.

Reclamation bond in the amount of \$13,000 (2015 - \$13,000) was paid to B.C. Ministry of Energy and Mines for the Pyramid Copper Property.

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9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	May 31, 2016	November 30, 2015
Trade payables	\$ 78,968	\$ 262,406
Accrued liabilities	5,169	10,169
Due to related parties (Note 14)	<u>17,782</u>	<u>51,204</u>
	<u>\$ 101,919</u>	<u>\$ 323,779</u>

10. DEPOSIT WRITTEN OFF

On June 19, 2015, the Company announced that it was negotiating a letter of intent agreement to earn up to a 100% interest in a gold/copper exploration property located in the Republic of Serbia. The Company provided a nominal non-refundable deposit that would provide exclusivity between the parties for further negotiations to a definitive agreement that would detail ongoing option payments and exploration expenditures. The Company has decided not to proceed with the option agreement and has written off the deposit of \$78,330.

11. SHARE CAPITAL AND RESERVES

Authorized

Unlimited number of common shares without par value.

Issued

During the period ended May 31, 2016, the Company:

- completed a private placement of 13,000,000 units at \$0.10 per unit for gross proceeds of \$1,300,000. Each unit consists of one common share and one half of one non-transferable share purchase warrant where it may be exercised at a price of \$0.20 during a two-year term; and
- completed a shares for debt settlement with a related party whereby the Company issued 525,000 shares at a fair value of \$81,375 to settle outstanding debts of \$76,125. As a result, the Company recognized a loss on settlement of \$5,250.

During the period ended May 31, 2015, the Company did not have any share activities.

Stock options

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the board of directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

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11. SHARE CAPITAL AND RESERVES (cont'd...)

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

During the period ended May 31, 2016, the Company:

- granted 400,000 stock options to the new President of the Company with exercise price of \$0.23 for a five-year term, recognizing a share-based payment of \$65,881; and
- granted 500,000 stock options to Kin Communications for IR services with exercise price of \$0.23 for a three-year term and vest 25% three months from date of agreement and 25% every three months thereafter. The Company recognized a share-based payment of \$36,316.

Stock option transactions are summarized as follows:

Expiry Date	Exercise Price	November 30, 2015	Granted	Exercised	Expired / Cancelled	May 31, 2016	Exercisable
September 17, 2018	0.10	1,800,000	-	-	-	1,800,000	1,800,000
November 1, 2018	0.10	250,000	-	-	-	250,000	250,000
June 29, 2020	0.12	685,000	-	-	-	685,000	685,000
March 5, 2021	0.23	-	400,0	-	-	400,000	400,000
April 13, 2019	0.23	-	500,0	-	-	500,000	125,000
Total		2,735,000	900,0	-	-	3,635,000	3,260,000
Weighted average exercise price		\$ 0.11	\$ 0.2	-	-	\$ 0.14	\$ 0.14
Weighted average remaining contractual life						2.99 years	

	Exercise Price	November 30, 2014	Granted	Exercised	Expired / Cancelled	November 30, 2015	Exercisable
September 17, 2018	0.10	1,800,000	-	-	-	1,800,000	1,800,000
November 1, 2018	0.10	250,000	-	-	-	250,000	250,000
June 29, 2020	0.12	-	685,000	-	-	685,000	685,000
Total		2,050,000	685,000	-	-	2,735,000	2,735,000
Weighted average exercise price		\$ 0.10	\$ 0.12	-	-	\$ 0.11	\$ 0.11
Weighted average remaining contractual life						3.26 years	

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11. SHARE CAPITAL AND RESERVES (cont'd...)

Warrants

During the period ended May 31, 2016, the Company:

- granted 6,500,000 share purchase warrants in connection to the private placement completed. The warrants are exercisable at \$0.20 for a term of 2 years; and
- granted 327,000 share purchase warrants in connection to private placement as finder's fee. The warrants are exercisable at \$0.20 for a term of 2 years.

There were no warrant transactions for the period ended May 31, 2015.

Warrants transactions are summarized as follows:

	Exercise Price	November 30, 2015	Granted	Exercised	Expired / Cancelled	May 31, 2016	Exercisable
March 2, 2018	0.20	-	6,500,000	-	-	6,500,000	6,500,000
March 2, 2018	0.20	-	327,000	-	-	327,000	327,000
Total		-	6,827,000	-	-	6,827,000	6,827,000
Weighted average exercise price		-	\$ 0.20	-	-	\$ 0.20	\$ 0.20
Weighted average remaining contractual life						1.75 years	

12. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. 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 on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the period.

13. SEGMENTED INFORMATION

The Company operates in one segment – the acquisition, exploration and development of resource properties. As at May 31, 2016 and 2015, all of the Company's operations and assets were held in Canada.

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14. RELATED PARTY TRANSACTIONS

During the period ended May 31, 2016, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include certain directors and officers.

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

Paid or accrued to	Nature of transactions	Six Months Ended May 31, 2016	Six Months Ended May 31, 2015
Key management personnel:			
A company controlled by a family member of the Corporate Secretary	Consulting	\$ 15,000	\$ 15,000
A company controlled by the CEO	Consulting	29,167	15,000
A company controlled by a Director	Geological consulting	15,000	15,000
A company controlled by the President	Management	16,667	-
The President	Share-based payment	65,881	-
Management and directors of the Company	Office & misc.	-	3,832
Total		\$ 141,715	\$ 48,832
Related parties:			
A firm of which a Director is the partner	Professional	\$ 30,700	\$ 48,550
A family member of a Director	Geological consulting	22,500	15,000
Total		\$ 53,200	\$ 63,550

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

	May 31, 2016	November 30, 2015
Due to a firm of which the Director is a partner	\$ -	\$ 43,140
Due to a company controlled by the CEO	1,281	2,732
Due to a company controlled by the Corporate Secretary	-	2,625
Due to a family member of a Director	-	922
Due to a company controlled by a Director	16,501	1,785
Total	\$ 17,782	\$ 51,204

Advance payments to related parties are included in prepaid expenses, deposits and advances in the condensed interim statements of financial position.

During the period ended May 31, 2016, the Company completed a shares for debt settlement with a related party whereby the Company issued 525,000 shares at a fair value of \$81,375 to settle outstanding debts of \$76,125. As a result, the Company recognized a loss on settlement of \$5,250.

15. FINANCIAL AND CAPITAL RISK MANAGEMENT

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 described below.

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).

Fair value of financial instruments

The Company has various financial instruments including cash, receivables and accounts payable and accrued liabilities. The carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial instruments.

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

Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because a portion of receivables are comprised of goods and services tax (GST), which is recoverable from the governing body in Canada. In addition, the Company has extended a loan to an arms-length party. Management believes that the credit risk concentration with respect to the loan is remote. Management does not believe the receivables are impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at May 31, 2016, the Company had a cash balance of \$502,671 (November 30, 2015 – \$25,309) to settle current liabilities of \$101,919 (November 30, 2015 – \$323,779). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize such a loss is limited as its interest bearing financial instrument is redeemable at any time.

Price risk

Mineral prices, in particular gold and silver, are volatile, and have fluctuated sharply in recent periods. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

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15. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Foreign currency risk

As at May 31, 2016 and November 30, 2015, the Company did not have any accounts in foreign currencies and considered foreign currency risk insignificant.

16. COMMITMENTS

The company is committed to the following minimum payments (before applicable taxes) for the leased premises located on Suite 480 - 505 Burrard Street. The lease on the premise commenced on August 1, 2015 and ends in July 31, 2016.

Year		Premises
2016	\$	11,200

17. SUBSEQUENT EVENT

On July 21, 2016, the Company completed a non-brokered private placement offering of 5,332,000 units of the Company at a price of \$0.15 per unit for gross proceeds of \$799,800. Each unit is to consist of one common share and one-half of one non-transferable share purchase warrant where one whole share purchase warrant may be exercised at the price of \$0.20 per common share during a two-year term. The Company also issued 7,062,766 flow-through shares of the Company at a price of \$0.17 for gross proceeds of \$1,200,670. The aggregate proceeds raised are \$2,000,470. In accordance with the policies of the TSX Venture Exchange, an aggregate of \$45,877 in cash and 294,339 non-transferable share purchase warrants with an exercise price of \$0.20 per common share and an expiry term of two years was paid by the Company to various finders regarding the Offering.