DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three months ended February 28, 2015

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

UNAUDITED FINANCIAL STATEMENTS: In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the three months ended February 28, 2015 and 2014.

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
February 28, 2015 and November 30, 2014
(Stated in Canadian dollars)
(Unaudited – Prepared by Management)

		February 28, 2015		November 30, 2014
ASSETS				
Current assets				
Cash	$	46,230	$	198,362
GST receivable		5,215		7,757
Prepaid expenses (note 7)		54,517		74,547
		105,962		280,666
Resource property costs (note 5)		2,004,512		1,920,737
Reclamation bonds		20,000		20,000
	$	2,130,474	$	2,221,403
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	150,203	$	152,977
Loans payable		14,433		14,433
Due to related parties (note 7)		143,797		141,403
		308,433		308,813
SHAREHOLDERS' EQUITY				
Share capital (note 6)		21,888,184		21,690,260
Contributed surplus (note 6)		2,346,708		2,338,509
Accumulated deficit		(22,412,851)		(22,116,179)
		1,822,041		1,912,590
	$	2,130,474	$	2,221,403

Approved on behalf of the Board:

"Brian Findlay"
Director

"Ben Ainsworth"
Director

See Accompanying Notes

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
for the three months ended February 28, 2015 and 2014
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	2015	2014
Expenses		
Accounting and audit fees	$ 5,850	$ 6,700
Administration fees – Note 7	21,000	21,000
Amortization	-	571
Bank charges and interest	932	1,249
Consulting fees – Note 7	52,000	75,000
Foreign exchange (recovery)	1,916	(4,208)
Investors relations	22,450	-
Legal fees	3,975	-
Listing, filing and transfer agent fees	8,434	1,275
Marketing	10,705	540
Office administration and general	25,688	6,334
Rent – Note 7	6,680	6,505
Share-based compensation (recovery) – Notes 6 and 7	116,123	(7,884)
Travel, conferences and promotion	1,982	1,439
Wages and benefits – Note 7	14,047	10,909
Loss before other item	(291,782)	(119,430)
Other item:		
Write-down resource property costs	(4,890)	-
Net loss and comprehensive loss for the period	$ (296,672)	$ (119,430)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	77,414,731	32,750,335

See Accompanying Notes

DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN DEFICIT

for the three months ended February 28, 2015 and 2014

and nine months ended November 30, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Amount	Contributed Surplus	Accumulated Deficit	Total
Balance, November 30, 2013	32,750,733	$ 19,507,017	$ 2,306,902	$ (17,901,461)	$ 3,912,458
Fair market value of share-based compensation	-		(7,884)	-	(7,884)
Net loss for the period	-	-	-	(119,430)	(119,430)
Balance, February 28, 2014	32,750,733	19,507,017	2,299,018	(18,020,891)	3,785,144
Shares issued for settlement of debt – at $0.05	17,994,000	899,700	-	-	899,700
Shares issued for cash:					
Pursuant to a private placement – at $0.05	24,430,000	1,221,500	-	-	1,221,500
On exercise of share purchase options - $0.05	480,000	24,000	-	-	24,000
Shares issued as finders' fees	800,000	40,000	-	-	40,000
Share issue costs		(67,500)	-	-	(67,500)
Fair market value of share-based compensation	-	65,543	39,491	-	105,034
Net loss for the period	-	-	-	(4,095,288)	(4,095,288)
Balance, November 30, 2014	76,454,733	21,690,260	2,338,509	(22,116,179)	1,912,590
Shares issued for cash:					
On exercise of share purchase options - $0.05	1,800,000	90,000	-	-	90,000
Fair market value of share-based compensation	-	107,924	8,199	-	116,123
Net loss for the period	-	-	-	(296,672)	(296,672)
Balance, February 28, 2015	78,254,733	$ 21,888,184	$ 2,346,708	$ (22,412,851)	$ 1,822,041

See Accompanying Notes

DAJIN RESOURCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three months ended February 28, 2015 and 2014
(Stated in Canadian Dollars)
(Unaudited – Prepared by Management)

	2015	2014
Operating Activities		
Net loss and comprehensive loss for the period	$ (296,672)	$ (119,430)
Add items not affecting cash:		
Amortization	-	571
Share based compensation (recovery)	116,123	(7,884)
Unrealized foreign exchange	(6)	(3,952)
Write-down of resource property costs	4,890	-
Net change in non-cash working capital:		
GST receivable	2,542	666
Prepaid expenses	20,030	(2,180)
Accounts payable and accrued liabilities	(2,775)	95,037
Amount due from (to) related parties	2,394	49,734
	(153,474)	12,562
Financing Activity		
Proceeds from issuance of common shares	90,000	-
	90,000	-
Investing Activity		
Resource property additions, net	(88,659)	(6,821)
	(88,659)	(6,821)
Effect of foreign exchange on cash	1	(17)
Increase (decrease) in cash during the period	(152,132)	5,724
Cash, beginning of the period	198,362	51
Cash, end of the period	$ 46,230	$ 5,775

Non-Cash Transaction – Note 11

See Accompanying Notes

DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS

for the three months ended February 28, 2015 and for the year ended November 30, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

	Canada				USA	
	Cowtrail	Addie 1	Addie 2	Argentina	Teels Marsh	Total
Acquisition costs						
Balance, November 30, 2014	$ -	$ -	$ -	$ -	$ 91,375	$ 91,375
Staking and filing fees	-	-	-	-	-	-
Write-down	-	-	-	-	-	-
Balance, February 28, 2015	-	-	-	-	91,375	91,375
Deferred exploration and development costs						
Balance, November 30, 2013	1,180,099	970,162	1,025,382	1,734,384	-	4,910,027
Administrative (net)*	-	-	-	68,693	-	68,693
Assaying (net recovery)*	-	(76)	-	-	-	(76)
Drilling (net recovery)*	(8,599)	(42,940)	-	-	-	(51,539)
Geological consulting	264	655	-	-	12,858	13,777
Labour	-	-	-	-	7,367	7,367
Reports	-	-	391	-	-	391
Supplies and miscellaneous (net recovery)*	(1,819)	(1,822)	-	-	6,058	2,417
Truck and equipment rental	7,307	7,302	-	-	-	14,609
Write-down	(1,177,251)	(933,280)	(1,025,773)	-	-	(3,136,304)
Balance, November 30, 2014	1	1	-	1,803,077	26,283	1,829,362

See Accompanying Notes

DAJIN RESOURCES CORP.

CONDENSED INTERIM CONSOLIDATED SCHEDULE OF RESOURCE PROPERTY COSTS

for the three months ended February 28, 2015 and for the year ended November 30, 2014

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

Continued

	Canada				USA	
	Cowtrail	Addie 1	Addie 2	Argentina	Teels Marsh	Total
Balance, November 30, 2014	1	1	-	1,803,077	26,283	1,829,362
Assays	-	-	-	-	14,650	14,650
Geological consulting	-	-	-	-	63,010	63,010
Supplies and miscellaneous	45	45	-	1,000	5,115	6,205
Truck and equipment rental	2,400	2,400	-	-	-	4,800
Write-down	(2,445)	(2,445)	-	-	-	(4,890)
Balance, February 28, 2015	-	-	-	1,000	109,058	1,913,137
Total resource property costs	$ 1	$ 1	$ -	$ 1,804,077	$ 200,433	$ 2,004,512

* During the year ended November 30, 2014, the Company issued 15,994,000 common shares valued at $799,700 to settle debt of $852,848 related to resource property costs resulting in a $53,148 gain on settlement of debt. This gain was offset against previously capitalized resource property costs.

Note 1 Nature of Operations

Dajin Resources Corp. (the "Company") is an exploration stage company incorporated under the British Columbia Company Act on August 5, 1987 and is publically traded on the TSX Venture Exchange. On January 9, 2015, the Company's common stock was approved for trading on the OTC Pink Sheets in the United States.

The Company's principal business activities include acquiring and developing mineral properties. At February 28, 2015, the Company's principal mineral interests are located in Canada, United States and Argentina and it has not yet been determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.

The address of the Company's corporate office and principal place of business is Suite 450 - 789 West Pender Street, Vancouver, BC, V6C 1H2.

Note 2 Basis of Preparation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") IAS 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements do not include all of the information and disclosures required to be included in annual consolidated financial statements prepared in accordance with IFRS. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended November 30, 2014.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 29, 2015.

Note 2 Basis of Preparation – (cont'd)

Going Concern

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at February 28, 2015, the Company had not advanced its exploration and evaluation assets to commercial production. At February 28, 2015, the Company has not achieved profitable operations, has accumulated losses of $22,412,851 since inception and expects to incur further losses in the development of its business, and has a working capital deficiency of $202,471, all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. See Note 4 for use of estimates and judgements made by management in the application of IFRS.

Note 3 Significant Accounting Policies

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the preparation of the Company's annual audited consolidated financial statements for the year ended November 30, 2014.

The Company's significant accounting policies are disclosed in Note 3 to the annual financial statements and these condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended November 30, 2014.

Accounting standard issued but not yet applied

The following new standard and interpretation is not yet effective and has not been applied in preparing the condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of this new standard; however, the Company does not expect it to have a significant effect on the financial statements.

• IFRS 9, *Financial Instruments* (effective for annual year ends commencing on or after January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

Note 4 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements is as follows:

i) Resource property expenditures

The application of the Company's accounting policy for resource property expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically resource property costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

Note 4 Use of Estimates and Judgments – (cont'd)

iii) Going concern

The Company uses judgment in determining its ability to continue as a going concern in order to discharge its current liabilities via raising additional financing.

iv) Share-based compensation transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

Note 5 Resource Property Costs

(a) Addie 1 Property

The Company owns a 100% interest in 29 mineral claims located in the Spanish Mountain region in the Cariboo Mining District of south central British Columbia.

Thirteen of these claims are subject to a 2% net smelter returns ("NSR") royalty, of which 1% can be purchased by the Company for $500,000.

During the year ended November 30, 2014, the Company wrote-down the resource property costs to its net realizable value of $1. Any cost incurred relating to the exploration and evaluation assets fully impaired in 2014, have been expensed during the period ended February 28, 2015.

(b) Addie 2 Property

The Company owns a 100% interest in 35 mineral claims located in the Cariboo Mining District in south central British Columbia.

Twenty-two of these claims are subject to a 2% NSR, of which 1% can be purchased by the Company for $1,000,000.

During the year ended November 30, 2014, the Company decided not to continue with this property and allowed the claims to lapse when they became due. Prior resource property costs of $1,196,738 were written-off.

Note 5 Resource Property Costs – (cont'd)

(c) Cowtrail Property

The Company owns a 65% joint venture interest in the Cowtrail Mineral Property, consisting of 32 mineral claims located in the Cariboo Mining District of south central British Columbia.

The Company has also staked an additional 6 contiguous claims to own a total of 38 mineral claims applicable to this property.

During the year ended November 30, 2014, the Company wrote-down the resource property costs to its net realizable value of $1. Any cost incurred relating to the exploration and evaluation assets fully impaired in 2014, have been expensed during the period ended February 28, 2015.

(d) Argentina Concessions

The Company has title and control over 103,248 hectares of exploration or exploitation rights covering the Company's Salinas Grandes/Guayatayoc Basin boron, lithium and potash project. The Company's interest in these concessions is held in an incorporated Argentina company, Dajin Resources S.A.

(e) Teels Marsh Property

During the year ended November 30, 2014, the Company acquired by staking a 100% interest in 264 mineral claims covering 2,187 hectares (5,405 acres) in Mineral County, Nevada. The Company's interest in these mineral claims is held in an incorporated US company, Dajin Resources (US) Corp.

Note 6 Share Capital

Authorized:

200,000,000 common shares without par value
100,000,000 preferred shares without par value

On March 19, 2014, the Company completed a share consolidation on the basis of two old shares for one new post consolidation share. All references to the number of shares and per share amounts have been retroactively restated.

Nature and Purpose of Equity and Reserves:

The reserves recorded in equity on the Company's Statement of Financial Position include 'Contributed Surplus', and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants prior to exercise.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from year to year.

(Stated in Canadian Dollars)

Note 6 Share Capital – (cont'd)

Commitments:

Share-Based Compensation Plan

The Company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the Company's stock on the date of the grant.

A summary of the status of the stock option plan as of February 28, 2015 and November 30, 2014 and changes during the periods then ended on those dates is presented below:

	February 28, 2015		November 30, 2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period	6,070,000	$0.05	3,880,000	$0.26
Forfeited	-	-	(3,880,000)	$0.26
Repriced	-	-	2,480,000	$0.05
Granted	8,500,000	$0.05	4,070,000	$0.05
Exercised	(1,800,000)	$0.05	(480,000)	$0.05
Options outstanding at end of the period	12,770,000	$0.05	6,070,000	$0.05
Options exercisable at end of the period	4,360,000	$0.05	3,017,500	$0.05
Weighted remaining life in years		4.60		3.31

At February 28, 2015, the Company has 12,770,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number	Exercise Price	Expiry Date
200,000	$0.05 *	December 20, 2015
4,070,000	$0.05	June 20, 2019
4,500,000	$0.05	December 23, 2019
4,000,000	$0.05	January 2, 2020
12,770,000		

* On July 15, 2014 the Company re-priced all of the Company's outstanding stock options to an exercise price of $0.05 per common share.

(Stated in Canadian Dollars)

Note 7 Share Capital – (cont'd)

Commitments - (cont'd)

Share-Based Compensation Plan - (cont'd)

On December 23, 2014, the Company granted 4,500,000 share purchase options exercisable at $0.05 per share expiring on December 23, 2019. These share purchase options vest at 25% on the date of grant and 25% every six months thereafter.

On January 2, 2015, the Company granted 4,000,000 share purchase options exercisable at $0.05 per share expiring on January 2, 2020. These share purchase options vest at 25% on the date of grant and 25% every six months thereafter.

During the three month period ended February 28, 2015 compensation (recovery) expense of $116,123 (February 28, 2014: ($7,884)), using graded method, were recognized for options granted and vested during the period.

The Company employed the Black-Scholes option-pricing model using the following assumptions.

	February 28, 2015	February 28, 2014
Risk free interest rate	1.00%	1.00%
Expected life of options in years	5 years	1.5 years
Expected volatility	123%	152.14% - 154.91%
Dividend per share	$0.00	$0.00
Forfeiture rate	30%	30%

On January 12, 2015, the Company issued 1,800,000 common shares pursuant to the exercise of share purchase options at $0.05 per share for proceeds of $90,000. The Company reallocated the fair value of these options previously recorded in the amount of $107,924 from contributed surplus to share capital.

Debt Settlement

On July 15, 2014, the Company issued 17,994,000 common shares to settle debt totaling $899,700.

(Stated in Canadian Dollars)

Note 7 Share Capital – (cont'd)

Commitments - (cont'd)

Share Purchase Warrants

On October 9, 2014, the Company completed a non-brokered private placement for a total of 24,430,000 units at a price of $0.05 per unit for gross proceeds of $1,221,500. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of $0.05 per share on or before October 9, 2016. Finders' fees of cash $27,500 and 800,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

The Company fair valued the finders' units at $40,000 consisting of $40,000 for the 800,000 shares which are valued at $0.05 per share and $nil for the 800,000 share purchase warrants, also using the residual value method.

A summary of the status of share purchase warrants as of February 28, 2015 and November 30, 2014 and changes during the periods then ended on those dates is presented below:

	February 28, 2015		November 30, 2014	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance, beginning of the period	25,230,000	$0.05	-	-
Issued	-	-	25,230,000	$0.05
Balance, end of the period	25,230,000	$0.05	25,230,000	$0.05

At February 28, 2015, the Company has 25,230,000 share purchase warrants outstanding as follows:

Number	Exercise Price	Expiry Date
25,230,000	$0.05	October 9, 2016

(Stated in Canadian Dollars)

Note 8 Related Party Transactions

The Company incurred the following charges with directors and officers of the Company and companies controlled by the directors:

	Three months ended February 28, 2015	Three months ended February 28, 2014
Consulting fees	$ -	$ 15,000
Wages and benefits	14,047	-
Stock-based compensation	184	-
Key management compensation		
Administration fees	21,000	21,000
Rent	6,680	6,505
Stock-based compensation	68,380	-
	$ 110,291	$ 42,505

These charges were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Included in February 28, 2015 prepaid expenses is an advance rent payment of $2,250 (November 30, 2014: $2,180) to a company with a common director.

Due to related parties, representing amounts due to companies controlled by the directors and officers of the Company for unpaid fees and reimbursement of expenses are non-interest bearing, unsecured and are due on demand.

Note 9 Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Note 9 Capital Management – (cont'd)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended February 28, 2015. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

Note 10 Financial Instruments

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments.

Subsequent measurement and changes in fair value will depend on their initial classification, as follows: FVTPL financial assets are measured at fair value and changes in fair value are recognized in income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in income.

The Company classifies and measures its financial instruments as follows:

- Cash and reclamation bonds are classified as loans and receivables. The fair value of cash approximates its carrying value due to its short term nature.
- Accounts payable and accrued liabilities, due to related parties, loans payable and advances on private placement are classified as other financial liabilities and are measured at fair value at inception. Their fair values approximate their carrying values due to their short term nature.

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

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. The Company reduces its credit risk on cash by placing it with institutions of high credit worthiness. As at February 28, 2015 the Company is not exposed to any significant credit risk.

(b) 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 has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. At February 28, 2015, the Company had cash of $46,230 (November 30, 2014 - $198,362) and current liabilities of $308,433 (November 30, 2014 - $308,813). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Note 10 Financial Instruments – (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions. The Company monitors the investments it makes and is satisfied with the credit ratings of the banks with which they are held.

(d) Price risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the commodity prices of precious and base metals. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Sensitivity to price risk relative to earnings is remote since the Company has not established any reserves or production. The Company is also exposed to the risk of 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. The Company monitors commodity prices of precious and base metals, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken.

(e) Sensitivity Analysis

The Company has designated its cash and reclamation bonds as loans and receivables, and measures them at their amortized costs. Accounts payable and accrued liabilities, due to related parties, loans payable and advances on private placement are classified as other financial liabilities, which are measured at their amortized costs.

Based on management's knowledge and experience of the financial markets, the Company believes the following is "reasonably possible" during the upcoming financial year:

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of precious metals. Precious metal prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious metals may be produced in the future, a profitable market will exist for them. As of February 28, 2015, the Company was not a precious metal producer. As a result, commodity price risk largely affects the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Note 10 Financial Instruments – (cont'd)

(f) Foreign Currency Risk

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company's operations are carried out in the Canada, United States and Argentina. As at February 28, 2015, the Company had accounts payable of $5,568 (November 30, 2014: $19,130) denominated in US dollars and had cash of $2,353 (November 30, 2014: $2,353) and accounts payable of $5,742 (November 30, 2014: $5,742) denominated in Argentina pesos. These factors expose the Company to foreign currency exchange rate risk, which could have an adverse effect on the profitability of the Company. The Company currently does not plan to enter into foreign currency future contracts to mitigate this risk.

Note 11 Non-Cash Transactions

Investing and financing activities that do not have a direct impact on current and future cash flows are excluded from the statements of cash flows. At February 28, 2015, the Company had $Nil (February 28, 2014: $53,117) in accounts payable and accrued liabilities related to mineral property costs. These transactions were excluded from the statements of cash flows.

Note 12 Segmented Information

The Company operates in one business segment, mineral exploration. Its mineral properties and head office are located in three geographic locations, Canada, Argentina and the United States.
Issued

The Company's net loss and total assets are allocated to the geographic segments as follows:

	Three months ended February 28, 2015	Three months ended February 28, 2014
Net losses (income)		
Canada	$ 296,921	$ 123,638
Argentina	-	(4,208)
United States	(249)	-
	$ 296,672	$ 119,430

	February 28, 2015	November 30, 2014
Total Assets		
Canada	$ 899,763	$ 1,074,468
Argentina	1,030,278	1,029,278
United States	200,433	117,657
	$ 2,130,474	$ 2,221,403

Note 13 Subsequent Events

On April 2, 2015, the Company completed a non-brokered private placement for a total of 4,000,000 units at a price of $0.05 per unit for gross proceeds of $200,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one common share of the Company at a price of $0.05 per share on or before April 2, 2017. Finders' fees of 400,000 units were paid in respect to this financing and have similar terms as the non-brokered private placement.

On April 16, 2015, the Company issued 1,080,000 common shares pursuant to the exercise of share purchase warrants at a price of $0.05 per share for total proceeds of $54,000.

The Company completed the staking of the Alkali Lake claims, in Esmeralda County, Nevada. The property consists of 138 placer claims covering an area of 1,138 hectares (2,811 acres) of the enclosed basin. The Alkali Lake property is located approximately 12 km northeast of Rockwood Lithium's Clayton Valley/Silver Peak lithium operation, the only producing brine based lithium mine in operation in North America. Like Clayton Valley, Alkali Lake is a classic, fault bounded closed basin.