BWR EXPLORATION INC.

(FORMERLY BLACK WIDOW RESOURCES INC.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED AUGUST 31, 2016

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of BWR Exploration Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

BWR Exploration Inc. (formerly Black Widow Resources Inc.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

		As at August 31, 2016		As at November 30, 2015
ASSETS				
Current assets				
Cash	**$**	**231,659**	$	14,682
Sales tax receivable		**5,648**		1,536
Prepaid expenses		**11,945**		1,945
Total assets	**$**	**249,252**	$	18,163
LIABILITIES AND DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**183,698**	$	164,906
Promissory notes (notes 3 and 10)		**130,514**		64,122
Total liabilities		**314,212**		229,028
Shareholders' Deficiency				
Share capital (note 5)		**2,080,643**		1,877,120
Shares to be issued		**-**		10,000
Reserves (notes 6 and 7)		**364,280**		208,369
Deficit		**(2,509,883)**		(2,306,354)
Total shareholders' deficiency		**(64,960)**		(210,865)
Total liabilities and shareholders' deficiency	**$**	**249,252**	$	18,163

Nature of operations and going concern (note 1)
Subsequent events (note 3 and 12)

Approved on behalf of the Board:

"Neil Novak", Director

"Allan Ringler", Director

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

BWR Exploration Inc. (formerly Black Widow Resources Inc.)
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three months ended August 31, 2016	Three months ended August 31, 2015	Nine months ended August 31, 2016	Nine months ended August 31, 2015
Operating expenses				
Exploration and evaluation expenditures (note 4)	**$ 66,813**	$ 120,148	**$ 68,071**	$ 142,893
General and administrative (note 9)	**46,281**	36,056	**160,036**	120,526
Loss before income tax	**(113,094)**	(156,204)	**(228,107)**	(263,419)
Deferred income tax expense	**-**	-	**(6,570)**	-
Total loss and comprehensive loss for the period	**$ (113,094)**	$ (156,204)	**$ (234,677)**	$ (263,419)
Basic and diluted net loss per share (note 8)	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**33,625,396**	26,557,787	**33,167,197**	25,928,378

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

BWR Exploration Inc. (formerly Black Widow Resources Inc.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine months ended August 31, 2016	Nine months ended August 31, 2015
Operating activities		
Net loss for the period	**$ (234,677)**	$ (263,419)
Adjustments for:		
Share-based payments	**22,320**	(4,213)
Shares issued for exploration expenditures	**-**	132,308
Deferred income tax expense	**6,570**	-
Interest expense accrued	**6,392**	2,857
Changes in non-cash operating capital:		
Sales tax receivable	**(4,112)**	5,774
Prepaid expenses	**(10,000)**	-
Accounts payables and accrued liabilities	**18,792**	48,155
Net cash used in operating activities	**(194,715)**	(78,538)
Financing activities		
Proceeds from issue of common shares units	**364,100**	-
Cost of issuing common shares	**(12,408)**	-
Proceeds from promissory notes	**60,000**	60,000
Net cash provided by financing activities	**411,692**	60,000
Net change in cash	**216,977**	(18,538)
Cash, beginning of period	**14,682**	25,613
Cash, end of period	**$ 231,659**	$ 7,075

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

BWR Exploration Inc. **(formerly Black Widow Resources Inc.)**
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Share capital	Shares to be issued	Reserves: Contributed surplus	Reserves: Warrants reserve	Deficit	Total
Balance, November 30, 2014	**$ 1,744,812**	**$ -**	**$ 138,933**	**$ 539,210**	**$ (2,470,793)**	**$ (47,838)**
Common shares issued for exploration expenditure	132,308	-	-	-	-	132,308
Expiry of warrants	-	-	-	(469,021)	469,021	-
Share-based payments	-	-	(4,213)	-	-	(4,213)
Net loss for the period	-	-	-	-	(263,419)	(263,419)
Balance, August 31, 2015	**$ 1,877,120**	**$ -**	**$ 134,720**	**$ 70,189**	**$ (2,265,191)**	**$ (183,162)**

	Share capital	Shares to be issued	Reserves: Contributed surplus	Reserves: Warrants reserve	Deficit	Total
Balance, November 30, 2015	**$ 1,877,120**	**$ 10,000**	**$ 138,180**	**$ 70,189**	**$ (2,306,354)**	**$ (210,865)**
Private placement - units	374,100	(10,000)	-	-	-	364,100
Warrants issued	(164,739)	-	-	164,739	-	-
Cost of issue - cash	(12,408)	-	-	-	-	(12,408)
Expiry of warrants	-	-	-	(31,148)	31,148	-
Reversal of premium on flow-through shares converted to regular shares	6,570	-	-	-	-	6,570
Share-based payments	-	-	22,320	-	-	22,320
Net loss for the period	-	-	-	-	(234,677)	(234,677)
Balance, August 31, 2016	**$ 2,080,643**	**$ -**	**$ 160,500**	**$ 203,780**	**$ (2,509,883)**	**$ (64,960)**

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

1. Nature of operations and going concern

BWR Exploration Inc. (the “Company” or "BWR"), incorporated on January 20, 2011, is engaged in the exploration of precious and base metal properties. BWR is a public company, quoted for trading on the TSX Venture Exchange under the symbol “BWR”. The Company's principal properties are the Santa Maria Project, the Shunsby Project and the Sakoose Mine Property, all of which are located in Northern Ontario. In addition, in August 2015 the Company acquired the Vendôme Sud Property located in Southern Quebec, which it will begin to assess. The head office of the Company is located at 82 Richmond Street East, Suite 201, Toronto, Ontario, M5C 1P1, Canada.

The unaudited condensed interim financial statements of BWR for the three and nine months ended August 31, 2016 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on October 31, 2016.

As at August 31, 2016, the Company had a working capital deficit of $64,960 (November 30, 2015 - $210,865) and a deficit of $2,509,883 (November 30, 2015 - $2,306,354). Management of the Company believes that it will be able to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due through additional financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity’s ability to continue as a going concern. The Company's ability to continue operations and fund its exploration and evaluation expenditures is dependent on management's ability to generate cash and manage its cash resources.

Management believes the going concern assumption to be appropriate for these unaudited condensed interim financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the balance sheet classifications used in the unaudited condensed interim financial statements. These adjustments could be material.

The recoverability of exploration and evaluation expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

2. Summary of significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended November 30, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending November 30, 2016 could result in restatement of these unaudited condensed interim financial statements.

(Expressed in Canadian Dollars)

2. Summary of significant accounting policies (continued)

Future accounting changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for annual periods beginning on or after December 1, 2017 or later periods. Many are not applicable to or do not have a significant impact on BWR and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on BWR.

(i) IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and other dates thereafter. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 will be effective January 1, 2018, with earlier adoption permitted.

(ii) IFRS 16, Leases (“IFRS 16”) was issued in January 2016, and supersedes IAS 17, Leases. This standard introduces a single lessee accounting model. The new standard will affect the initial present value of unavoidable future lease payments as lease assets and lease liabilities on the statement of financial position, including for most leases which are currently accounted for as operating leases. The Standard is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

3. Promissory notes

On February 1, 2015, the Company issued promissory notes totaling $60,000 to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand. Subsequent to August 31, 2016, these promissory notes and accrued interest were repaid.

On February 29, 2016, the Company issued additional promissory notes totaling $60,000 to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand.

4. Mineral properties

	Three months ended August 31, 2016	Three months ended August 31, 2015	**Nine months ended August 31, 2016**	Nine months ended August 31, 2015
Acquisition costs	**$ 50,000**	$ 120,000	**$ 50,000**	$ 137,308
Geological consultants	**-**	94	**-**	4,273
Geophysics	**6,375**	-	**6,375**	-
Administrative	**10,371**	54	**10,371**	54
Leases and taxes	**67**	-	**1,325**	1,258
	$ 66,813	$ 120,148	**$ 68,071**	$ 142,893

4. Mineral properties (continued)

Shunsby Property

On February 21, 2012, as amended in March 2013, BWR and Hage Corporate Services Inc. ("Hage"), a related party (see note 10), entered into an agreement whereby BWR acquired from Hage, acting in trust, a 59.8% interest in 20 patented mineral claims located in Cunningham Township, Porcupine Mining Division, Province of Ontario of which the mineral claims remain in full force and effect (collectively, the "Shunsby Property").

In consideration of the purchase, BWR agreed to provide to Hage:

(1) the amount of $50,000 representing the amount paid by Hage to date for lease payments, consulting fees and administrative services which shall be satisfied by the issuance to Hage of 500,000 common shares of BWR (issued in 2012) valued at $0.10 per share;

(2) the amount of $450,000 representing the purchase price for the Hage's Ownership Interest in the Shunsby Property to be paid in three equal installments as follows:

a) $150,000 within 30 days of the signing of the agreement, to be satisfied by the issuance to Hage of 1,500,000 common shares of BWR (issued in 2012) valued at $0.10 per share;
b) $150,000 on the six month anniversary of BWR becoming listed for trading on a recognized public stock exchange ("Going Public"), to be satisfied by the issuance to Hage of that number of common shares equal to $150,000 divided by the market price (1,250,000 common shares issued in 2013); and
c) $150,000 on the twelve month anniversary of Going Public, to be satisfied by the issuance to Hage of that number of common shares equal to $150,000 divided by the market price (750,000 common shares issued in 2014).
d) Notwithstanding subsections (b) and (c) above, the number of common shares payable pursuant to subsections (b) and (c) shall not exceed an aggregate maximum of 2,000,000 common shares.

(3) a 1.5% Net Smelter Royalty to be retained by Hage on the terms and conditions as outlined in a previous agreement of which 0.5% shall be reserved for Rally Energy Ltd. ("Rally"), the owner of the 35.3% of the Shunsby Property, in the event of a dilution of interest by Rally as anticipated to be provided for in an agreement to be settled in the future between BWR and Rally and, with respect to the remaining 1.0% Net Smelter Royalty, BWR shall have the right to buy 0.5% at the time of production for a net present value determination of the Net Smelter Royalty as provided for in a previous agreement and the other 0.5% shall remain with Hage.

On October 15, 2013, the Company announced that it has received a National Instrument 43-101 report on its Shunsby Property. The report is entitled "Technical Report on the Shunsby Base Metal Property, Cunningham Township, Ontario, for BWR Resources Inc." by Paul Sobie, P.Geo. of MPH Consulting Ltd., of Toronto Ontario dated September 30, 2013.

Counsel for Rally has advised that Rally has determined not to remit their share of the 2014 expenditures on the Shunsby property and that they understand by electing not to remit their share, their interest will undergo dilution accordingly. Management of BWR will apply an industry standard dilution formula to Rally's shortfall and recalculate their respective interest.

Gremlin Claims

On June 8, 2011, the Company entered into an agreement with Cliffs Chromite Far North Inc., formerly Spider Resources Inc., ("CCFNI") for the sale by CCFNI to the Company of its interest in an option agreement made as of May 25, 2010 between Greenstone Exploration Co. Ltd. ("Greenstone") and CCFNI, amended to be the Gremlin option agreement regarding the Gremlin claims.

During the current period, the remaining 2 claims of The Gremlin Property were allowed to expire.

4. Mineral properties (continued)

Santa Maria Project

On November 14, 2011, the Company entered into an option and joint venture agreement with New Klondike Exploration Ltd. ("NKE") to earn a 70% interest in NKE's wholly-owned Santa Maria claims, located in the Dryden area, Ontario. The option granted by NKE gives BWR the right to earn a 70% interest in the project by making a payment to NKE of $10,000 (paid in 2011) and incurring expenditures of $90,000 (incurred in 2012) on the claims.

Upon the Company earning its 70% interest, BWR became the operator with a 70% interest and NKE having a 30% interest. The parties will fund their respective pro rata interest for approved programs and expenditures or be subject to dilution of their interest. In the event that a party's interest is reduced to 10%, their interest will automatically be converted to a 1.5% net smelter royalty interest, with the other party earning a 100% participating interest in the project. BWR has retained the right, pursuant to the option and joint venture agreement, to acquire 1% of this royalty from NKE for $500,000 at any time.

The Company also holds a 0.5% net smelter royalty interest in 19 claims 100% owned by NKE which are within a two kilometre radius of each point on the outermost boundary of the Santa Maria claims.

In addition, 6 claims were acquired through staking in the year ended November 30, 2012.

Sakoose Mine Property

On November 1, 2013, the Company entered into an option agreement with Rubicon Minerals Corporation ("Rubicon") to acquire 100% interest in the Sakoose Mine (also known as the Golden Whale), located in the Tabor Lake area of Kenora Mining Division of the Province of Ontario. The Sakoose Mine Property consists of 22 unpatented mining claims (2 claims were allowed to expire during the year ended November 30, 2015).

The option granted by Rubicon gives BWR the right to earn a 100% interest in the project by making the option payments as follows:

i) Cash payment of $5,000 on signing of agreement (paid in 2013);
ii) $20,000 to be satisfied by the issuance of common shares equal to $20,000 divided by the market price within 10 days of the receiving regulatory approval (153,846 common shares issued in 2013);
iii) Cash payment of $10,000 on or before November 1, 2014 ($5,000 paid and $5,000 extended to May 2015, which is currently under negotiations to extend further) and $40,000 to be satisfied by the issuance of common shares equal to $40,000 divided by the market price within 10 days of November 1, 2014 (307,692 commons shares issued in 2015);
iv) Cash payment of $50,000 on or before November 1, 2015 and $50,000 to be satisfied by the issuance of common shares equal to $50,000 divided by the market price within 10 days of November 1, 2015 (currently under negotiations to extend);
v) $150,000 on or before November 1, 2016 to be satisfied by the issuance of cash, common shares or a combination of both at BWR's option; and
vi) $250,000 on or before November 1, 2017 to be satisfied by the issuance of cash, common shares or a combination of both at BWR's option.

After all payments have been paid, Rubicon retains a 2% net smelter return production royalty of which 50% can be purchased by BWR for the payment of $1 million. In the event BWR elects not to continue with the option after the initial payment has been made and all conditions to the point of the decision not to proceed have been met, BWR's interest is converted to a 0.25% net smelter return production royalty.

4 additional claims were acquired through staking and added to the Sakoose Mine Property in the year ended November 30, 2014.

(Expressed in Canadian Dollars)

4. Mineral properties (continued)

Vendôme Sud Property

In August 2015, the Company acquired a 100% interest in 49 map designated cells ("claims") in Fiedmont township within the Abitibi region of Quebec, located north of the town of Val-D'Or near the town of Barraute.

The claims were acquired through the issuance of 6,000,000 common shares (fair valued $120,000) to four separate arms length parties, one of which retained a 2% net smelter return production royalty of which 50% can be purchased by BWR for the payment of $1 million within 20 years of signing the agreement.

In 2016, the Company allowed 29 of the 49 claims to expire.

Little Stull Lake Gold Project

See note 12.

5. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares		Amount
Balance - November 30, 2014	**25,402,269**	**$**	**1,744,812**
Common shares issued for property acquisition (note 4)	6,307,692		132,308
Balance - August 31, 2015	**31,709,961**	**$**	**1,877,120**
Balance - November 30, 2015	**31,709,961**	**$**	**1,877,120**
Common shares issued (i), (iii)	7,482,000		374,100
Warrants issued (i), (iii)	-		(164,739)
Cost of issue - cash (i), (iii)	-		(12,408)
Reversal of premium on flow-through shares converted to regular shares (ii)	-		6,570
Balance - August 31, 2016	**39,191,961**	**$**	**2,080,643**

5. Share capital (continued)

b) Common shares issued (continued)

(i) On December 22, 2015, the Company completed a non-brokered private placement. Under the placement, the Company issued 700,000 units at a price of $0.05 per unit for gross proceeds of $35,000.

Each unit consisted of a common share of the Company and one purchase warrant of the Company. Each warrant issued expires eighteen months from the date of issue and will entitle the holder thereof to purchase one additional common share at a price of $0.10 per share. The fair value of the warrants was estimated at $5,950 using the Black-Scholes option pricing formula with the following assumptions: expected dividend yield - 0%, share price of $0.015, expected volatility - 210%, risk-free interest rate - 0.52%, exercise price of $0.10 and an expected average life of 1.5 years.

Neil Novak, President, CEO and a Director of the Company subscribed for 140,000 Units.

(ii) As at December 31, 2015, the Company was unable to meet their flow-through expenditure requirements. As a result of this, certain directors and officers agreed to convert their flow-through shares to common shares and the flow-through premium attributed to these shares has been reversed.

(iii) On June 28, 2016 and August 11, 2016, the Company completed the first and final tranche, respectively, of a non-brokered private placement. Under the first tranche, the Company issued 2,000,000 units at a price of $0.05 per unit for gross proceeds of $100,000 and, under the final tranche, the Company issued 4,782,000 units at a price of $0.05 per unit for gross proceeds of $239,100. Securities issued under the placement are subject to a four-month statutory hold period in Canada, which hold periods will expire on October 29, 2016 and December 12, 2016, respectively.

Each unit consisted of a common share of the Company and one purchase warrant of the Company. Each warrant issued expires twenty-four months from the date of issue and will entitle the holder thereof to purchase one additional common share at a price of $0.075 per share during the first twelve months then at $0.10 per share for the remaining twelve months. The fair value of the warrants were estimated at $46,043 and $112,746, respectively, using the Black-Scholes option pricing formula with the following weighted average assumptions: expected dividend yield - 0%, share price of $0.06, expected volatility - 201%, risk-free interest rate - 0.53%, exercise price of $0.0875 and an expected average life of 2 years.

Cash commissions totaling $8,337 were paid to registered brokers on the basis of 7% of the value of the private placements by their clients.

Carmen L. Diges, Corporate Secretary of the Company, subscribed for 1,000,000 Units.

(Expressed in Canadian Dollars)

6. Warrants

The following summarizes the warrant activity for the nine months ended August 31, 2016 and 2015:

	Number of warrants	Weighted average exercise price
Balance - November 30, 2014	**8,522,050**	**$ 0.18**
Expired	(6,801,410)	(0.20)
Balance - August 31, 2015	**1,720,640**	**$ 0.13**
Balance - November 30, 2015	**1,720,640**	**$ 0.13**
Issued (Note 5(b)(i))	7,482,000	0.08
Expired	(879,140)	(0.10)
Balance - August 31, 2016	**8,323,500**	**$ 0.09**

As of August 31, 2016, the following warrants were outstanding:

Expiry Date	Number of warrants	Exercise price ($)	Black-Scholes value on grant ($)
September 9, 2016[1]	325,000	0.10	8,906
December 24, 2016	516,500	0.25	30,135
June 22, 2017	700,000	0.10	5,950
June 28, 2018	2,000,000	0.075 [2]	46,043
August 10, 2018	4,782,000	0.075 [2]	112,746
	8,323,500	**0.09**	**203,780**

[1] Expired subsequent to August 31, 2016
[2] Exercisable at a price of $0.075 per share for the first year and $0.10 per share for the second year.

7. Stock options

The following summarizes the stock option activity for the nine months ended August 31, 2016 and 2015:

	Number of stock options	Weighted average exercise price
Balance - November 30, 2014	**2,200,000**	**$ 0.16**
Forfeited	(200,000)	0.10
Balance - August 31, 2015	**2,000,000**	**$ 0.17**
Balance - November 30, 2015	**2,000,000**	**$ 0.17**
Granted (i)	930,000	0.05
Balance - August 31, 2016	**2,930,000**	**$ 0.13**

(Expressed in Canadian Dollars)

7. Stock options (continued)

(i) On March 21, 2016, the Company granted 930,000 stock options to certain officers, directors and consultants with an exercise price of $0.05, fully vested on issuance and with an expiry date of March 21, 2021. The fair value of these stock options was estimated at $22,320 using the Black-Scholes option pricing formula with the following assumptions: expected dividend yield - 0%, expected volatility - 187% (based on historical volatility), risk-free interest rate - 0.73% and an expected average life of 5 years. The stock options were valued based on the equity instrument granted as no value could be determined for the service.

As of August 31, 2016, the following stock options were outstanding:

Expiry Date	Exercise price ($)	Number of stock options	Number of exercisable stock options	Weighted average contractual life (years)	Grant date fair value ($)
June 6, 2018	0.20	1,350,000	1,350,000	1.76	87,750
August 11, 2019	0.10	650,000	650,000	2.95	43,615
March 21, 2021	0.05	930,000	930,000	4.56	22,320
	0.13	**2,930,000**	**2,930,000**	**2.91**	**153,685**

8. Loss per share

	Three months ended August 31, 2016	Three months ended August 31, 2015	Nine months ended August 31, 2016	Nine months ended August 31, 2015
Net loss per share:				
- basic	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
- diluted	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.01)
Net loss for the period	**$ (113,094)**	$ (156,204)	**$ (234,677)**	$ (263,419)
Weighted average outstanding - basic	**33,625,396**	26,557,787	**33,167,197**	25,928,378
Dilutive warrants and stock options (i)	**-**	-	**-**	-
Weighted average outstanding - diluted	**33,625,396**	26,557,787	**33,167,197**	25,928,378

(i) Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted loss per share, an adjustment is not made for the dilutive effect of outstanding warrants and outstanding stock options as they are anti-dilutive.

(Expressed in Canadian Dollars)

9. General and administrative expenses

	Three months ended August 31, 2016	Three months ended August 31, 2015	Nine months ended August 31, 2016	Nine months ended August 31, 2015
Consulting fees (Note 10)	**$ 20,000**	$ 15,000	**$ 50,000**	$ 45,000
Accounting and corporate secretarial fees (Note 10)	**9,343**	10,402	**29,697**	31,655
Professional fees	**2,600**	3,000	**8,400**	9,300
Office and general (Note 10)	**11,162**	6,730	**38,137**	25,794
Travel and accommodation	**1,040**	-	**1,040**	-
Investor relations and shareholder information	**2,136**	924	**10,442**	12,990
Share-based payments (Note 10)	**-**	-	**22,320**	(4,213)
	$ 46,281	$ 36,056	**$ 160,036**	$ 120,526

10. Related party transactions

The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services and office space. During the three and nine months ended August 31, 2016, the Company incurred $7,401 and $24,810, respectively (three and nine months ended August 31, 2015 - $7,780 and $23,964, respectively) for accounting services rendered by MSSI and $2,475 and $7,425, respectively for rent expense (three and nine months ended August 31, 2015 - $2,475 and $7,425, respectively). As at August 31, 2016, MSSI was owed $24,080 (November 30, 2015 - $44,823) and this amount was included in accounts payable and accrued liabilities.

DSA Corporate Services Inc. ("DSA"), a firm providing corporate secretarial and filing services, is affiliated with MSSI through a common officer. During the three and nine months ended August 31, 2016, the Company incurred $2,540 and $7,251, respectively (three and nine months ended August 31, 2015 - $2,846 and $8,730, respectively) for services rendered by DSA. As at August 31, 2016, DSA was owed $4,732 (November 30, 2015 - $9,830) and this amount was included in accounts payable and accrued liabilities.

The Company received consulting services from Nominex Ltd. ("Nominex"), a company controlled by the President and Chief Executive Officer ("CEO"). The fees consisted of consulting fees of $15,000 and $45,000, respectively, during the three and nine months ended August 31, 2016 (three and nine months ended August 31, 2015 - $15,000 and $45,000, respectively) for CEO services and exploration and evaluation expenditures of $nil, during the three and nine months ended August 31, 2016 (three and nine months ended August 31, 2015 - $nil and $4,125, respectively) for geological consulting. As at August 31, 2016, Nominex was owed $128,250 (November 30, 2015 - $83,250) and this amount was included in accounts payable and accrued liabilities.

On February 1, 2015, the Company issued promissory notes totaling $60,000 ($68,074 including accrued interest at August 31, 2016) to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand. Subsequent to August 31, 2016, these promissory notes and accrued interest were repaid.

On February 29, 2016, the Company issued additional promissory notes totaling $60,000 ($62,440 including accrued interest at August 31, 2016) to a director and a director and officer of the Company. The notes bear interest at 8% per annum and are payable on demand.

The above noted transactions are in the normal course of business.

(Expressed in Canadian Dollars)

10. Related party transactions (continued)

To the knowledge of the directors and senior officers of the Company, as at August 31, 2016, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below. None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of August 31, 2016, 4,000,000 of the common shares of the Company or approximately 10% are held by Hage, acting in trust for two directors of the Company. Each director has a 50% interest in Hage.

As of August 31, 2016, a director of the Company, who has 50% interest in Hage, directly controls 2,600,100 common shares of the Company or approximately 7% of the total common shares outstanding.

As of August 31, 2016, a director of the Company, who has the remaining 50% interest in Hage, directly controls 400,000 common shares of the Company or approximately 1% of the total common shares outstanding.

As of August 31, 2016, directors and officers with control of less than 10% of the common shares of the Company collectively control 6,487,700 common shares of the company or approximately 17% of the total common shares outstanding.

Remuneration of key management personnel of the Company, other than consulting fees, was as follows:

	Three months ended August 31, 2016	Three months ended August 31, 2015	**Nine months ended August 31, 2016**	Nine months ended August 31, 2015
Share-based payments	**$ -**	$ -	**$ 21,720**	$ -

11. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration and evaluation of mineral properties located in Canada.

12. Proposed transaction

On July 12, 2016, the Company signed a non-binding Letter of Intent ("LOI") whereby the Company can acquire a 100% interest in the Little Stull Lake Gold project in Northern Manitoba from Puma Exploration Inc. (TSXV:PUM) ("Puma"). The Company has made a $50,000 deposit to Puma that provided it with an exclusive due diligence period during which the Company continued to evaluate the project and negotiate a definitive acquisition agreement.

On October 7, 2016, the Company signed a definitive acquisition agreement, whereby BWR can acquire 100% interest in the Little Stull Lake Gold project. The closing is subject to the final approval of the TSX Venture Exchange.

The main elements of the definitive agreement include:

- Cash payments of $150,000 to Puma; the first $50,000 was paid upon signing the LOI on July 11, 2016, there are two additional milestone payments of $50,000 each, payable within 30 days of Edmund Lake and Kistigan Mineral Exploration Licenses being granted and transferred to BWR by Manitoba Department of Natural Resources.

12. Proposed transaction (continued)

- Puma will receive up to 10 million BWR common shares, of which 4,750,000 are subject to escrow provisions. 4,750,000 of the first 5,000,000 securities will be delivered to Puma upon execution and approval of the definitive agreement to be released in increments over a 36-month period, 250,000 shares will similarly be delivered as directed by Puma to a finder. The additional 5,000,000 additional securities are to be delivered to Puma as directed by Puma, upon certain exploration and development milestones being met by BWR over the next several years as follows:
  - i) 1 million shares to be issued once 500,000 ounces of gold have been identified in the measured and indicated category;
  - ii) 1 million additional shares to be issued once 1,000,000 ounces of gold have been identified in the measured and indicated category;
  - iii) 1 million additional shares to be issued once a positive preliminary economic analysis has been prepared;
  - iv) 2 million additional shares to be issued upon delivery of positive feasibility study
  - v) Notwithstanding the above, with respect to the additional 5,000,000 securities, BWR must expend $1.5 million in exploration within the first 36 months of the effective date. Failure on the part of BWR to do so will result in the additional 5,000,000 securities being issued to Puma in accordance with provisions of the escrow agreement.
- Puma has nominated Marcel Robillard to be their representative on the BWR Board of Directors as part of the agreement. BWR has agreed to add Mr. Robillard to its' Board of Directors upon closing of the agreement.
- Puma will have the right to maintain its' pro rata equity interest in BWR by investing in future financings of BWR for as long as it maintains greater than 10% equity. The pro rata equity interest calculation is as if Puma has received all 9.75 million shares.
- If commercial production is attained at the Little Stull Lake Project, Puma retains a non-buyable 1% NSR.

BWR has assumed Puma's right of first refusal regarding an underlying 1% net smelter royalty that is payable to Tanqueray Resources Inc. ("Tanqueray"). This underlying royalty is buyable in its entirety at anytime for $3 million by BWR, Tanqueray has consented to this assignment.