

TROYMET EXPLORATION CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**THREE MONTHS ENDED JANUARY 31, 2016
(UNAUDITED)**

EXPRESSED IN CANADIAN DOLLARS

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of Troymet Exploration Corp. for the quarter ended January 31, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Dated March 30, 2016

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Joseph Meagher”

Joseph Meagher
Chief Financial Officer

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	January 31 2016	October 31 2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 147,181	\$ 9,530
Accounts receivable	13,821	12,138
Short term investments (Note 5)	918,056	1,166,743
Prepaid expenses	10,057	4,384
	1,089,115	1,192,795
RECLAMATION ADVANCE (Note 6)	5,000	5,000
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 7)	1,491,056	1,414,413
INVESTMENT IN MCCLARTY LAKE (Note 8)	1,565,118	1,565,118
	\$ 4,150,289	\$ 4,177,326
LIABILITIES		
CURRENT LIABILITY		
Accounts payable and accrued liabilities	\$ 48,352	\$ 27,616
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 9)	9,159,714	9,159,714
RESERVE (Note 10)	1,010,411	1,004,482
DEFICIT	(6,068,188)	(6,014,486)
	4,101,937	4,149,710
	\$ 4,150,289	\$ 4,177,326

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Net and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	3 Months January 31 2016	3 Months January 31 2015
EXPENSES		
Management fees (note 11)	\$ 6,000	\$ 30,400
General and administration	7,273	4,192
General exploration	-	22,107
Professional fees	2,868	10,713
Public company costs	26,314	7,788
Share based compensation (notes 9 and 11)	5,929	13,301
Travel and related costs	6,631	5,407
	55,015	93,908
LOSS BEFORE FINANCE INCOME	(55,015)	(93,908)
FINANCE INCOME	1,313	2,461
NET AND COMPREHENSIVE LOSS	\$ (53,702)	\$ (91,447)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	121,856,225	121,856,225
BASIC AND DILUTED LOSS PER SHARE	\$ (0.00)	\$ (0.00)

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital		Reserve		Deficit		Total Equity
Balance, October 31, 2014	121,856,225	\$	9,159,714	\$	991,181	\$	(3,998,997)	\$	6,151,898
Stock options granted	-		-		13,301		-		13,301
Loss for the period	-		-		-		(91,447)		(91,447)
Balance, January 31, 2015	121,856,225		9,159,714		1,004,482		(4,090,444)		6,073,752
Loss for the period	-		-		-		(1,924,042)		(1,924,042)
Balance, October 31, 2015	121,856,225		9,159,714		1,004,482		(6,014,486)		4,149,710
Stock options granted	-		-		5,929		-		5,929
Loss for the period	-		-		-		(53,702)		(53,702)
Balance, January 31, 2016	121,856,225	\$	9,159,714	\$	1,010,411	\$	(6,068,188)	\$	4,101,937

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Cash Flow
(Unaudited – Expressed in Canadian Dollars)

	January 31 2016	January 31 2015
OPERATING ACTIVITIES		
Net loss	\$ (53,702)	\$ (91,447)
Items not involving cash		
Share based compensation	5,929	13,301
Interest accrued on short term investments	(1,313)	-
	(49,086)	(78,146)
Changes in non-cash working capital		
Accounts receivable	(1,683)	983
Prepaid expenses	(5,673)	(5,897)
Accounts payable and accrued liabilities	20,736	24,103
CASH USED IN OPERATING ACTIVITIES	(35,706)	(58,957)
INVESTING ACTIVITIES		
Proceeds from sale of short term investments	250,000	1,018,074
Investment in mineral exploration and evaluation assets	(76,643)	(344)
Investment in McClarty Lake	-	(725)
CASH PROVIDED BY INVESTING ACTIVITIES	173,357	1,017,005
INCREASE IN CASH	137,651	958,048
CASH, BEGINNING OF PERIOD	9,530	91,022
CASH, END OF PERIOD	\$ 147,181	\$ 1,049,070
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received (paid)	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See accompanying notes to financial statements.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Three Months Ended January 31, 2016
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

Troymet Exploration Corp. (the "Company"), of PO Box 37033 Country Club PO, Nanaimo, British Columbia, was incorporated under the Business Corporations Act (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc., and Cash Minerals Ltd. was completed on August 7, 2007. The Company was listed on the TSX Venture Exchange on September 20, 2007 and trades under the symbol "TYE".

2. GOING CONCERN

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company is in the process of exploring and evaluating its mineral exploration and evaluation assets. On the basis of the information to date, it has not yet determined whether these assets contain economically recoverable ore reserves. The underlying value of the mineral exploration and evaluation assets and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral exploration and evaluation assets and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

The Company's ability to continue as a going concern is dependent on accessing capital markets, or entering into collaborative agreements that would provide additional financing. The outcome of these matters is materially uncertain at this time.

Realization values may be substantially different from carrying values as shown and these condensed consolidated interim financial statements do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

3. BASIS OF PRESENTATION

Statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2015 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3. BASIS OF PRESENTATION (continued)

Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the three months ended January 31, 2016, were authorized for issue on March 30, 2016 by the Board of Directors of the Company.

Measurement basis

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency. The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Troymet USA LLC. ("Troymet USA"), which was incorporated in the USA during the year ended October 31, 2015. All intercompany transactions and balances have been eliminated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended October 31, 2015.

Significant accounting judgments, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets (including the Company's investment in McClarty Lake), the recoverability and measurement of deferred income tax assets and liabilities, the recognition and valuation of provisions for restoration and environmental liabilities and assumptions used in valuing options in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year include the Company's going concern assessment, the classification of the Investment in McClarty Lake, and the determination of Troymet USA's functional currency.

5. SHORT-TERM INVESTMENTS

At January 31, 2016, the Company held two Guaranteed Investment Certificates ("GIC's") with a total value of \$918,056 (October 31, 2015 - \$1,166,743).

The two GICs are cashable, have principal amounts of \$714,296 and \$200,000, bear interest at 0.68% and 0.78%, and mature on December 14, 2016 and March 5, 2016.

Included in the balance of short-term investments is \$3,760 of accrued interest (October 31, 2015 - \$9,028).

6. RECLAMATION ADVANCE

During the year ended October 31, 2015, the Company advanced \$5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (note 7). The amount is without interest.

7 MINERAL EXPLORATION AND EVALUATION ASSETS

a) Golden Eagle

Pursuant to an option agreement dated September 24, 2001 the Company acquired a 100% interest in the Golden Eagle property located in British Columbia. The Company has granted the optionor a 1% net smelter royalty ("NSR").

During the year ended October 31, 2015, the Company determined that the Golden Eagle property was impaired. An impairment charge of \$1,782,794 was recognized in net loss for the year ended October 31, 2015, reflecting the exploration expenditures incurred on the property prior to 2009, when the Company moved the exploration target on the property from the Middle Ridge to the Northern Block, where exploration to date has continued.

b) Wildcat

On February 23, 2015, Troymet USA entered into an option agreement with Renaissance Exploration Inc. ("RenEx"). Under the terms of the option, the Company may acquire a 70% interest in the Wildcat gold project located in Utah, by paying RenEx \$50,000 USD in cash (paid), reimbursing claim fees of \$8,219 USD (reimbursed), incurring exploration expenditures of \$3,000,000 USD over seven years and completing a bankable feasibility study. The minimum annual work commitments are as follows:

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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

b) Wildcat (continued)

- \$50,000 USD during the first year of the agreement (spent);
- an additional \$250,000 USD during the second year of the agreement;
- an additional \$350,000 USD during the third year of the agreement; and
- an additional \$500,000 USD during each of the fourth through seventh years of the agreement.

c) Redhill

On July 9, 2015, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on the first and second anniversaries of the agreement;
- \$10,000 on the third anniversary of the agreement;
- \$40,000 on the fourth through ninth anniversaries of the agreement; and
- \$235,000 on the tenth anniversary of the agreement.

In addition to the option payments, the Company must spend \$500,000 on exploration as follows:

- \$20,000 on or before the first anniversary of the agreement (spent);
- \$50,000 on or before the second anniversary of the agreement;
- \$150,000 on or before the third anniversary of the agreement;
- \$30,000 on or before the fourth through ninth anniversaries of the agreement; and
- \$100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% NSR, half (1%) of which can be purchased by the Company for \$1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of \$500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company's election and excess expenditures in any year will be credited towards future years.

d) Key

On December 10, 2013, the Company entered into an asset sale agreement (the "Sale Agreement") with respect to the Company's 100% interest in the Key Property in British Columbia to New Gold Inc. ("New Gold"). Pursuant to the Sale Agreement, the Company sold its 100% interest in the Key Property, along with associated technical information and permits, for a purchase price of \$2,000,000 in cash. The Company was also granted a 2% NSR on the Key Property, of which 1% (reducing the NSR from 2% to 1%) can be purchased by New Gold for \$2,000,000 in cash. As part of the Sale Agreement, New Gold committed to spend \$1,500,000 on the Key Property. The expenditure commitment was completed during the year ended October 31, 2015.

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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

At January 31, 2016, expenditures incurred on mineral exploration and evaluation assets are as follows:

	Golden			
	Eagle	Wildcat	Redhill	Total
Balance, October 31, 2014	\$ 2,787,944	\$ -	\$ -	\$ 2,787,944
Acquisition Costs	-	100,123	5,000	105,123
Deferred Exploration Costs				
Drilling	-	-	1,549	1,549
Geochemistry / Assays	1,326	37,855	2,685	41,866
Geological	11,017	128,549	59,707	199,273
Geophysical	-	23,085	-	23,085
Transportation and Other	2,711	34,479	6,165	43,355
Total Deferred Exploration Costs	15,054	223,968	70,106	309,128
Mineral Exploration Tax Credit	(4,988)	-	-	(4,988)
Impairment	(1,782,794)	-	-	(1,782,794)
Balance, October 31, 2015	\$ 1,015,216	\$ 324,091	\$ 75,106	\$ 1,414,413
Deferred Exploration Costs				
Drilling costs	-	-	3,462	3,462
Geochemistry / Assays	226	5,991	10,039	16,256
Geological	-	14,883	28,371	43,254
Geophysical	-	5,839	-	5,839
Transportation and Other	-	5,531	2,302	7,833
Total Deferred Exploration Costs	226	32,243	44,174	76,643
Balance, January 31, 2016	\$ 1,015,442	\$ 356,334	\$ 119,280	\$ 1,491,056

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8. INVESTMENT IN MCCLARTY LAKE

The McClarty Lake property is comprised of five contiguous mineral claims totaling 596 hectares. The Company owns 100% of three of the claims that were staked in 2000 and pursuant to an option agreement between the Company and Hudson Bay Exploration and Development Company Limited ("HBED"), dated February 15, 2000 and amended on September 28, 2000, August 31, 2001, August 31, 2005, and June 28, 2007, the Company had an option to acquire a 60% interest in two claims comprising 252 hectares. As consideration, the Company made option payments totaling \$125,000 to HBED. No further option payments are required.

The Company has fulfilled the expenditure requirements and completed the earn-in requirements of the option agreement by incurring \$800,000 of exploration expenditures on or before August 15, 2008. Pursuant to the option agreement, HBED incurred sufficient expenditures to earn back a 20% interest in the two claims covered by the option agreement by spending \$750,000 on exploration and development. This earn-back was completed in June 2011.

On July 30, 2012, the Company signed an agreement with HBED for joint exploration of the McClarty Lake property. Both companies, having previously incurred expenditures on the McClarty Lake property, agreed to combine their interests and jointly explore the property going forward, with the Company incurring 40% of the expenditures and HBED incurring 60% of the expenditures. No new entity was created upon signing of the agreement. The Company's contribution to the McClarty Lake agreement was its exploration expenditures on the McClarty Lake property of \$1,557,428. Under terms of the agreement, HBED must contribute \$1,151,052 in joint venture expenditures before the Company is required to fund its participating interest.

All decisions regarding exploration of the property will be made by a management committee consisting of two appointees by each of the Company and HBED. Voting is based on the relative contributions by each company. Accordingly the Company has 40% of the voting power, while HBED has 60% of the voting power. Only very specific circumstances require the unanimous consent of the Company and HBED. Management believes that these circumstances are unlikely to occur. Based on the preceding, there is no joint control of the McClarty Lake property. Accordingly, the Company has applied the equity method in accounting for the McClarty Lake property from July 30, 2012 onwards as it has significant influence.

During the three months ended January 31, 2016, the Company incurred additional expenditures of \$nil (year ended October 31, 2015 - \$790) related to the investment in McClarty Lake. There was no profit or loss related to the investment in McClarty Lake for the periods presented.

9. SHARE CAPITAL

a) Authorized

Unlimited number of Common Shares without nominal or par value
Unlimited number of Preferred Shares

The Preferred Shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

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9. SHARE CAPITAL (continued)

b) Issued

The Company did not issue shares during the year ended October 31, 2015 or the three month period ended January 31, 2016.

c) Stock Options

The Company has a Stock Option Plan where the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a 12 month period with no more than 25% of the options vesting in any three month period. The Company has issued stock options to acquire common shares as follows:

	Options Outstanding	Weighted Average Exercise Price
Balance at October 31, 2014	6,300,000	\$ 0.13
Expired on November 14, 2014	(1,471,000)	\$ 0.12
Expired on January 11, 2015	(1,300,000)	\$ 0.12
Granted on January 16, 2015	1,350,000	\$ 0.05
Balance at October 31, 2015	4,879,000	\$ 0.11
Expired on November 22, 2015	(1,250,000)	\$ 0.21
Granted on December 7, 2015	600,000	\$ 0.05
Balance at January 31, 2016	4,229,000	\$ 0.08

Options Outstanding:

A summary of options outstanding at January 31, 2016 is as follows:

Number of Shares Under Option	Number of Options Exercisable	Exercise Price	Expiry Date
1,429,000	1,429,000	\$ 0.10	September 26, 2016
850,000	850,000	\$ 0.10	July 9, 2017
1,350,000	1,350,000	\$ 0.05	January 16, 2025
600,000	600,000	\$ 0.05	December 7, 2025
4,229,000	4,229,000		

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9. SHARE CAPITAL (continued)

c) Stock Options (continued)

Share based compensation

During the three months ended January 31, 2016, the Company recognized a share based compensation expense of \$5,929 on the grant of 600,000 stock options to officers and directors of the Company. The Company used the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.51%; expected dividend yield of zero; expected share price volatility of 174%; expected life of 10 years. The Company used historical volatility to estimate the volatility of the share price.

During the year ended October 31, 2015, the Company recognized a share based compensation expense of \$13,301 on the grant of 1,350,000 stock options to officers and directors of the Company. The Company used the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.53%; expected dividend yield of zero; expected share price volatility of 170%; expected life of 10 years. The Company used historical volatility to estimate the volatility of the share price.

d) Share Purchase Warrants

The Company had no share purchase warrants outstanding during the year ended October 31, 2015 or the three month period ended January 31, 2016.

10. RESERVE

The share-based payment reserve records stock options recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

11. RELATED PARTY TRANSACTIONS

Key management personal compensation

The Company has paid fees of \$30,000 (2015 - \$30,000) to companies controlled by officers for management, administrative, accounting and technical services. Stock-options with a Black-Scholes fair value of \$4,940 were granted to key management during the three months ended January 31, 2016 (2015 - \$11,576). These amounts are included in general and administration expenses and exploration and evaluation assets as outlined below:

	January 31, 2016	January 31, 2015
Short-term compensation:		
Management fees	\$ 6,000	\$ 30,000
Geological	\$ 24,000	\$ -
Share-based payments	\$ 4,940	\$ 11,576

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12. FINANCIAL RISK MANAGEMENT

a) Overview

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, and financing activities such as credit risk, liquidity risk and market risk.

The Board of Directors oversees managements' establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management guidelines. The Company's risk management guidelines are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at period-end is as follows:

	January 31, 2016	October 31, 2015
Cash	\$ 147,181	\$ 9,530
Accounts receivable	13,821	12,138
Short-term investments	918,056	1,166,743
	\$ 1,079,058	\$ 1,188,411

The Company limits its exposure to credit risk on cash and short-term investments by only investing in liquid securities offered by Chartered Banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and short-term investments.

The Company's accounts receivable consisted entirely of GST receivable at January 31, 2016 and October 31, 2015.

As at January 31, 2016 and October 31, 2015, the Company's accounts receivable were current (less than 90 days).

The Company believes that all outstanding balances are collectible and therefore there is no allowance for doubtful accounts at January 31, 2016 and October 31, 2015.

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12. FINANCIAL RISK MANAGEMENT (continued)

c) 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 is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at January 31, 2016 are summarized below:

	Carrying amount	Contractual cash flows	Less than one year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Trade and other payables	\$ 48,352	\$ -	\$ 48,352	\$ -	\$ -	\$ -
	<u>\$ 48,352</u>	<u>\$ -</u>	<u>\$ 48,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company expects the fluctuation in finance income as a result of interest rate fluctuations to be minimal.

e) Commodity Price Risk

The Company's ability to raise the capital required to fund exploration or development activities is subject to risk associated with the market price of gold and base metals and the outlook for these commodities.

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12. FINANCIAL RISK MANAGEMENT (continued)

f) Fair Value

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the consolidated statements of financial position, classified using the fair value hierarchy described above:

January 31, 2016		Level 1		Level 2		Level 3
Cash	\$	147,181	\$	-	\$	-
Short-term investments	\$	918,056	\$	-	\$	-
October 31, 2015		Level 1		Level 2		Level 3
Cash	\$	9,530	\$	-	\$	-
Short-term investments	\$	1,166,743	\$	-	\$	-

13. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in the light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

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13. MANAGEMENT OF CAPITAL (continued)

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the three months ended January 31, 2016.

The Company is not exposed to externally imposed capital requirements.

14. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical Segment

January 31, 2016	Canada	USA	Total
Non-current assets	\$ 2,704,840	\$ 356,334	\$ 3,061,174

October 31, 2015	Canada	USA	Total
Non-current assets	\$ 2,660,440	\$ 324,091	\$ 2,984,531