EUREKA RESOURCES INC.

Condensed Interim Financial Statements

July 31, 2016

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

EUREKA RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at July 31, 2016 and October 31, 2015
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

		July 31, 2016		October 31, 2015
ASSETS				
Current assets				
Cash	$	97,777	$	62,679
Receivables		10,933		5,203
Prepaid expenses		59,879		-
Total current assets		168,589		67,882
Non-current assets				
Reclamation bonds – Note 8		16,879		5,000
Exploration and evaluation assets – Notes 5 and 8		292,570		96,124
Total non-current assets		309,449		101,124
Total assets	$	478,038	$	169,006
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	32,799	$	75,832
Due to related parties – Note 7		8,736		49,782
Total current liabilities		41,535		125,614
SHAREHOLDERS' EQUITY				
Share capital – Note 6		6,030,173		5,450,446
Reserves – Note 6		730,919		559,156
Deficit		(6,324,589)		(5,966,210)
Total shareholders' equity		436,503		43,392
Total liabilities and shareholders' equity	$	478,038	$	169,006

Corporate Information – Note 1
Basis of Preparation – Note 2
Subsequent Events – Note 10

Approved by the Directors:

"Warren Stanyer" Director *"Michael Sweatman"* Director

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

EUREKA RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the Three and Nine Months Ended July 31, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three months ended July 31, 2016	Three months ended July 31, 2015	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Expenses				
Accounting and audit – Note 7	$ 7,500	$ 7,050	$ 26,900	$ 20,925
Consulting fees – Note 7	10,500	2,500	25,000	5,000
Filing and listing fees	12,927	1,497	18,729	9,840
Insurance	-	781	-	3,123
Legal	9,193	46,930	19,876	53,878
Management fees – Note 7	12,000	5,000	38,000	5,000
Marketing	36,560	-	46,330	-
Office – Note 7	6,085	6,740	11,433	12,002
Rent – Note 7	1,275	-	2,775	8,937
Stock-based compensation – Note 6	81,000	112,000	146,750	112,000
Storage	387	2,585	1,161	5,741
Transfer agent	5,132	2,509	9,191	5,223
Travel and entertainment	3,266	954	6,668	954
Website	906	980	5,566	980
Loss before other item	(186,731)	(189,526)	(358,379)	(243,603)
Gain on debt forgiven – Note 7	-	362,765	-	362,765
Net and comprehensive income (loss)	$ (186,731)	$ 173,239	$ (358,379)	$ 119,162
Income (loss) per share – basic and diluted	$ (0.006)	$ 0.009	$ (0.015)	$ 0.007
Weighted average number of shares outstanding	29,385,717	18,264,630	24,459,965	16,794,492

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

EUREKA RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the Nine Months Ended July 31, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	2016	2015
Operating Activities		
Net income (loss)	$ (358,379)	$ 119,162
Adjustments for items not involving cash:		
Gain on debt forgiven	-	(362,765)
Stock-based compensation	146,750	112,000
Net changes in non-cash working capital components:		
Receivables	(5,730)	(6,796)
Prepaid expenses	(59,879)	(4,611)
Accounts payable and accrued liabilities	(10,446)	31,215
Due to related parties	30,040	14,913
	(257,644)	(96,882)
Investing Activities		
Reclamation bonds	(11,879)	-
Exploration and evaluation assets	(203,644)	(35,485)
	(215,523)	(35,485)
Financing Activities		
Proceeds from the issuance of shares	508,265	100,000
Due to related parties	-	50,000
	508,265	150,000
Change in cash during the period	35,098	17,633
Cash, beginning of the period	62,679	3,633
Cash, end of the period	$ 97,777	$ 21,266

Supplementary cash flow information:

Interest paid in cash	$ -	$ -
Income taxes paid in cash	$ -	$ -

Non-cash Transactions – Note 9

EUREKA RESOURCES INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the Nine Months Ended July 31, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Share Capital				
	Number of Shares	**Amount**	**Reserves**	**Deficit**	**Total**
Balance, October 31, 2015	21,022,239	$ 5,450,446	$ 559,156	$ (5,966,210)	$ 43,392
Shares issued for cash – Note 6	8,127,000	527,025	-	-	527,025
Less: share issue costs – Note 6	-	(43,773)	25,013	-	(18,760)
Shares issued for exploration and evaluation assets – Note 6	300,000	28,500	-	-	28,500
Shares issued for debt – Note 6	906,333	67,975	-	-	67,975
Stock-based compensation – Note 6	-	-	146,750	-	146,750
Net and comprehensive loss	-	-	-	(358,379)	(358,379)
Balance, July 31, 2016	30,355,572	$ 6,030,173	$ 730,919	$ (6,324,589)	$ 436,503
Balance, October 31, 2014	16,047,239	$ 5,301,469	$ 447,156	$ (6,051,309)	$ (302,684)
Shares issued for cash – Note 6	4,000,000	100,000	-	-	100,000
Stock-based compensation – Note 6	-	-	112,000	-	112,000
Net and comprehensive income	-	-	-	119,162	119,162
Balance, July 31, 2015	20,047,239	$ 5,401,469	$ 559,156	$ (5,932,147)	$ 28,478

1. CORPORATE INFORMATION

Eureka Resources, Inc. (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on June 16, 1981. The Company's business is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada and in the State of Nevada, USA. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "EUK".

The Company's head office is Suite 1100 - 1111 Melville Street, Vancouver, British Columbia, Canada V6E 3V6. The registered and records office is c/o McMillan LLP, Suite 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada V7X 1L3.

2. BASIS OF PREPARATION

Statement of Compliance

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

These condensed interim financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS. These condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the years ended October 31, 2015 and 2014.

These condensed interim financial statements were authorized for issue on September 29, 2016 by the directors of the Company.

Going Concern

These condensed interim financial statements are prepared using IFRS applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Future operations are dependent on the Company's ability to raise additional equity financing and the attainment of profitable operations.

The Company has a history of operating losses and at July 31, 2016, has an accumulated deficit of $6,324,589. At July 31, 2016, the Company had working capital of $127,054. The Company will require additional equity financings in order to continue exploration of its exploration and evaluation assets and fund its administrative operations, but believes that it can maintain operations for the next twelve months.

These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. These conditions may cast significant doubt about the Company's ability to continue as a going concern.

Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts are expressed in Canadian dollars unless otherwise specified.

2. BASIS OF PREPARATION (cont'd…)

Critical Accounting Judgments, Estimates and Assumptions

Critical Judgments

The preparation of these condensed interim financial statements requires the Company to make judgments regarding the going concern of the Company as discussed in Note 2.

Estimations and assumptions

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Exploration and Evaluation Assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

ii) Share-based Payments

The estimation of share-based payments includes estimating the inputs used in calculating the fair value for share-based payments expense included in profit or loss and share-based share issuance costs included in equity. Share-based payments expense and share-based share issuance costs are estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iii) Income Taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

3. SIGNIFICANT ACCOUNTING POLICIES

Exploration and Evaluation Assets

All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets and are classified as intangible assets. General exploration costs not related to specific mineral properties or incurred prior to acquisition are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units.

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Impairment of a property is generally considered to have occurred if one of the following factors are present; the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned or budgeted, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, and indications exist that development in a specific area is likely to proceed, but the carrying amount is unlikely to be recovered in full by development or sale.

The Company has not yet determined whether or not any of its exploration and evaluation assets contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets do not necessarily reflect present or future values.

Decommissioning and Restoration Provisions

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

The Company had no decommissioning liabilities as at July 31, 2016 and October 31, 2015.

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

Share-based Payments

The stock option plan allows Company employees, directors and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from contributed reserves to share capital.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model which takes into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

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

Income Taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous periods.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss Per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Flow-through shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in income tax recovery at the same time the qualifying expenditures are made.

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

Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company's receivables are classified as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in profit or loss. As at July 31, 2016 and October 31, 2015, the Company has not classified any financial assets as held to maturity or available for sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss as follows:

a) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

b) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss and comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive income that is reclassified to the statement of loss and comprehensive loss.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in profit or loss unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Impairment of non-financial assets

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

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of warrants attached to private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing market price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed reserves.

New Standards Adopted For the Year Ended October 31, 2016

Effective November 1, 2015, the following standards were adopted but did not have a material impact on the financial statements.

- IFRS 7 Amended to require additional disclosures on transition from IAS 39 and IFRS 9

New Standards Adopted For the Year Ended October 31, 2015

Effective November 1, 2014, the following standards were adopted but did not have a material impact on the financial statements.

- IAS 32 (Amendment): Standard amended to clarify requirements for offsetting financial assets and financial liabilities.
- IFRS 10 Investment Entities – Amendment.
- IAS 36 (Amendment): Recoverable amount disclosures for non-financial assets.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New Standards and Interpretations Not Yet Adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair values of the Company's receivables, accounts payable and accrued liabilities and due to related parties approximate their carrying values because of the short-term nature of these instruments.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at July 31, 2016 and October 31, 2015:

	Level 1	Level 2	Level 3
July 31, 2016:			
Cash	$ 97,777	$ -	$ -
October 31, 2015:			
Cash	$ 62,679	$ -	$ -

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

Credit risk

The Company's cash is held with large financial institutions. The Company's receivables consist of GST receivable from the Canada Revenue Agency. Management believes that credit risk concentration with respect to cash and receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2016, the Company had cash of $97,777 to settle current liabilities of $41,535. See going concern discussion in Note 2.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash which is not subject to significant risks in fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. An increase to interest rates by 1% would have an insignificant effect on the Company's operations.

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable denominated in US dollars.

5. EXPLORATION AND EVALUATION ASSETS

FG Gold Project:

The Company holds a 100% interest in 31 contiguous claims comprising the FG Gold Project area. The claims are located in the Cariboo Mining Division of Central British Columbia, Canada.

i. Under the terms of the original option agreement, in which the Company's interest in the claims was acquired, the Company must issue 200,000 common shares to the original owners upon completion of a positive feasibility study;

ii. In addition, the Company must issue 210,000 common shares to a former director in consideration for exploration work done on the property, as follows:

Upon completion of feasibility study recommending production	70,000
Upon commencement of production	70,000
Upon repayment of pre-production capital costs	70,000

iii. The property is subject to a 3% net smelter return royalty ("NSR") which becomes payable after the capital required to bring the property into commercial production is recovered from production. The NSR is limited to a maximum of $2,600,000 with an allowance for the change in the Consumer Price Index from September 22, 1989 to the date the royalty becomes payable.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Gemini Lithium Project:

On January 20, 2016, the Company entered into an interim agreement with Nevada Sunrise Gold Corporation ("Nevada Sunrise"), a public company with directors and officers in common with the Company, to acquire a 50% participating interest in the Gemini Lithium Project ("Gemini") located in the Lida Valley, Esmeralda County, Nevada, USA.

Pursuant to the terms of the interim agreement, the Company had the right to acquire a 50% participating interest in Gemini by reimbursing Nevada Sunrise for 50% of the Gemini acquisition and evaluation costs. These costs include staking, consulting, data acquisition, claims registration and maintenance fees and technical surveying. In addition, the Company would issue Nevada Sunrise 500,000 common shares as a prospect fee, with 300,000 shares to be issued on receipt of regulatory acceptance of the agreement and 200,000 to be issued on the first anniversary of such acceptance. The Company and Nevada Sunrise would enter into a joint venture on Gemini with Nevada Sunrise acting as operator of exploration in exchange for a 10% management fee to be charged to the joint venture.

The interim agreement was subject to the satisfaction of certain conditions and approvals all of which were met. The agreement was a non-arm's length transaction under TSXV policies. The non-independent directors abstained from voting on the agreement.

On May 4, 2016, the companies signed an addendum to the interim agreement in which they agreed that the companies had completed their due diligence review on Gemini, that a definitive joint venture agreement would be entered into (signed on September 21, 2016) and that in the event that one of the companies divests of its 50% interest in Gemini, the remaining company would become the operator at Gemini by default. In addition, the Company paid Nevada Sunrise its 50% share of the acquisition and evaluation costs.

On June 6, 2016, the companies received TSXV acceptance of the interim agreement and the addendum and the Company issued 300,000 common shares with a fair value of $28,500 to Nevada Sunrise.

Schedule of Exploration and Evaluation Assets:

During the nine months ended July 31, 2016 and the year ended October 31, 2015, the Company incurred the following exploration and evaluation costs on the FG Gold Project and the Gemini Lithium Project:

	FG	Gemini	Total
Balance, October 31, 2014	$ -	$ -	$ -
Assays	2,692	-	2,692
Equipment rental	5,100	-	5,100
Geological – Note 7	77,158	-	77,158
Travel and field supplies	11,174	-	11,174
Balance, October 31, 2015	$ 96,124	$ -	$ 96,124
Assays	3,333	693	4,026
Claim maintenance	-	46,253	46,253
Common shares issued – prospect fee – Note 7	-	28,500	28,500
Geological – Note 7	48,743	4,250	52,993
Staking	10,627	7,800	18,427
Surveying	15,825	39,968	55,793
Travel and field supplies	3,202	425	3,627
Less: BC Mining Exploration Tax Credit received	(13,173)	-	(13,173)
Balance, July 31, 2016	$ 164,681	$ 127,889	$ 292,570

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value

b) Issued:

On July 31, 2016, there were 30,355,572 common shares issued and outstanding (October 31, 2015: 21,022,239).

Nine Months Ended July 31, 2016:

Incentive Warrant Program

On December 31, 2015, the Company offered the holders of 4,000,000 share purchase warrants issued on June 10, 2015 (the "June Warrants") an incentive warrant to exercise their warrants early. Each June Warrant was exercisable to purchase one common share at $0.05 per share until June 10, 2016 or at $0.10 per share until June 10 2017. The Company would issue the holder of a June Warrant who exercises their June Warrant between January 4, 2016 and January 29, 2016 an incentive warrant for each June Warrant exercised. Each Incentive Warrant would entitle the holder to acquire an additional common share at $0.075 per share until June 10, 2016, and thereafter at $0.125 per share until June 10, 2020.

On January 29, 2016, the Company announced that incentive warrant program resulted in the exercise of 1,315,000 June Warrants for proceeds of $65,750. The Company issued the holders who exercised their June Warrants an incentive warrant and a common share for each June Warrant exercised. The fair value of the incentive warrants of $65,750 or $0.05 per warrant was determined using the Black Scholes option valuation model with the following assumptions:

Risk-free interest rate	2.00%
Expected life of warrants	4.38 years
Annualized volatility	180%
Dividend rate	0%

Shares for Debt

On March 21, 2016, the Company issued 906,333 common shares at $0.075 per share to settle outstanding debts of $67,975. The shares were issued to seven creditors. Included in the totals were 566,341 common shares issued to insiders to settle debts totalling $42,475.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

b) Issued: (cont'd)

Nine Months Ended July 31, 2016: - (cont'd)

Private Placements

On April 29, 2016, the Company issued 2,693,666 common shares pursuant to the private placement of 2,693,666 units at $0.075 per unit for gross proceeds of $202,025. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.125 until April 29, 2018.

All share purchase warrants issued under the offering, including those issued as finders' fees, will be subject to an acceleration clause, which will cause the warrants, if unexercised, to expire on the date which is 30 days after the date that the volume-weighted average trading price of the Company's common shares on the TSXV exceeds $0.25 per share over a period of 10 consecutive trading days.

In connection with the private placement, the Company paid finder's fees of $12,285, issued 163,800 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.075 until April 29, 2018.

The fair value of the finders' warrants issued was calculated as $16,380 using the Black-Scholes Option Pricing Model using the weighted average assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the warrant.

Risk-free interest rate	1%
Expected life of warrants	2 years
Annualized volatility	157%
Dividend rate	0%

On May 6, 2016, the Company issued 2,033,334 common shares pursuant to the private placement of 2,033,334 units at $0.075 per unit for gross proceeds of $152,500. Each unit contained one common share and one warrant entitling the holder to purchase an additional common share at $0.125 until May 6, 2018.

All share purchase warrants issued under the offering, including those issued as finders' fees, will be subject to an acceleration clause, which will cause the warrants, if unexercised, to expire on the date which is 30 days after the date that the volume-weighted average trading price of the Company's common shares on the TSXV exceeds $0.25 per share over a period of 10 consecutive trading days.

In connection with the private placement, the Company paid finder's fees of $6,475, issued 86,333 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.075 until May 6, 2018.

The fair value of the finders' warrants issued was calculated as $8,633 using the Black-Scholes Option Pricing Model using the weighted average assumptions below. Fair value is particularly impacted by stock price volatility, determined using historical price data for a term equivalent to the expected life of the warrant.

Risk-free interest rate	1%
Expected life of warrants	2 years
Annualized volatility	150%
Dividend rate	0%

6. SHARE CAPITAL (cont'd)

b) Issued: (cont'd)

Nine Months Ended July 31, 2016: - (cont'd)

Gemini – Prospect Fee

On June 6, 2016, the Company issued 300,000 common shares at $0.095 per share to Nevada Sunrise as a prospect fee on the Gemini Lithium Project.

Warrants Exercised

During the nine months ended July 31, 2016, the Company issued 1,985,000 common shares at $0.05 per share for proceeds of $99,250 pursuant to the exercise of 1,985,000 share purchase warrants.

During the nine months ended July 31, 2016, the Company issued 100,000 common shares at $0.075 per share for proceeds of $7,500 pursuant to the exercise of 100,000 share purchase warrants.

Year Ended October 31, 2015:

Private Placement

On June 10, 2015, the Company closed a private placement for proceeds of $100,000. The private placement consisted of 700,000 flow-through units at $0.025 per unit and 3,300,000 non flow-through units at $0.025 per unit. As the unit price received for both the flow-through and the non-flow-through units was the same, no premium was recorded on the flow-through shares. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each non flow-through unit consisted of one non flow-through common share and one share purchase warrant. The share purchase warrants entitled the holders to purchase one additional non flow-through common share at $0.05 until June 10, 2016 or at $0.10 until June 10, 2017.

Private Placement

On October 1, 2015, the Company closed a private placement for proceeds of $85,000. The private placement consisted of 350,000 flow-through units at $0.10 per unit and 625,000 non flow-through units at $0.08 per unit. A flow-through premium of $0.02 per unit or $7,000 was recorded to reflect the difference in the price of the flow-through and non-flow-through units. Each flow-through unit consisted of one flow-through common share and one share purchase warrant. Each non flow-through unit consisted of one non flow-through common share and one share purchase warrant. The share purchase warrants entitled the holders to purchase one additional non flow-through common share at $0.12 until October 1, 2017.

All share purchase warrants issued under the October 1, 2015 private placement are subject to an acceleration clause which will cause the warrants, if unexercised, to expire on the date which is 30 days after the date that the volume weighted average trading price of the Company's common shares on the TSXV exceeds $0.25 per share over a period of 10 consecutive trading days. Finder's fees of $1,600 were paid on certain flow-through and non-flow-through subscriptions. The Company paid legal fees of $27,423 with respect to this private placement.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

c) Stock Options:

The Company has a Stock Option Plan ("the Plan") under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options that may be granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of grant. The exercise price of options granted under the Plan may not be less than the market value of the Company's common shares on the date of grant. Options granted under the Plan have a maximum life of five years and vest on the date of grant, over a period determined by management, or over a period mandated by TSX-V policy.

At October 31, 2014, the Company had no stock options outstanding.

On June 23, 2015, the Company granted 1,400,000 stock options to directors, officers and consultants of the Company. The options entitle the holders to purchase one common share for each option held at $0.10 until June 23, 2020. The fair value of the stock options of $112,000 or $0.08 per option was determined using the Black Scholes option valuation model with the following assumptions:

Risk-free interest rate	1.50%
Expected life of options	5 years
Annualized volatility	195%
Dividend rate	0%
Forfeiture rate	0%
Share price on grant date	$ 0.08

On June 27, 2016, the Company granted 900,000 stock options to directors, officers and consultants of the Company. The options entitle the holders to purchase one common share for each option held at $0.10 until June 27, 2021. The fair value of the stock options of $81,000 or $0.09 per option was determined using the Black Scholes option valuation model with the following assumptions:

Risk-free interest rate	1.38%
Expected life of options	5 years
Annualized volatility	171%
Dividend rate	0%
Forfeiture rate	0%
Share price on grant date	$ 0.095

At July 31, 2016, there were 2,300,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
1,400,000	$0.10	June 23, 2020
900,000	$0.10	June 27, 2021
2,300,000		

At July 31, 2016, the stock options had a weighted average remaining life of 4.29 years and a weighted average exercise price of $0.10.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (cont'd)

d) Share Purchase Warrants:

A summary of share purchase warrant activity for the nine months ended July 31, 2016 and the year ended October 31, 2015 is as follows:

	Nine Months Ended July 31, 2016			Year Ended October 31, 2015		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of period	4,975,000	$	0.06	-	$	-
Warrants exercised	(2,085,000)	$	0.05	-	$	-
Warrants issued	4,727,000	$	0.125	4,975,000	$	0.06
Warrants outstanding, end of period	7,617,000	$	0.12	4,975,000	$	0.06

At July 31, 2016, there were 7,617,000 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
700,000	$0.10	June 10, 2017
1,215,000	$0.125	June 10, 2020
975,000	$0.12	October 1, 2017
2,693,666	$0.125	April 29, 2018
2,033,334	$0.125	May 6, 2018
7,617,000		

At July 31, 2016, the weighted average remaining life of the outstanding warrants is 2.33 years.

e) Finders Warrants:

At July 31, 2016, there were 250,133 finder's warrants outstanding entitling the holders thereof the right to purchase one unit with the same terms as the private placement to which they relate as follows:

Number of warrants outstanding	Exercise Price	Expiry Date
163,800	$0.075	April 29, 2018
86,333	$0.075	May 6, 2018
250,133		

At July 31, 2016, the finder's warrants had a weighted average remaining life of 1.75 years and a weighted average exercise price of $0.075.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

During the nine months ended July 31, 2016 and 2015, the Company incurred the following charges by directors and officers, former directors, companies controlled by directors and officers and by former directors and officers, another public company with directors and officers in common and by a law firm in which a former director is a partner.

	2016	2015
Accounting fees	$ 20,500	$ 10,275
Consulting fees	11,000	2,500
Exploration and evaluation assets – geological	26,903	9,250
Exploration and evaluation assets – prospect fee	28,500	-
Management fees	38,000	5,000
Office	-	2,246
Rent	2,250	8,937
Stock-based compensation	89,000	96,000
	$ 216,153	$ 134,208

Key Management Compensation:

During the nine months ended July 31, 2016 and 2015, the Company incurred the following key management compensation charges. Key management includes the Company's directors and executive officers.

	2016	2015
Accounting fees	$ 20,500	$ 10,275
Consulting fees	11,000	2,500
Exploration and evaluation assets – geological	26,903	9,250
Management fees	38,000	5,000
Stock-based compensation	89,000	96,000
	$ 185,403	$ 123,025

During the nine months ended July 31, 2015, a former director and officer of the Company advanced $50,000 to the Company and forgave debt totalling $362,765.

At July 31, 2016, due to related parties includes $8,736 (October 31, 2015 - $49,782) payable to directors and officers of the Company and to companies with directors and officers in common with the Company for accounting fees, consulting fees, management fees and exploration and evaluation assets.

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

(Expressed in Canadian Dollars)

8. SEGMENTED INFORMATION

Operating Segment

The Company operates in one industry, being the acquisition, exploration and evaluation of mineral properties.

Geographic Segments

The Company's non-current assets are located in the following countries:

	July 31, 2016		
	Canada	USA	Total
Reclamation bonds	5,000	11,879	16,879
Exploration and evaluation assets	164,681	127,889	292,570
	$ 169,681	$ 139,768	$ 309,449

	October 31, 2015		
	Canada	USA	Total
Reclamation bonds	5,000	-	5,000
Exploration and evaluation assets	96,124	-	96,124
	$ 101,124	$ -	$ 101,124

9. NON-CASH TRANSACTIONS

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statements of cash flows:

During the Nine Months Ended July 31, 2016:

On March 21, 2016, the Company issued 906,333 common shares for accounts payable and accrued liabilities of $25,500 due to related parties of $42,475.

On April 29, 2016, the Company issued 163,800 finder’s warrants with a fair value of $16,380 pursuant to finder’s fee agreements on a private placement.

On May 6, 2016, the Company issued 86,333 finder’s warrants with a fair value of $8,633 pursuant to finder’s fee agreements on a private placement.

On June 6, 2016, the Company issued 300,000 common shares with a fair value of $28,500 to Nevada Sunrise as a prospect fee on the Gemini Lithium Project.

As at July 31, 2016, the Company had $2,446 in due to related parties, and $10,501 in accounts payable and accrued liabilities related to exploration and evaluation assets.

As at October 31, 2015, the Company had $31,057 in due to related parties, and $17,588 in accounts payable and accrued liabilities related to exploration and evaluation assets.

(Expressed in Canadian Dollars)

10. SUBSEQUENT EVENTS

FG Property - Option Agreement

On August 24, 2016, the Company entered into an option agreement with Canarc Resource Corp. ("Canarc") which provided Canarc the option to earn up to a 75% interest in the Company's FG Property.

On regulatory approval of the option agreement (received in September 2016), Canarc issued the Company 250,000 common shares of Canarc and purchased 750,000 units of the Company at $0.14 per unit for proceeds of $105,000.

In order to earn the initial 51% interest in the FG Property, Canarc is required to:

(a) Incur aggregate exploration expenditures of $1,500,000 on the property as follows:

- at least $500,000 is to be incurred in 2017,
- at least $500,000 is to be incurred in 2018, and
- the balance of the $1,500,000 is to be incurred in 2019.

(b) Issue Canarc shares to the Company as set out below:

Payment Date	Number of Shares
First Anniversary	250,000
Second Anniversary	250,000
Third Anniversary	250,000

(c) Pay the Company an annual cash payment equal to 50% of the British Columbia Mining Exploration Tax Credit received by Canarc with respect to the FG Property for expenditures incurred by Canarc (to an aggregate maximum of $1,500,000 in expenditures during the first option period) each year of the first option period.

In order to earn the additional 24% interest in the FG Property, Canarc is required to:

(a) Incur additional exploration expenditures of $1,500,000 on the property between the third anniversary and the fifth anniversary of the date of grant of the option.

(b) Issue Canarc shares to the Company as set out below:

Payment Date	Number of Shares
Fourth Anniversary	750,000
Fifth Anniversary	750,000

(c) Pay the Company an annual cash payment equal to the greater of: (i) $75,000 and (ii) 50% of the British Columbia Mining Exploration Tax Credit for expenditures incurred by Canarc (to an aggregate maximum of $1,500,000 in expenditures during the second option period) each year of the second option period.

Upon exercise of the option by Canarc, the companies will form a joint venture with respect to the FG Property.

10. SUBSEQUENT EVENTS (cont'd)

Private Placement

On September 9, 2016, the Company issued 1,050,000 common shares pursuant to the private placement of 1,050,000 units at $0.14 per unit for gross proceeds of $147,000. Each unit contained one common share and one-half of one share purchase warrant. Each full warrant entitled the holder to purchase an additional common share at $0.20 until September 9, 2018.

All share purchase warrants issued under the offering, including those issued as finders' fees, will be subject to an acceleration clause, which will cause the warrants, if unexercised, to expire on the date which is 30 days after the date that the volume-weighted average trading price of the Company's common shares on the TSXV exceeds $0.35 per share over a period of 10 consecutive trading days.

In connection with the private placement, the Company paid finder's fees of $1,260, issued 9,000 finder's warrants. Each finder's warrant entitles the holder to purchase one unit with the same terms as the private placement units at $0.14 until September 9, 2018.

Finder's Warrants Exercised

On September 16, 2016, the Company issued 8,400 common shares at $0.075 per share pursuant to the exercise of 8,400 finder's warrants for proceeds of $630.