

DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the nine months ended June 30, 2016 have not been reviewed by the Company's auditors.

DUNNEDIN VENTURES INC.Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	June 30, 2016	September 30, 2015
Assets		
Current assets:		
Cash	\$ 47,402	\$ 96,907
Amounts receivable	17,018	18,772
Advances and deposits (note 7)	77,229	50,014
	141,649	165,693
Non-current assets:		
Equipment	568	670
Reclamation bonds (note 4)	30,284	30,284
Exploration and evaluation assets (note 5)	1,523,014	858,598
Total Assets	\$ 1,695,515	\$ 1,055,245
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 337,979	\$ 416,589
Flow through share premium liability (note 6)	-	-
Total current liabilities	337,979	416,589
Other long-term liability (note 9)	75,306	-
Shareholders' equity:		
Share capital (note 8(b))	35,500,141	34,526,334
Reserves (note 8(e))	4,097,112	4,082,791
Accumulated other comprehensive loss	(68,301)	(88,210)
Deficit	(38,246,722)	(37,882,259)
	1,282,230	638,656
Total Liabilities and Shareholders' Equity	\$ 1,695,515	\$ 1,055,245

Nature and continuance of operations (note 1)

Subsequent events (note 12)

Approved on behalf of the Board on August 29, 2016:

"Chris Taylor" Director
Chris Taylor

"Tony Ricci" Director
Tony Ricci

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

DUNNEDIN VENTURES INC.Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2016	2015	2016	2015
Expenses				
Amortization	\$ 34	\$ 41	\$ 102	\$ 123
Consulting fees	37,198	24,374	101,386	76,188
Insurance	2,863	3,295	7,687	9,885
Management and directors' fees (note 7)	24,081	24,465	71,974	85,302
Office and administration	6,951	10,327	29,630	45,670
Professional fees (note 7)	-	8,850	20,215	27,944
Rent and asset usage (note 7)	8,857	8,946	27,860	30,320
Stock based compensation (notes 7 and 8)	-	-	-	218,295
Transfer agent and filing	3,109	4,232	13,223	18,451
Travel, promotion and shareholder information	13,838	1,097	19,031	11,377
	96,931	85,627	291,108	523,555
Loss before other expenses	(96,931)	(85,627)	(291,108)	(523,555)
Other income (expenses)				
Gain on debt settlement (note 8(b))	-	-	-	4,765
Foreign currency loss	(12,275)	(3,663)	(15,474)	(1,867)
Future income tax expense (note 9)	(32,966)	-	(53,026)	-
Impairment of exploration and evaluation assets	(5,000)	-	(5,000)	-
Interest	16	226	145	761
	(50,225)	(3,437)	(73,355)	3,659
Net loss for the period	(147,156)	(89,064)	(364,463)	(519,896)
Other comprehensive loss				
Foreign currency translation adjustment	11,530	7,164	19,909	(11,603)
Comprehensive loss for the period	\$ (135,626)	\$ (81,900)	\$ (344,554)	\$ (531,499)
Basic and diluted loss per share	\$ (0.003)	\$ (0.002)	\$ (0.008)	\$ (0.016)
Weighted average number of shares outstanding	52,372,460	33,583,131	46,044,453	32,511,507

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

DUNNEDIN VENTURES INC.Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	<i>Share Capital</i>		<i>Reserves</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>				
Balance at October 1, 2014	9,839,798	\$ 33,538,157	\$ 3,773,608	\$ (70,398)	\$ (35,860,592)	\$ 1,380,775
Net loss for the period	-	-	-	-	(519,896)	(519,896)
Shares for resource properties	2,200,000	242,000	-	-	-	242,000
Advance for shares to be issued, net of share issue cost	-	(285,000)	-	-	-	(285,000)
Shares issued in private placement	21,000,000	1,050,000	-	-	-	1,050,000
Shares issued to finders	210,000	-	-	-	-	-
Shares issued for debt	333,333	63,333	-	-	-	63,333
Share issue costs	-	(32,368)	-	-	-	(32,368)
Warrants issued to finders	-	(49,788)	49,788	-	-	-
Stock based compensation	-	-	218,295	-	-	218,295
Foreign currency translation adjustment	-	-	-	(11,603)	-	(11,603)
Change during the period	23,743,333	988,177	268,083	(11,603)	(519,896)	724,761
Balance at June 30, 2015	33,583,131	\$ 34,526,334	\$ 4,041,691	\$ (82,001)	\$ (36,380,488)	\$ 2,105,536

	<i>Share Capital</i>		<i>Reserves</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>				
Balance at October 1, 2015	33,583,131	\$ 34,526,334	\$ 4,082,791	\$ (88,210)	\$ (37,882,259)	\$ 638,656
Net loss for the period	-	-	-	-	(364,463)	(364,463)
Shares for resource properties	2,200,000	132,000	-	-	-	132,000
Shares issued in private placement, net of issue costs	16,589,329	900,360	-	-	-	900,360
Share issue costs	-	(58,553)	14,321	-	-	(44,232)
Foreign currency translation adjustment	-	-	-	19,909	-	19,909
Change during the period	18,789,329	973,807	14,321	19,909	(364,463)	643,574
Balance at June 30, 2016	52,372,460	\$ 35,500,141	\$ 4,097,112	\$ (68,301)	\$ (38,246,722)	\$ 1,282,230

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

DUNNEDIN VENTURES INC.Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended June 30,	
	2016	2015
Cash provided by / (used in):		
Operating Activities:		
Net loss for the period	\$ (364,463)	\$ (519,896)
Items not affecting cash:		
Amortization	102	123
Stock based compensation	-	218,295
Gain on debt settlement	-	(4,765)
Future income tax	53,026	-
Impairment of exploration and evaluation assets	5,000	-
Net changes in non-cash working capital items:		
Amounts receivable	1,754	(10)
Advances and deposits	(27,215)	(5,634)
Accounts payable and accrued liabilities	(204,103)	(79,124)
	(535,899)	(391,011)
Investing Activities:		
Exploration and evaluation assets	(421,605)	(290,041)
	(421,605)	(290,041)
Financing Activities:		
Shares issued for cash	888,090	1,003,422
Advance for shares to be issued	-	(270,790)
	888,090	732,632
Effect of exchange rate changes on cash	19,909	(11,603)
Changes in cash during the period	(49,505)	39,977
Cash, beginning of period	96,907	408,832
Cash, end of period	\$ 47,402	\$ 448,809
Supplemental Information:		
Non-cash investing and financing activities:		
Common shares issued for interest in resource properties valued at quoted market prices on the dates issued	\$ 132,000	\$ 242,000
Shares issued for debt	\$ -	\$ 63,333
Change in mineral property costs included in accounts payable	\$ 115,811	\$ 111,599

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

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange under the trading symbol DVI.

The Company's activities consist of the exploration and development of base, precious metals and diamonds throughout the Americas. The head office and principal address of the Company are located at 1110-1111 West Georgia Street, Vancouver, BC V6E 4M3.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company incurred a net loss of \$364,463 during the nine months ended June 30, 2016 and, as of that date the accumulated deficit was \$38,246,722 and expects to incur further losses in the development of its business. While these financial statements have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

Statement of Compliance

These condensed interim consolidated financial statements for the nine months ended June 30, 2016 were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC") in effect at June 30, 2016. The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Company has elected to present the statements of operations and comprehensive loss in a single statement.

The condensed interim consolidated financial statements of the Company for the nine months ended June 30, 2016 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 29, 2016.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

Critical judgments in applying accounting policies

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

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Additional disclosure of these items is contained in the Note 3(p) of the Consolidated Financial Statements for the year ended September 30, 2015.

3. ADOPTED ACCOUNTING POLICIES

Share Capital

Flow through Shares

The Company will from time to time, issue flow through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow through share into i) a flow through share premium, equal to the estimated premium, if any, investors pay for the flow through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately in Note 6.

The Company may also be subject to a Part XII.6 tax on flow through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow through regulations. When applicable, this tax is accrued as a financial expense until paid.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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4. RECLAMATION BONDS

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the Mines Act of the Province of British Columbia and Health, Safety and Reclamation Code for Mines in British Columbia. The investment bears the variable interest rate of prime less 2.00% per annum and matures on April 27, 2017. The reclamation bonds relate to the Trapper resource property.

5. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the nine months ended June 30, 2016:

	Kahuna (NU, Canada)
Acquisition costs:	
Balance, September 30, 2015	\$ 360,260
Additions during the period:	
Cash payments	100,000
Common shares issued	132,000
Total acquisition costs	592,260
Exploration costs:	
Balance, September 30, 2015	498,338
Additions during the period:	
Geological consulting	71,707
Assays	283,438
Personnel and exploration support	77,271
Total exploration costs	930,754
Balance, June 30, 2016	\$ 1,523,014

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Summary of the mineral projects' costs by project for the year ended September 30, 2015:

	Trapper (BC, Canada)	Kahuna (NU, Canada)	Total
Acquisition costs:			
Balance, September 30, 2014	\$ 488,626	\$ -	\$ 488,626
Additions during the year:			
Cash payments	10,000	118,260	128,260
Common shares issued	-	242,000	242,000
Total acquisition costs	498,626	360,260	858,886
Exploration costs:			
Balance, September 30, 2014	818,193	-	818,193
Additions during the year:			
Geological consulting	-	164,058	164,058
Aircraft charter	-	94,876	94,876
Personnel	-	105,283	105,283
Exploration support	-	134,121	134,121
Total exploration costs	818,193	498,338	1,316,531
Impairment of exploration and evaluation assets	(1,316,819)	-	(1,316,819)
Balance, September 30, 2015	\$ -	\$ 858,598	\$ 858,598

a. Kahuna Property

On November 4, 2014, the Company signed an option agreement to acquire a 100% interest in the Kahuna Diamond project located in Nunavut, Canada. Under the terms of the agreement, the Company must make cumulative exploration expenditures on the project totalling \$5,000,000, with a minimum of \$400,000 (incurred) in the first year of the option, and no less than \$1,000,000 to be spent in each year over the three years of the option. In addition, the Company must issue 11,000,000 common shares, and pay \$700,000 as follows: US\$50,000 (CDN\$52,733) upon execution of the Letter of Intent (paid), 2,200,000 shares (issued) and US\$50,000 on receipt of Exchange approval (paid), 2,200,000 shares (issued) and \$100,000 by the first anniversary (paid), 2,200,000 shares and \$150,000 by the second anniversary, 2,200,000 shares and \$150,000 by the third anniversary, and 2,200,000 shares and \$200,000 by the fourth anniversary. The project is subject to a 4 percent gross overriding royalty on diamond production. The payments and royalties are to the benefit of the property vendors which are split fifty percent each. The Company has the option to purchase half of the royalty for \$2 million per one percent.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

b. Trapper Property

By agreement dated November 29, 2010 the Company entered into an option agreement (the "Option"), with Constantine Metal Resources Ltd. ("CMR") to acquire a 70% interest in CMR's Trapper Gold Project. Pursuant to the terms of the Option Agreement, the Company paid \$123,800 and issued 10,000 common shares, valued at \$59,000, to CMR. During the year ended September 30, 2012, the Company paid \$21,500 to CMR. During the year ended September 30, 2013 the Company paid \$32,000 and issued 20,000 common shares valued at \$8,000 to CMR which have been capitalized to the resource property and deferred exploration costs as acquisition costs.

On June 28, 2013, the Company's option with CMR to earn a 70% interest in Trapper was terminated and, upon termination, CMR assigned its underlying agreement with the property owner to acquire 100% of the Trapper property to the Company for assignment consideration consisting of:

- (i) Upon completion of the consolidation of the Company's shares, such number of shares as is equivalent to fifteen percent (15%) of the issued and outstanding common shares of the Company (issued 1,250,844 common shares valued at \$125,084)
- (ii) 250,000 shares upon the Company entering into a joint venture in respect of exploration of the property;
- (iii) 250,000 shares on or before August 2, 2014 (issued);
- (iv) 1,000,000 shares upon completion of a National Instrument 43-101 compliant resource estimate on the property, indicating not less than 1,000,000 ounces of gold equivalent; and
- (v) 2,000,000 shares upon completion of a positive feasibility study on the property.

In addition to the consideration above payable to CMR, the Company paid \$50,000 which was the remaining CMR obligations to the property owner and paid CMR the value of 75,000 CMR common shares it owed to the property owner.

The Company issued 10,444 in common shares to finders of this project based on specific performance conditions having been met. During the year ended September 30, 2011, the Company issued 1,533 common shares valued at \$11,653 to these finders. During the year ended September 30, 2012, the Company issued 6,700 common shares valued at \$19,430 to these finders. During the year ended September 30, 2013, the Company issued 630 common shares valued at \$253 to these finders. CMR has the right to participate in any future financing of the Company of up to 5% of the proposed issuance of shares, provided CMR has ownership of at least 5% of the outstanding issued shares of Dunnedin at the time of financing.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

b. Trapper Property *(continued)*

The Company granted CMR a 0.5% of the NSR and a right of to acquire an additional 0.5% NSR on commercial production from the property in payment of \$250,000 to the Company. The parties may also jointly purchase 1.5% of the 2.5% NSR that currently exists on the Property in favour of its previous owner, by contributing that portion of \$500,000 that equals each party's relative interest in the Property at the time of the NSR purchase, with a first right of refusal on the remaining 1.5% NSR.

During the year ended September 30, 2015, the Company conducted an impairment assessment of the carrying value of the Trapper Property. Management determined that there is significant uncertainty as to the recoverable amount of the Trapper Property given management's current view of long term gold prices, the lack of success to date in finding economic reserves and the Company's current focus on the exploration and development of its Kahuna diamond project. As a result, the Company recorded an impairment charge of \$1,316,819 in its Statement of Operations and Comprehensive Loss for the year ended September 30, 2015.

6. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

	Issued on December 30, 2015
Balance at October 1, 2015	\$ -
Liability incurred on flow through shares issued	22,280
Settlement of flow through share liability on incurring expenditures	(22,280)
Balance at June 30, 2016	\$ -

On December 30, 2015, the Company completed a non-brokered private placement of 4,455,997 flow-through common shares at a price of \$0.065 per share, for gross proceeds of \$289,640. A premium of \$0.005 per share was received for the flow through shares.

As at June 30, 2016, the Company has fulfilled 100% of its commitment to incur expenditures in relation to flow through share financing in 2015.

The Company has provided an indemnification to subscribers of flow through shares in an amount equal to the income tax that would be payable by subscribers in the event, and as a consequence, of the Company not incurring and renouncing qualifying Canadian Exploration Expenditures ("CEE") as required under the subscription agreement. Companies must pay Part XII.6 tax, when it utilizes the "look-back" rule, in respect of each month in the year of renunciation equal to the balance of funds that have not been spent on qualifying CEE times the current prescribed interest rate. If funds remain unspent at the end of the year, there is an extra tax levy of 1/10 of the unspent balance.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

- a) Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers, a company having a director and an officer in common, a company in which a director and officer of the Company is an employee and a law firm in which an officer is a partner:

	Nine months ended June 30,	
	2016	2015
Management and directors' fees	\$ 71,974	\$ 85,302
Share-based compensation	\$ -	\$ 118,580
Professional fee	\$ 5,617	\$ 1,604
Share issue cost	\$ 16,501	\$ 1,103
Capitalized to exploration and evaluation assets	\$ 98,919	\$ 52,707
Marketing and shareholder information	\$ 7,500	\$ -

As at June 30, 2016 \$33,320 (September 30, 2015 – \$51,061) was payable to these companies without terms of interest or repayment.

- b) During the nine months ended June 30, 2016, the Company incurred \$26,214 (2015 - \$11,544) in rent from a company with common directors. As at June 30, 2016 \$18,879 (September 30, 2015 - \$18,879) had been advanced to this company as a security deposit.

8. SHARE CAPITAL

a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

b. Share Issuances

Issued during the nine months ended June 30, 2016

On November 12, 2015, the Company closed a non-brokered private placement and issued 2,633,332 shares at \$0.06 per share for gross proceeds of \$158,000.

On December 21, 2015, the Company issued 2,200,000 common shares to the vendors of the Kahuna property pursuant to the option agreement at a fair value of \$132,000 based on the common share quoted market price. This amount was capitalized to mineral property acquisition costs.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

b. Share Issuances – *(continued)*

On December 31, 2015, the Company closed the first tranche of its non-brokered private placement for gross proceeds of \$429,640. On closing, the Company issued 2,800,000 non-flow-through units at a price of \$0.05 per unit, and 4,455,997 flow-through units at a price of \$0.065 per unit. Each non-flow through unit and flow-through unit consists of one common share of the company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.10 per share for a period of 24 months, subject to acceleration in the event the Company's common shares trade at a price of \$0.15 or higher. The fair value of warrants is \$nil based on the residual method where proceeds are first allocated to common shares according to the quoted price of common shares at the time of issuance and any residual is allocated to warrants.

On February 9, 2016, the Company closed the second tranche of its non-brokered private placement and issued 6,700,000 shares at \$0.05 per share for gross proceeds of \$335,000.

In connection with closing of the first and second tranches of the private placement, the Company paid fees of \$44,232, and issued 365,307 warrants with a fair value of \$14,321, to finders who introduced subscribers to the Company. The finders' warrants are exercisable at \$0.10 per share for a period of 24 months.

Issued during the year ended September 30, 2015

On October 3, 2014, the Company completed a private placement of 21,000,000 common shares at a price of \$0.05 per common share for total gross proceed of \$1,050,000. In connection with the private placement, the Company paid finder's fees of \$46,578 and issued 734,250 finder's warrants with a fair value of \$49,788 and 210,000 common shares having a fair value of \$25,200 based on quoted market price, to finders who introduced subscribers for this offering to the Company. Each finder's warrant is exercisable into one common share of the Company, at a price of \$0.10 per share for a period of 12 months.

On January 2, 2015, the Company issued 2,200,000 common shares for the Kahuna property at a fair value of \$242,000 based on the common share quoted market price. This amount was capitalized to mineral property acquisition costs (Note 5(a)).

On March 13, 2015, the Company issued 333,333 common shares having a fair value of \$63,333 based on quoted market price in connection with an agreement to settle outstanding indebtedness.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

June 30, 2016

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)**c. Outstanding Warrants**

The following is a summary of the Company's warrants:

	Number of Shares	Weighted Average Exercise Price	Expiry Date
Balance as at September 30, 2014	-	\$ -	
Issued	734,250	\$ 0.10	October 3, 2015
Balance as at September 30, 2015	734,250	\$ 0.10	October 3, 2015
Expired	(734,250)	\$ 0.10	October 3, 2015
Issued to finders	365,307	\$ 0.10	December 30, 2017
Issued with units in private placement	3,628,000	\$ 0.10	December 30, 2017
Balance as at June 30, 2016	3,993,307	\$ 0.10	December 30, 2017

During the nine months ended June 30, 2016 the Company recorded \$14,321 as share issue costs in connection with the fair value of the warrants granted to finders and the offsetting amount was recognized in reserves.

The fair value of the finders' warrants was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

Expected dividend yield	0%
Weighted average risk-free interest rate	0.48%
Weighted average expected life	2 year
Weighted average expected volatility	155%
Weighted average fair value of warrants granted	\$ 0.0783

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)**d. Stock Options (continued)**

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at September 30, 2014	-	
Granted	2,675,000	\$ 0.11
Balance as at September 30, 2015	2,675,000	\$ 0.11
Cancelled	(500,000)	\$ 0.11
Balance as at June 30, 2016	2,175,000	\$ 0.11

During the year ended September 30, 2015 the Company granted 2,075,000 stock options exercisable at \$0.11 per stock option expiring on November 12, 2019 and 600,000 stock options exercisable at \$0.11 per stock option expiring on May 7, 2020. No options were exercised during the year ended September 30, 2015 and nine months ended June 30, 2016.

Total expense arising from share-based payment transaction recognized during the nine months ended June 30, 2016 was \$nil (2015 - \$218,295).

e. Reserves

The fair value of the stock options was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	June 30, 2016	June 30, 2015
Expected dividend yield	-	0%
Weighted average risk-free interest rate	-	1.54%
Weighted average expected life	-	5 year
Weighted average expected volatility	-	464%
Weighted average fair value of warrants granted	-	\$ 0.1078

The following is a summary of amounts in reserves at June 30, 2016 and September 30, 2015:

	June 30, 2016	September 30, 2015
Warrants	\$ 875,814	\$ 861,493
Stock options	3,221,298	3,221,298
Reserves	\$ 4,097,112	\$ 4,082,791

DUNNEDIN VENTURES INC.

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9. INCOME TAXES

During the nine months ended June 30, 2016, the Company issued a total of 4,455,997 flow-through common shares for gross proceeds of \$289,640 and renounced the tax benefits on \$289,640 of Canadian exploration expenditures. As at June 30, 2016 the Company recognized \$75,306 in future income tax liability arising from the renunciations related to exploration expenditures incurred as at June 30, 2016.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, reclamation bonds and accounts payable and accrued liabilities. Cash, amounts receivable and reclamation bonds are designated as "loans and receivables". Accounts payable and accrued liabilities are designated as "other financial liabilities".

The carrying value of the Company's amounts receivable, reclamation bonds, accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity.

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's financial instruments are summarized below.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2016, the Company had a cash balance of \$47,402 to settle current liabilities of \$337,979.

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. Amounts receivable relates to tax refunds from the Federal Government of Canada; as such the Company believes that its current risk of default of receiving the payment is minimal.

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2016, the Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances as at June 30, 2016 are current and as such, are not subject to interest.

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. The Company is exposed to foreign currency risk on fluctuations related to cash, amounts receivable, and accounts payable and accrued liabilities that are denominated in US dollars and Mexican pesos.

DUNNEDIN VENTURES INC.

Notes to the Condensed Interim Consolidated Financial Statements

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10. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has no debt and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash.

11. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector.

12. SUBSEQUENT EVENTS

On July 12, 2016, Ms. Claudia Tornquist and Mr. Chad Ulansky were appointed to the Company's Board of Directors as Mr. Patrick McAndless and Dr. Gilles Arseneau resigned as Directors of the Company.

On August 4, 2016, the Company granted 200,000 stock options to the two new directors. The options are exercisable at \$0.15 per shares for a period of five years from the date of grant.

On August 4, 2016, the Company proposed to undertake a non-brokered private placement to issue a total of 13,000,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at \$0.15 for a two-year period. The share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade on a volume-weighted average price basis of \$0.25 per share for a period of 10 consecutive trading days.