zimtu

CAPITAL CORP.

Financial Statements

November 30, 2015

(Expressed in Canadian Dollars)

Management's Responsibility

To the Shareholders of Zimtu Capital Corp. (the "Company"):

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board of Directors is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

March 23, 2016

(signed)

David Hodge
President and director

(signed)

Jody Bellefleur
CFO

MNP LLP

Independent Auditors' Report

To the Shareholders of Zimtu Capital Corp.:

We have audited the accompanying financial statements of Zimtu Capital Corp., which comprise the statements of financial positions as at November 30, 2015 and 2014, the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zimtu Capital Corp. as at November 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

MNP LLP

Vancouver, Canada
March 23, 2016

Chartered Professional Accountants

Zimtu Capital Corp.
Statements of Financial Position
As at November 30,
(Expressed in Canadian Dollars)

		2015		2014
Assets				
Current				
Cash and cash equivalents	$	**52,803**	$	114,495
Investments (Note 6)		**5,617,522**		5,533,907
Advances and amounts receivable (Note 11)		**1,260,498**		357,903
Due from equity method investees (Note 7)		**698,341**		438,464
Due from related parties (Note 20)		**117,714**		-
Prepaid expenses (Note 12)		**142,590**		89,774
		7,889,468		6,534,543
Loan receivable (Note 13)		**125,446**		250,956
Deposits (Note 14)		**18,873**		18,873
Investments in equity method investees (Note 7)		**-**		589,159
Equipment (Note 9)		**-**		2,920
Mineral property interests (Note 8)		**112,245**		148,110
	$	**8,146,032**	$	7,544,561
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 15)	$	**523,170**	$	368,606
GST/HST payable		**18,294**		9,336
Liability for flow-through shares (Note 24)		**8,354**		-
Due to related parties (Note 20)		**13,077**		15,920
Unearned revenue (Note 16)		**271,016**		150,625
Promissory notes payable (Note 17)		**52,576**		-
		886,487		544,487
Equity				
Share capital (Note 10)		**9,346,662**		8,906,188
Reserves (Note 10)		**4,254,328**		4,225,195
Retained earnings (deficit)		**(6,341,445)**		(6,131,309)
Shareholders' equity		**7,259,545**		7,000,074
	$	**8,146,032**	$	7,544,561

On behalf of the Board:

"David Hodge" Director *"Sven Olsson"* Director

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

Zimtu Capital Corp.
Statements of Operations and Comprehensive Loss
For the years ended November 30,
(Expressed in Canadian Dollars)

		2015		2014
Revenue				
Administrative fees	**$**	**1,415,720**	$	1,276,312
Corporate development and marketing		**557,924**		320,889
Loss on sale of investments		**(1,955,638)**		(1,634,448)
Income from property sales		**310,313**		299,381
		328,319		262,134
Expenses				
General and administrative expenses (Note 19)		**2,610,964**		3,120,729
Loss before other items		**(2,282,645)**		(2,858,595)
Other items				
Interest income		**382**		482
Foreign exchange gain (loss)		**191**		(51)
Penalties and interest		**(1,200)**		(100)
Bad debts		**(47,619)**		-
Gain on purchase of debt		**733,331**		466,230
Equity loss of affiliates (Note 7)		**(33,750)**		(96,304)
Impairment of mineral properties (Note 8)		**(28,843)**		(338,687)
Unrealized gain on investments		**1,405,829**		1,950,089
Write off marketable securities (Note 6)		**-**		(616,850)
Other income		**52,542**		2,500
		2,080,863		1,367,309
Loss before income taxes		**(201,782)**		(1,491,286)
Income taxes (Note 25)				
Current taxes recovery (expense)		**-**		114,017
Deferred taxes recovery (expense)		**(8,354)**		-
		(8,354)		114,017
Net loss and comprehensive loss for the year	$	**(210,136)**	$	(1,377,269)
Basic loss per share	$	**(0.01)**	$	(0.11)
Diluted loss per share	$	**(0.01)**	$	(0.11)
Weighted average number of shares outstanding				
- basic		**14,302,383**		12,132,539
- diluted		**14,302,383**		12,132,539

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

Zimtu Capital Corp.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital			Retained	Total
	No. of Shares	Amount	Reserves	Earnings/ (Deficit)	Equity
Balance, November 30, 2013	**11,265,487**	**$ 7,874,331**	**$ 3,779,648**	**$ (4,754,040)**	**$ 6,899,939**
Issuance of shares (Note 10)	2,228,690	1,114,345	-	-	1,114,345
Share issue costs	-	(82,488)	17,353	-	(65,135)
Share-based payments	-	-	428,194	-	428,194
Net loss for the year	-	-	-	(1,377,269)	(1,377,269)
Balance, November 30, 2014	**13,494,177**	**$ 8,906,188**	**$ 4,225,195**	**$ (6,131,309)**	**$ 7,000,074**

	Share Capital			Retained	Total
	No. of Shares	Amount	Reserves	Earnings/ (Deficit)	Equity
Balance, November 30, 2014	**13,494,177**	**$ 8,906,188**	**$ 4,225,195**	**$(6,131,309)**	**$ 7,000,074**
Issuance of shares (Note 10)	1,900,306	485,051	13,236	-	498,287
Share issuance costs	-	(44,577)	15,897	-	(28,680)
Net loss for the year	-	-	-	(210,136)	(210,136)
Balance, November 30, 2015	**15,394,483**	**$ 9,346,662**	**$ 4,254,328**	**$(6,341,445)**	**$ 7,259,545**

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

Zimtu Capital Corp.
Statements of Cash Flows
For the years ended November 31,
(Expressed in Canadian Dollars)

		2015		2014
Operating Activities				
Net loss for the year	$	**(210,136)**	$	(1,377,269)
Items not involving cash:				
Unrealized (gain) loss of investments		**(1,405,829)**		(1,950,089)
Income from property sale		**(310,313)**		(299,381)
Amortization		**2,920**		24,261
Loss on sale of investment		**1,955,638**		1,634,448
Share based payment		**-**		428,194
Shares received for finder's fees		**(29,388)**		(2,500)
Gain on transaction		**-**		-
Impairment of mineral property		**28,843**		338,687
Write off marketable securities		**-**		616,850
Equity loss on affiliates		**33,750**		96,304
Shares received for debt		**75,040**		(795,669)
Gain on purchase of debt		**(733,331)**		-
Changes in non-cash working capital				
Amounts receivable		**(250,306)**		(25,798)
Prepaid expenses and deposit		**(52,816)**		7,671
Accounts payable and accrued liabilities		**238,488**		40,175
Unearned revenue		**120,391**		150,698
Due to (from) related parties		**(380,434)**		(395,006)
Liability for flow-through shares		**8,354**		-
Promissory notes payable		**52,576**		-
Cash (used in) operating activities		**(856,553)**		(1,508,424)
Investing Activities				
Acquisition of investments		**(1,724,472)**		(1,387,733)
Proceeds on disposition of investments		**2,001,205**		2,253,034
Loans receivable		**125,510**		(105,051)
Mineral property acquisitions		**(43,239)**		(144,377)
Proceeds on disposition of mineral properties		**-**		11,000
Proceeds on sale of equity method investees		**-**		55,735
Investment in equity method investees		**(33,750)**		(134,301)
Cash generated from investing activities		**325,254**		548,307
Financing Activities				
Proceeds from issuance of shares, net of share issuance costs		**469,607**		1,049,210
Cash provided by financing activities		**469,607**		1,049,210
Change in cash during the year		**61,692**		89,093
Cash, beginning of year		**114,495**		25,402
Cash, end of year	$	**52,803**	$	114,495

Supplemental disclosure with respect to cash flows (Note 18)

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of British Columbia on July 4, 2006, under the Business Corporations Act of British Columbia. The Company's principal business activities are investments in junior resource companies, mineral resource property acquisitions and dispositions, and the provision of management services. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at Suite 800, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on March 23, 2016.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure.

Judgement is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgement has been applied include:

- Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs;
- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, *Financial instruments: recognition and measurement; and*
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets.*

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Significant areas requiring the use of management estimates and assumptions include:

- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The assumptions used to calculate fair value of investments in private company securities not quoted in an active market; and
- The inputs used in accounting for share-based payments.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks, and highly liquid investments with an original maturity of three months or less. There were $nil cash equivalents as at November 30, 2015 (2014: $nil).

Investments

Investments consist of investments in shares, warrants and options of public and private companies and fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, which are recorded at fair value, except for those investments in shares that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which is recorded at cost.

The Company classifies its investments in shares into at fair value through profit or loss and available-for-sale categories. Investments that are bought and held principally for the purpose of selling them in the near term are classified as fair value through profit or loss and are reported at fair value, with unrealized gains and losses recognized in earnings. Investments not classified as at fair value through profit or loss are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in other comprehensive income and reported in equity. The fair value of substantially all investments is determined by quoted market prices, except for those investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. The investments in warrants and options of public and private companies are fair valued using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at reporting year end.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method at the following annual rates:

Computer equipment	-	2 years
Office furniture	-	3 years
Leasehold Improvements	-	5 years (lease term)

Additions during the year are amortized on a pro-rata basis based on the annual amortization amount.

Mineral property interests

Mineral property interests involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Mineral property interests incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, mineral property interests incurred are capitalized. All capitalized mineral property interests are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of operations and comprehensive loss to the extent that they are not expected to be recovered. No amortization is taken during the exploration and evaluation phase.

From time to time, the Company may acquire or dispose of a mineral property interest, either by an option agreement or an acquisition agreement. As the consideration payable may consist of options, which are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statement of operations and comprehensive loss.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Foreign currency transaction

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial asset at initial recognition.

The Company's accounting policy for each category is as follows:

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income. Cash and cash equivalents, GIC and investment in public company shareholdings are included in this category of financial assets. Investments in warrants and options are also classified as FVTPL and are carried at fair market value by using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at year-end.

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as "trading" assets, have not been designated at fair value through profit or loss or as available-for-sale and for which the holder may recover substantially all of its initial investment, other than because of credit deterioration. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivable are derecognized or impaired, as well as through the amortization process. Advances and amounts receivable, loan receivable, subscription receivable and due from related parties are classified as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

(iii) Available-For-Sale Investments
Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. Investments in equity instruments not classified as at fair value through profit or loss are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in equity. The fair value of substantially all investments is determined by quoted market prices, except for those investments that do not have a quoted market price in an active market, which are measured at cost.

(iv) Held-to-maturity investments
The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial Assets (continued)

Impairment on Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Financial Liabilities
Financial liabilities are all classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise accounts payables and accrued liabilities, liability for flow-through shares and amounts due to related parties. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company's due to related parties, liability for flow-through shares and accounts payable and accrued liabilities are classified as other financial liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenues are recognized on the following bases:

(i) Interest income is recorded on an accrual basis at the stated interest rate over the term of the related instrument;
(ii) Revenue from management and administrative services and corporate development and marketing services is recognized upon completion of the service, and when collectability is reasonably assured.
(iii) Realized gains on investments are recorded upon disposal of the investment, on a trade date basis;
(iv) Unrealized gains and losses arising from market prices in effect at the date of statement of financial position for investments at fair value through profit or loss are recorded at the date of the statement of financial position;
(v) Revenue from mineral sales is recognized at the time that title and risk of ownership have passed, collection is reasonably assured and the price is determinable. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statement of operations and comprehensive loss; and
(vi) Revenue from property advisory services is recognized when the service is performed, collection is reasonably assured, and the price is determinable.

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for tax purposes by the investors who purchased the shares. While IFRS contains no specific guidance on accounting for flow-through shares, the Company has chosen to adopt the following accounting policy:

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received (i.e. the "flow-through commitment") as follows:

- Share capital – the fair market price at the date of the issue;
- Flow-through share premium – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature, i.e. the portion in excess of the market value of the shares without the flow-through features at the time of issue; and
- Fair value of warrants – if warrants are being issued, based on the valuation derived using the residual method.

In the case that the Company does not issue non flow-through units together with the flow-through units, the flow-through share premium is determined by using the residual method, whereby the fair value of warrants will be valued based on the Black-Scholes option-pricing model, and the flow-through share premium equal to any residual balance after the fair market price of the common shares and fair value of warrants.

Therefore, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period.

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

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities on an undiscounted basis, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings/Loss per share

Basic earnings / loss per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings / loss per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Long lived assets impairment

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of discounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting period basis using fair value determinations through management's estimate of recoverable value.

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is an indication of impairment, then the asset's recoverable amount is estimated.

An asset's recoverable amount is the higher of an asset's or cash-generating units ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in associate

If the Company has significant influence over an investee as defined under IAS 28 – Investments in Associates and Joint Ventures, the investment is initially recognized at cost and is adjusted periodically to reflect the Company's portion of the investees' comprehensive profit or loss through the Company's statement of operations and comprehensive loss. The Company's share of profit or loss of an associate is shown on the face of the statement of operations and comprehensive loss.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the statement of operations and comprehensive loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and process from disposal is recognised in profit or loss.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Recently Issued Accounting Pronouncements

The standards were adopted for the period beginning on November 1, 2014 or earlier, and had no effect on the Company's financial statements for the periods presented.

The IASB issued the following standards, which are not yet effective and have not been applied in the preparation of these financial statements. The Company is in the process of determining the extent of the impact on its financial statements.

Pronouncements that are not applicable or that do not have a significant impact to the Company have not been included in these consolidated financial statements.

On May 6, 2014 the IASB issued Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The impact of adoption of the amendment has not yet been determined.

On July 24, 2014 the IASB issued the complete IFRS 9. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight. The impact of adoption of the amendment has not yet been determined.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Pronouncements (continued)

On May 12, 2014 the IASB issued amendments to IAS 16 Property, Plant and Equipment. The amendments made to IAS 16 explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. This is because such methods reflect factors other than the consumption of economic benefits embodied in the asset. The Company intends to adopt the amendments to IAS 16 in its financial statements for the annual period beginning on November 1, 2016. The impact of adoption of the amendment has not yet been determined.

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". IFRS 15 replaces IAS 18, "Revenue", IAS 11, "Construction Contracts", and some revenue related Interpretations. IFRS 15 establishes a new control-based revenue recognition model and provides a comprehensive framework or recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. The new standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 allows or early adoption, but the Company does not intend to do so at this time.

In December 2014, the IASB amended IAS 1, "Presentation of Financial Statements", providing guidance on the application of judgment in the preparation of financial statements and disclosures. The amendments are effective for annual periods beginning on or after November 1, 2016 with early adoption permitted, but the Company does not intend to do so at this time.

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

				Assets measured at fair value as at November 30, 2015
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Fair value through profit or loss				
Cash on hand and bank balances	52,803	-	-	52,803
GIC	34,500	-	-	34,500
Investment in public company shareholdings	4,235,032	-	-	4,235,032
Investment in private company shareholdings	-	-	589,913	589,913
Investment in warrants	-	758,078	-	758,078
	4,322,335	758,078	589,913	5,670,326

				Assets measured at fair value as at November 30, 2014
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Fair value through profit or loss				
Cash on hand and bank balances	114,495	-	-	114,495
GIC	34,500	-	-	34,500
Investment in public company shareholdings	4,158,678	-	-	4,158,678
Investment in private company shareholdings	-	-	652,525	652,525
Investment in warrants	-	688,204	-	688,204
	4,307,673	688,204	652,525	5,648,402

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investment bear interest at a fixed rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and cash equivalents and investments due to its cash and cash equivalents are placed with major financial institutions and investments are placed with a Canadian chartered bank or with independent investment dealer member of the Canadian Investor Protection Fund. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk with respect to advances and amounts receivables is remote. One customer accounted for 46% (2014: 47%) of the Company's administrative revenue.

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

d) Currency risk - The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

e) Liquidity risk - Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company' investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its administrative activities and proceeds from the disposition of its investments. The Company has sufficient investments that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

f) Market risk - Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily across several sectors in the natural resource industry, potash, precious metals, base metals, coal, graphite, rare earth elements, and rare metals. The Company also has set thresholds on purchases of investments. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. The Company is not exposed to commodity price at this time.

g) Capital management - The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended November 30, 2015 and 2014. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

6. INVESTMENTS

The Company classifies all of its investments other than equity method investees as investments at fair value through profit or loss, except for the investments classified as available-for-sale.

Investment in public company shareholdings	**Investments at fair value through profit or loss as at November 30, 2015**				
	Volume	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
92 Resources	250,000	52,050	0.21	7,500	0.030
ALX Uranium	1,715,055	469,660	0.27	102,903	0.060
Arctic Star Exploration	3,894,283	301,201	0.08	58,414	0.015
Big North Graphite	282,500	138,478	0.49	5,650	0.020
Canadian International	354,000	40,895	0.12	12,390	0.035
Cardiff Energy	650,000	97,500	0.15	126,750	0.195
Commerce Resources	3,584,178	1,834,294	0.51	322,576	0.090
Copper North	1,200,000	60,000	0.05	42,000	0.035
Cresval Capital	500,000	100,000	0.20	17,500	0.035
CMC Metals	1,200,000	60,000	0.05	36,000	0.030
Dunnedin Ventures	1,000,000	60,000	0.06	70,000	0.070
Electra Stone	10,054,855	594,388	0.06	1,105,803	0.110
Equitas Resources	6,619,834	739,734	0.11	794,380	0.120
Global Copper Group	26,250	15,682	0.60	1,050	0.040
GTA Mining	1,200,000	60,000	0.05	30,000	0.025
Indigo Exploration	715,000	200,653	0.28	3,575	0.005
Iron Tank	500,000	50,000	0.10	17,500	0.035
Kapuskasing Gold	2,875,000	264,900	0.09	86,250	0.030
Lithex Resources	240,000	53,758	0.22	5,316	0.022
MGX Minerals	1,034,833	411,311	0.40	439,804	0.425
Montan Mining	286,000	38,420	0.13	5,720	0.020
Nouveau Life Pharmaceuticals	230,000	50,051	0.22	23	0.000
Open Gold	800,000	67,500	0.08	8,000	0.010
Pacific Potash	170,000	139,536	0.82	8,500	0.050
Pasinex Resources	6,244,738	561,380	0.09	343,461	0.055
Pinestar Gold	65,650	95,390	1.45	1,970	0.030
Pistol Bay	850,000	37,500	0.05	29,750	0.035
Prospero Silver	36,000	63,000	1.75	2,880	0.080
Rainmaker Resources	67,647	86,250	1.28	8,794	0.130
Red Oak Mining	1,755,000	119,763	0.07	17,550	0.010
RT Minerals	1,666,666	25,000	0.02	8,333	0.005
Strike Diamond	21,500	5,072	0.24	430	0.020
Takara Resources	317,269	10,000	0.03	7,932	0.025
True Leaf Medicine	1,929,567	116,738	0.06	212,252	0.110
White Metal Resources	180,000	4,500	0.03	3,600	0.020
WPC Resources	2,200,000	110,000	0.05	88,000	0.040
Western Potash	1,038,333	491,899	0.47	202,475	0.195
		7,626,503		**4,235,239**	

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at November 30, 2015				
	Volume	Cost Base		Market Base	
		$	$/Share	$	$/Share
Adent Capital	5,000	525	0.11	525	Cost
Jack's Fork Exploration	2,307,500	239,388	0.10	239,388	0.10
Kittson Metals	200,000	10,000	0.05	10,000	Cost
MEP Petroleum	750,000	7,500	0.01	7,500	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Pacific Polar Energy Group	2,000,000	20,000	0.10	20,000	0.01
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Pucara Resources	350,000	52,500	0.15	52,500	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tamaka Gold	104,500	99,750	0.95	99,750	Cost
Tru Vision	166,667	75,000	0.45	75,000	Cost
Tyko Resources	400,000	80,000	0.20	80,000	Cost
Provision ***				(394,750)	
		984,663		**589,913**	

*** The market rate of private company investments cannot be verified so the Company has made a provision in the event that the investments become impaired.

Investments in warrants	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value $/Warrant
Arctic Star Exploration	437,500	July 21, 2016	0.20	653	0.00
Arctic Star Exploration	662,500	July 21, 2016	0.20	989	0.00
Arctic Star Exploration	1,042,000	June 30, 2020	0.10	15,967	0.01
Big North Graphite	125,000	March 13, 2016	0.08	-	0.00
Cardiff Energy	650,000	June 19, 2017	0.20	84,086	0.13
CMC Metals	1,200,000	June 8, 2017	0.06	15,088	0.01
Canada Strategic Metals	37,500	May 5, 2016	0.15	49	0.00
Commerce Resources	901,900	April 3, 2016	0.30	1,430	0.00
Copper North	1,200,000	November 4, 2020	0.03	37,654	0.03
Electra Stone	743,619	December 1, 2016	0.10	44,479	0.06
Elissa Resources	250,000	March 4, 2016	0.30	-	0.00
Equitas Resources	2,100,000	March 4, 2016	0.10	160,568	0.08
Equitas Resources	1,974,001	July 15, 2017	0.15	159,308	0.08
Equitas Resources	1,100,000	September 17, 2017	0.20	96,170	0.09
Kapuskasing Gold	1,000,000	February 4, 2019	0.10	25,414	0.03
Kapuskasing Gold	300,000	May 19, 2017	0.10	4,301	0.01
Kapuskasing Gold	370,000	December 17, 2016	0.10	3,893	0.01
ALX Uranium	95,000	March 20, 2016	0.30	9	0.00
ALX Uranium	500,000	March 20, 2016	0.30	47	0.00
Mission Gold	31,250	September 14, 2017	2.72	620	0.02
Pacific Potash	145,000	December 28, 2015	1.30	-	0.00
Pasinex Resources	2,178,572	April 7, 2017	0.12	28,064	0.01
Pistol Bay	425,000	August 24, 2016	0.10	2,317	0.01
Prima Diamond	600,000	April 21, 2016	0.10	913	0.00
Rainmaker Resources	150,000	March 31, 2016	0.20	9,250	0.06
Red Oak Mining	800,000	November 7, 2016	0.20	2,126	0.00
RT Minerals	833,333	April 2, 2017	0.01	2,882	0.00
Strike Diamond	200,000	September 29, 2017	0.25	2,504	0.01
Tamaka Gold	104,500	2 years after a liquidity event	1.50	-	-
True Leaf	1,025,000	August 11, 2017	0.15	47,856	0.05
WPC Resources	2,200,000	September 16, 2016	0.16	11,441	0.01
Balance, November 30, 2015				**758,078**	
Investment in GIC, November 30, 2015				**34,500**	
Total value of investments, November 30, 2015				**$5,617,522**	

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

Investment in public company shareholdings	**Investments at fair value through profit or loss as at November 30, 2014**				
	Volume	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
92 Resources	200,000	50,000	0.25	9,000	0.045
Arctic Star Exploration	3,330,283	478,560	0.14	133,211	0.040
Amarillo Gold	20,000	3,415	0.17	1,600	0.080
Big North Graphite	1,825,000	118,478	0.06	82,125	0.045
Canada Strategic Metals	572,000	138,119	0.24	25,740	0.045
Canadian International	354,000	40,895	0.12	10,620	0.030
Commerce Resources	3,584,178	1,834,294	0.51	680,994	0.190
Contagious Gaming	27,722	100,237	3.62	15,247	0.550
Corex Gold	165,000	49,500	0.30	7,425	0.045
Cresval Capital	500,000	100,000	0.20	7,500	0.015
Delta Gold	1,000,000	100,000	0.10	20,000	0.020
Desert Star	851,500	277,859	0.33	136,240	0.160
Discovery Harbour	703,333	206,663	0.29	21,100	0.030
Dunnedin Ventures	20,000	110,000	5.50	2,800	0.140
Elissa Resources	250,000	50,000	0.20	6,250	0.025
Equitas Resources	3,800,999	721,183	0.19	171,045	0.045
Equitorial Exploration	188,000	34,487	0.18	31,960	0.170
Fieldex Exploration	725,000	119,222	0.16	3,625	0.005
Galaxy Graphite	855,000	128,120	0.15	8,550	0.010
Indico Resources	214,000	53,500	0.25	9,630	0.045
Indigo Exploration	715,000	200,653	0.28	10,725	0.015
Iron Tank	500,000	50,000	0.10	30,000	0.060
Kapuskasing Gold	2,490,000	246,750	0.10	136,950	0.055
Lakeland Resources	5,057,000	465,913	0.09	657,410	0.130
Lithex Resources	240,000	53,758	0.22	40,998	0.171
Lomiko Metals	1,350,000	115,500	0.09	87,750	0.065
Montan Capital	1,534,500	205,719	0.13	76,725	0.050
Nouveau Life Pharmaceuticals	230,000	50,051	0.22	157	0.001
Open Gold	800,000	67,500	0.08	12,000	0.015
Pacific Potash	1,700,000	139,536	0.08	42,500	0.025
Pasinex Resources	6,194,738	553,830	0.09	782,034	0.125
Pinestar Gold	65,650	95,390	1.45	1,970	0.030
Prospero Silver	180,000	63,000	0.35	2,700	0.015
Rainmaker Resources	575,000	86,250	0.15	25,875	0.045
Red Oak Mining	1,100,000	113,000	0.10	38,500	0.035
Rio Silver	16,200	24,640	1.52	486	0.030
Strike Diamond	1,084,000	254,625	0.23	102,980	0.095
Takara Resources	317,269	10,000	0.03	3,173	0.010
White Metal Resources	240,000	6,000	0.03	6,000	0.025
WPC Resources	2,200,000	110,000	0.05	88,000	0.040
Western Potash	2,508,333	1,188,681	0.47	627,083	0.250
		8,815,328		**4,158,678**	

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at November 30, 2014				
	Volume	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Abalor Minerals	1,000,000	100,000	0.10	100,000	Cost
Adent Capital	5,000	525	0.11	525	Cost
Jack's Fork Exploration	2,220,000	344,100	0.16	344,100	0.10
Kittson Metals	200,000	10,000	0.05	10,000	Cost
MEP Petroleum	750,000	7,500	0.01	7,500	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Pacific Polar Energy Group	2,000,000	20,000	0.10	20,000	0.01
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Pucara Resources	350,000	52,500	0.15	52,500	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tamaka Gold	104,500	99,750	0.95	99,750	Cost
Tru Vision	500,000	75,000	0.15	75,000	Cost
True Leaf	2,000,000	80,000	0.04	80,000	Cost
Tyko Resources	400,000	80,000	0.20	80,000	Cost
Provision ***				(616,850)	
		1,269,375		**652,525**	

*** The market rate of private company investments cannot be verified so the Company has made a provision in the event that the investments become impaired.

Investments in warrants	**Number of Warrants**	**Expiry Date**	**Exercise Price**	**Fair Value**	**Fair Value $/Warrant**
Altan Nevada	172,184	December 15, 2014	0.52	-	0.00
Arctic Star Exploration	1,584,727	April 12, 2015	0.37	187	0.00
Arctic Star Exploration	437,500	July 21, 2016	0.20	4,853	0.01
Arctic Star Exploration	662,500	July 21, 2016	0.20	7,349	0.01
Big North Graphite	375,000	June 13, 2015	0.15	1,624	0.00
Big North Graphite	600,000	July 3, 2015	0.10	4,991	0.01
Big North Graphite	1,250,000	March 13, 2016	0.08	23,473	0.02
Canada Strategic Metals	37,500	May 5, 2016	0.15	636	0.02
Canadian International	62,500	September 23, 2015	1.00	15	0.00
Canadian International	160,000	March 6, 2015	0.10	58	0.00
Commerce Resources	150,000	September 14, 2015	0.35	5,505	0.04
Commerce Resources	901,900	April 3, 2016	0.30	70,785	0.08
Delta Gold	500,000	September 14, 2017	0.17	4,177	0.01
Elissa Resources	250,000	March 4, 2016	0.30	2,718	0.01
Kapuskasing Gold	1,000,000	February 4, 2019	0.10	53,465	0.05
Lakeland Resources	285,000	March 20, 2016	0.30	2,449	0.01
Lakeland Resources	1,500,00	March 20, 2016	0.30	56,231	0.04
Pacific Potash	1,450,000	December 28, 2015	0.13	17,889	0.01
Pasinex Resources	750,000	July 2, 2015	0.16	46,995	0.06
Pasinex Resources	2,178,572	April 7, 2017	0.12	225,900	0.10
Pistol Bay	450,000	July 14, 2015	0.10	11,304	0.03
Prima Diamond	600,000	April 21, 2016	0.10	13,320	0.02
Rainmaker Resources	150,000	March 31, 2016	0.20	3,447	0.02
Red Oak Mining	800,000	November 7, 2016	.015	10,975	0.01
Strike Diamond	200,000	September 29, 2017	0.25	17,659	0.01
Tamaka Gold	104,500	2 years after a liquidity event	1.50	-	-
Western Potash	2,708,333	October 24,2015	0.52	47,567	0.02
WPC Resources	2,200,000	September 16, 2016	0.16	54,632	0.03
Balance, November 30, 2014				**688,204**	
Investment in GIC, November 30, 2014				**34,500**	
Total value of investments, November 30, 2014				**$5,533,907**	

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

As at November 30, 2015, the Company had two guaranteed investment certificates totaling $34,500 (2014: $34,500). Of the total, $23,000 was issued on March 13, 2014, matured on March 12, 2015, and was subsequently renewed to March 10, 2016 with an interest rate of prime minus 1.95%. The remaining $11,500 was issued on July 10, 2014, matured on July 9, 2015, and was subsequently renewed to July 7, 2016 with an interest rate of prime minus 2.00%.

7. INVESTMENTS IN EQUITY METHOD INVESTEES

	Prima Diamond (a)	Electra Stone Ltd. (b)	Total
At November 30, 2013	$ -	$ -	$ -
Investment in private placement	60,000	-	60,000
Conversion of shares of Red Star	-	133,573	133,573
Shares received for debt	-	507,897	507,897
Purchase of shares in market	21,260	18,468	39,728
Sale of shares	(55,110)	-	(55,110)
Adjustment of escrow shares	(625)	-	(625)
Loss from equity investee	(25,525)	(70,779)	(96,304)
At November 30, 2014	-	589,159	589,159
Purchase of shares in private transaction	33,750	-	33,750
Purchase of shares in market	-	25,250	25,250
Issuance of shares for finders fees	-	(5,900)	(5,900)
Derecognition as equity investment	-	(608,509)	(608,509)
Gain (loss) from equity investee	(33,750)	-	(33,750)
At November 30, 2015	$ -	$ -	$ -

(a) Prima Diamond Corp. (formerly Prima Fluorspar Corp.)

During the year ended November 30, 2014, the Company purchased 600,000 shares valued at $60,000 in a private placement, sold 1,002,000 shares with a cost of $55,110, and purchased 325,000 shares on the market with a cost of $21,260. During the year ended November 30, 2015, the Company acquired 675,000 shares in private transactions with a cost of $33,750. During the year ended November 30, 2015, the investment was adjusted for $33,750 (2014: $25,525) of equity loss due to the decrease of net assets of Prima. As at November 30, 2015, the Company holds 8,055,500 shares of Prima, equal to 24.73% (2014: 22.66%) of Prima's outstanding common shares. On May 5, 2015, the Company acquired $149,654 of debt owed by Prima to a former director and consultant (the "Assignors"). The Company settled the debt with the Assignors by transferring to them escrow shares held as an investment. No gain or loss was recognized as a result of the debt settlement. At November 30, 2015, Prima is indebted to the Company in the amount of $698,341 (2014: $354,544).

(b) Electra Stone Ltd. (formerly Electra Gold Corp.)

During the year ended November 30, 2014, Electra Stone Ltd. ("Electra") issued 24,000,000 shares in exchange for debt valued at $1,218,969. The Company received 10,000,000 of the Electra shares in exchange for its related portion of the debt, which was purchased for $41,667, creating a gain of $466,230 on the purchase. In addition, the Company received 809,323 shares for the conversion of their Red Star shares into Electra shares, and purchased 314,500 shares in the market, for a total investment of $659,938. During the year ended November 30, 2015, the company acquired 531,032 additional shares, issued 100,000 shares for finder's fees, and sold 1,500,000 shares. On June 23, 2015, the investment ceased to be an equity investment, due to the issuance of shares by Electra. During the year ended November 30, 2015, the investment had been adjusted for $407,286 (2014: $70,779) of equity loss due to the decrease of net assets of Electra.

(Expressed in Canadian Dollars)

7. INVESTMENTS IN EQUITY METHOD INVESTEES (continued)

(b) Electra Stone Ltd. (formerly Electra Gold Corp.) (continued)

The equity loss on the investment was subsequently reversed through unrealized gains on investments in the statement of operations and comprehensive loss when the Company derecognized Electra as an equity investment. As a results of the loss of significant influence, the Company recognized an unrealized gain of $1,240,005 in the statement of operations and comprehensive loss for the revaluation and reclassification of the investment. As at November 30, 2015, the Company holds 10,054,855 shares of Electra, equal to 17.08% of Electra's outstanding common shares. The investment is now accounted for at fair value through profit or loss (see Note 6).

8. MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2014 $	Additions $	Impairment $	Property sales $	Balance, November 30, 2015 $
AB Potash (α)	Dahrouge	84	-	-	-	84
Black Birch (k)	Dahrouge	16,288	208	-	(16,496)	-
Brassy Rapids (l)	Dahrouge	2,175	-	(2,175)	-	-
Burnt Pond (m)	N/A	-	3,055	-	(3,055)	-
Deep Bay/Simon Lake (α)	Dahrouge	7,644	460	(765)	-	7,339
Garland/Voisey's Bay (h)	Dahrouge	621	-	-	(621)	-
Garland Peninsula (o)	N/A	-	2,600	-	-	2,600
Gotcha (Tungsten) (α)	N/A	9,221	-	(9,221)	-	-
Longworth Silica Claims (j)	N/A	39,403	16,306	-	(55,709)	-
Munn Lake (i)	Dahrouge	22,892	39,245	-	-	62,137
Marchel Lake (α)	Dahrouge	18,241	-	-	-	18,241
Parallel Creek Frac (α)	Dahrouge	1,818	-	-	-	1,818
Pelican Frac Sands (α)	Dahrouge	13,041	2,532	-	-	15,573
Screech (α)	Ridge Resources	-	589	-	-	589
Springer Lake (α)	Dahrouge	16,682	-	(16,682)	-	-
Two Creeks (α)	Dahrouge	-	2,710	-	-	2,710
Windy Tungsten (α)	N/A	-	1,154	-	-	1,154
		148,110	68,859	(28,843)	(75,881)	112,245

(Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS (continued)

Property Name	Partner	Balance, November 30, 2013 $	Additions $	Impairment $	Property sales $	Balance, November 30, 2014 $
AB Frac /Peace River (f)	Dahrouge	9,750	1,125	-	(10,875)	-
AB Potash (α)	Dahrouge	84	-	-	-	84
Barite Claims	N/A	1,401	-	(1,401)	-	-
Beatty Bay	Dahrouge	21,590	1,449	(23,039)	-	-
Black Birch (k)	Dahrouge	14,068	2,220	-	-	16,288
Brassy Rapids (k)	Dahrouge	2,175	-	-	-	2,175
Deep Bay/Simon Lake (α)	Dahrouge	3,263	4,381	-	-	7,644
Garland Property (h)	Dahrouge	-	35,188	-	(34,567)	621
Gotcha (Tungsten) (α)	N/A	-	9,221	-	-	9,221
Irving Lake Gold	Dahrouge	19,275	486	(19,761)	-	-
Jay Claims	Dahrouge	2,759	-	(2,759)	-	-
Kubwa	Strategic	165,000	-	(165,000)	-	-
Lac Caron Graphite	Dahrouge	8,034	-	(8,034)	-	-
Munn Lake (i)	Dahrouge	-	22,892	-	-	22,892
Marchel Lake (α)	Dahrouge	-	18,241	-	-	18,241
Parallel Creek Frac (α)	Dahrouge	-	1,818	-	-	1,818
Pelican Frac Sands (α)	Dahrouge	-	13,041	-	-	13,041
Michon	Dahrouge	1,803	-	(1,803)	-	-
Portland Graphite (d)	MPH	-	60,534	(60,534)	-	-
Sask Craton Property (g)	Dahrouge	31,994	1,200	-	(33,194)	-
Saskoba Gold	Dahrouge	35,405	3,964	(39,369)	-	-
Longworth Silica Claims (j)	N/A	39,313	7,268	(7,178)	-	39,403
Springer Lake (α)	Dahrouge	16,682	-	-	-	16,682
Zaharik Lake	Dahrouge	9,809	-	(9,809)	-	-
		382,405	183,029	(338,687)	(78,636)	148,110

(α) Properties Held for Sale

Joint Venture Partners

Dahrouge Geological Consulting Corp., 877384 Alberta Ltd., and DG Resource Management Ltd. (“Dahrouge”)

The Company entered into verbal mutual agreements with Dahrouge Geological Consulting Corp. (“Dahrouge”), 877384 Alberta Ltd. (“877384”), and DG Resource Management Ltd. (“DG Resource”), in which Dahrouge, 877384, and/or DG Resource will stake and hold the ownerships of the properties on behalf of the Company.

MPH Consulting Ltd. (“MPH”)

During the year ended November 30, 2012, the Company and MPH Consulting Ltd. (with president, Paul Sobie and executive VP, Bill Brereton) entered into an agreement that they are the legal and beneficial holders of the mineral claims making up the Griffith and Brougham Graphite Properties, McWhirter Lake Property, and Portland Graphite Property.

8. MINERAL PROPERTY INTERESTS (continued)

Ridge Resources Ltd. ("Ridge")

The Company entered into verbal mutual agreements with Ridge Resources Ltd. ("Ridge") that either Ridge or the Company will stake and hold the ownerships of the partnered properties.

Farmed-out Properties

(a) McWhirter Lake Graphite Property

On August 14, 2012, the Company and its prospecting partners signed an agreement with Olympic Resources Ltd. ("Olympic") whereby Olympic has an option to purchase a 100% interest in and to the McWhirter Lake Graphite Property located in the Carlow, Monteagle, and Dungannon townships in Ontario, Canada. For its participation in the transaction, Zimtu will receive cash payments of $20,000 (received) and payments of 1,250,000 common shares (received 750,000 shares fair valued at $37,500 in 2012, 250,000 shares fair valued at $6,250 in 2013, and 250,000 shares fair valued at $6,250 in 2014). Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for $1 million. The agreement was approved by the TSX-V on August 28, 2012. During the year ended November 30, 2015, $nil (2014: $6,250) was recognized as revenue from the property sale.

(b) Griffith and Brougham Graphite Properties

On April 17, 2012, the Company and its prospecting partners signed an agreement with Big North Graphite Corp. ("Big North") (formerly Big North Capital Inc.) whereby Big North has an option to purchase a 100% interest in and to the Griffith and Brougham Graphite Properties located in Ontario, Canada. For its participation in the transaction, Zimtu will receive cash of $40,000 (received) and staged payments of 1,000,000 common shares (500,000 shares received with a fair value of $75,000 in 2012, 250,000 shares received with a fair value of $12,500 in 2013, and 250,000 shares received with a fair value of $12,500 in 2014) over a two-year period. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for $1 million. The agreement was approved by the TSX-V on April 24, 2012. During the year ended November 30, 2015, $nil (2014: $12,500) was recognized as revenue from the property sale.

(c) Quatre Milles Graphite Property

On November 11, 2011, the Company and its prospecting partners signed an agreement with Lomiko Metals Inc. ("Lomiko") whereby Lomiko has an option to purchase a 100% interest in and to the Quatre Milles Graphite Property located in the Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of $25,000 (received) and staged payments of 2,000,000 common shares (500,000 shares received with a fair value of $55,000 in 2011, 250,000 shares received with a fair value of $16,250 in 2012, 500,000 shares received with a fair value of $27,500 in 2013, and 750,000 shares received with a fair value of $67,500 in 2014) over a two-year period. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims which can be purchased for $1 million. The agreement was approved by TSX-V on March 26, 2012. During the year ended November 30, 2015, $nil (2014: $67,500) is recognized as revenue from the property sale.

8. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(c) Quatre Milles Graphite Property (continued)

On May 7, 2012, the Company and its prospecting partners signed an agreement with Lomiko whereby Lomiko has an option to purchase a 100% interest in and to the Quatre Milles - Extension located in the Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of $1,000 (received) and 600,000 common shares (received with a fair value of $48,000 in 2014). Zimtu's prospecting partners will receive cash and share consideration equal to that of Zimtu. The agreement was approved by the TSX-V on March 25, 2014. During the year ended November 30, 2015, $nil (2014: $49,000) is recognized as revenue from the property sale.

(d) Portland Graphite Property

On February 26, 2013, the Company and one of its prospecting partners signed an agreement with Pistol Bay Mining Inc. ("Pistol Bay") whereby Pistol Bay can earn a 100%-interest in the advanced stage Portland Graphite Property located in Southern Ontario. For its participation in the transaction, the Company will receive cash of $75,000 and share payments of 2,750,000 common shares (1,000,000 shares received and fair valued at $135,000 and 750,000 shares fair valued at $41,250) over a two year period. Zimtu's prospective partner will receive cash/share consideration equal to that of Zimtu. The timing of the staged payments were modified in an agreement dated May 31, 2013. The agreement was accepted by the TSX-V on March 20, 2013. On July 4, 2014, the agreement was terminated and the property agreement was allowed to lapse and the property was impaired.

(e) Zim Frac Claims

On January 27, 2014, the Company and its prospecting partner signed an agreement with 92 Resources Corp. ("92 Resources") (formerly Rio Grande Mining Corp.) whereby 92 Resources can earn a 100%-interest in and to the Zim Frac Sand Property located in Alberta, Canada. For its participation in the transaction, the Company will receive share payments of 1,000,000 common shares (received and fair valued at $50,000 in 2014). Zimtu's prospective partner will receive share consideration equal to that of Zimtu. The agreement was accepted by the TSX-V on February 6, 2014. During the year ended November 30, 2015, $nil (2014: $50,000) is recognized as revenue from the property sale.

(f) Peace River Frac Sands Property

On February 5, 2014, the Company and its prospecting partner signed an agreement with Rainmaker Mining Corp. ("Rainmaker") whereby Rainmaker can earn a 100%-interest in and to the Peace River Frac Sand Property located in Alberta, Canada. For its participation in the transaction, the Company will receive cash of $10,000 ($5,000 received) and share payments of 750,000 common shares (375,000 common shares received and fair valued at $56,250 in 2014) on or before September 15, 2014. Zimtu's prospective partner will receive cash/share consideration equal to that of Zimtu. The agreement was accepted by the TSX-V on February 25, 2014. During the year ended November 30, 2015, $nil (2014: $50,185) is recognized as revenue from the property sale. On September 14, 2014, Rainmaker terminated its option in the Peace River Frac Sands Property and returned it to the vendors.

On October 1, 2014, and further amended October 1, 2015, the Company and its prospecting partner signed a Letter of Intent ("LOI") with Phoenix Metals Corporation ("Phoenix") whereby Phoenix can earn a 100%-interest in and to the Peace River Frac Sand Property located in Alberta, Canada. For its participation in the transaction, the Company will receive cash of $5,000 (received) and $7,500 and 1,125,000 common shares within five days of the Approval Date. Zimtu's prospective partner will receive cash/share consideration equal to that of Zimtu. During the year ended November 30, 2015, $nil (2014: $5,000) is recognized as revenue from the property sale.

8. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(g) Sask Craton Property

On May 20, 2014, the Company and its prospecting partners signed an agreement with Strike Graphite Corp. ("Strike") whereby Strike can earn an 80%-interest in and to the Sask Craton Property located in east-central Saskatchewan, Canada. For its participation in the transaction, the Company will receive share payments of 1,000,000 common shares (received and fair valued at $70,000 in 2014) at a deemed value of $0.05 and 200,000 transferrable common share purchase warrants with an exercise price of $0.25 per common share warrant, fair valued at $9,147, valid for a three-year term. Zimtu's prospecting partners will receive cash of $553,028 and 800,000 transferable common share purchase warrants with the same terms as above. The agreement was accepted by the TSX-V on October 6, 2014. During the year ended November 30, 2015, $nil (2014: $45,953) is recognized as revenue from the property sale.

(h) Garland / Voisey's Bay Property

On July 10, 2014, the Company and its prospecting partners DG Resource Management Ltd. and Ridge Resources Ltd., collectively the "Vendors", entered into an agreement with Equitas Resources Corp. ("Equitas") whereby Equitas has the right to acquire a 100% interest in the Garland Property, located in Labrador, Canada. In consideration, the Company will receive 3,000,000 shares over a 36 month period (1,000,000 shares received and fair valued at $35,000 in 2014) and $40,000 cash (received) over a 1 year period. The agreement was accepted by the TSX-V on November 17, 2014. During the year ended November 30, 2015, $59,454 (2014: $103 loss) is recognized as revenue from the property sale.

(i) Munn Lake Diamond Property

On July 25, 2014, the Company and its prospecting partner entered into an agreement with Prima whereby Prima has an option to acquire an undivided 100% interest in and to 19 mineral claims covering more than 14,000 ha (34,000 acres) in the Munn Lake Diamond Property located in the Slave Province, Northwest Territories. In consideration of the grant of the option, the Company will receive cash of $25,000 and 2,250,000 common shares of Prima and the Company's prospecting partner will receive cash and share consideration equal to that of the Company. Prima shall be entitled at any time to purchase 1% GORR for $2,000,000 in respect of all minerals other than diamonds. Required considerations have not been rendered as the agreement is still subject to final acceptance of the TSX-V. On August 25, 2015, the Company and its prospecting partner announced they have commenced a field work program at the property. The results of the program may result in a renegotiation of the option agreement. Subsequent to November 30, 2015, this agreement was terminated.

(j) Longworth Property

On December 1, 2014, the Company entered into an agreement with Electra Stone Ltd. ("Electra") (formerly Electra Gold Ltd.) to form a Strategic Alliance (the "Alliance") with MGX Minerals Inc. ("MGX") for the purpose of jointly developing industrial mineral properties. The Company agreed to transfer the Longworth Property to Electra, and Electra agreed to transfer to MGX an exclusive and irrevocable 50% in the Longworth Property. The agreement received conditional TSX-V acceptance on February 18, 2015. On June 29, 2015, the agreement between Electra and MGX was terminated.

On June 29, 2015, the Company signed an agreement with MGX whereby MGX can earn a 100%interest in and to the Longworth Property. For its participation in the transaction, the Company received a share payment of 700,000 common shares at a deemed price of $0.30, and issued 250,000 of the received shares as a finder's fee (net 450,000 shares received with a fair value of $243,000). During the year ended November 30, 2015, $187,290 (2014: $nil) is recognized as revenue from the property sale

8. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(k) Black Birch Claims

On January 28, 2015 and amended on March 12, 2015, the Company and 877384 Alberta Ltd., entered into an agreement with ALX Uranium Corp. (formerly Lakeland Resources Inc.") ("ALX"), whereby ALX can acquire a 100% interest in the Black Birch Claims located in the Athabasca Basin Region of Saskatchewan. The Company received total consideration of $8,818 cash (paid) and 88,174 pre-consolidation common shares (44,087 pre-consolidation common shares received with a fair value of $2,425 and 14,695 post-consolidated shares received a fair value of $1,323) of ALX. During the year ended November 30, 2015, $3,932 (2014: $nil) is recognized as a loss from the property sale.

(l) Brassy Rapids Claims

On January 28, 2015 and amended on March 12, 2015, the Company and 877384 Alberta Ltd., entered into an agreement with ALX Uranium Corp. (formerly Lakeland Resources Inc.) ("ALX"), whereby ALX can acquire a 100% interest in the Brassy Rapids Claims located in the Athabasca Basin Region of Saskatchewan. The Company will receive total consideration of $3,750 cash and 37,500 common shares of Lakeland. The cash and shares will be paid on the TSX Approval date and on the six month anniversary of the Approval date to each of the Company and 877384 Alberta Ltd. The property is subject to a 2% NSR, with ALX having the right to purchase 1% any time for $2,000,000 for each claim. As at November 30, 2015 the parties have decided to allow this agreement to lapse and the property has been impaired.

(m) Burnt Pond Claims

On May 13, 2015, the Company signed an agreement with GTA Resources and Mining Inc. ("GTA") whereby GTA can earn a 100%-interest in and to the Burnt Pond Claims, located in Newfoundland, Canada. For its participation in the transaction, the Company will receive a cash payment of $3,055 (received) and a share payment of 1,200,000 common shares at a deemed price of $0.05 (received). The agreement was approved by the TSX-V on June 1, 2015. During the year ended November 30, 2015, $60,000 (2014: $nil) is recognized as revenue from the property sale.

(n) Pelican Bay

On July 29, 2015, the Company and its prospecting partner signed an agreement with Pure Environmental Waste Management Inc. ("Pure") whereby Pure can earn a 100%-interest in and to one of the permits that comprise the Pelican Property. For its participation in the transaction, the Company will receive a cash payment of $7,500 (received) During the year ended November 30, 2015, $7,500 (2014: $nil) is recognized as revenue from the property sale.

(o) Garland Peninsula

On October 16, 2015, the Company signed an option agreement with Pistol Bay Mining Inc. (TSX-V - PST) ("Pistol Bay") whereby Pistol Bay can acquire a 100%-interest in 40 claims (1,000 hectares) in Newfoundland and Labrador, Canada. These claims will be added to Pistol Bays' existing Garland Peninsula Group. For its participation in the transaction, the Company will receive staged cash and share payments from Pistol Bay as follows: (i) $2,500 on signing; (ii) 500,000 common shares within five days of TSX-V approval; (iii) $2,500 within five days of TSX-V approval; (iv) 750,000 common shares 12 months from the date of TSX-V approval; (v) $10,000 within 12 months from the date of TSX-V approval. The Company will retain a 2% Net Smelter Returns Royalty on the Property. The claims were originally acquired by the Company by staking.

(Expressed in Canadian Dollars)

8. MINERAL PROPERTY INTERESTS (continued)

Property Advisory Services

Goeland Rare Earth Property

On January 6, 2011, Canada Strategic Metals Inc. ("Canada Strategic") announced that it had signed an agreement with the Company and one of its prospecting partners to acquire a 100% interest in the Goeland Rare Earth Property. For its participation in the transaction, the Company received $12,500 cash on signing and staged share payments totalling 1,250,000 common shares (500,000 shares received and fair valued at $370,000 in 2011, 250,000 shares received and fair valued at $92,500 in 2012, 250,000 shares received and fair valued at $21,250 in 2013, and 250,000 shares received and fair valued at $22,500 in 2014) over a 36 month period. The vendors will retain a 2% NSR royalty on the properties; 1% of which can be purchased by Canada Strategic for $1,000,000. Zimtu's partner will receive cash and share consideration equal to that of Zimtu. The transaction was accepted by the TSX-V January 21, 2011. During the year ended November 30, 2015, $nil (2014: $22,205) is recognized as revenue from the property advisory services performed.

9. PROPERTY AND EQUIPMENT

		Office Furniture		Leasehold Improvements		Computer Equipment		Total
Cost								
November 30, 2014 and 2015	**$**	**177,121**	**$**	**101,164**	**$**	**23,624**	**$**	**301,909**
Accumulated depreciation								
November 30, 2014	$	174,446	$	101,164	$	23,379	$	298,989
Additions		2,675		-		245		2,920
November 30, 2015	**$**	**177,121**	**$**	**101,164**	**$**	**23,624**	**$**	**301,909**
Net book value:								
November 30, 2014	$	2,675	$	-	$	245	$	2,920
November 30, 2015	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

10. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued:

During the year ended November 30, 2015:

On June 12, 2015, the Company closed the first tranche of the private placement originally announced on April 29, 2015 and amended on June 5, 2015. The Company issued 1,132,170 flow-through shares at a price of $0.265, for gross proceeds of $300,025. The Company paid the agents a cash commission of $24,876 and issued 84,908 Agent's Options, with each Agent's Option being exercisable into additional non-flow-through common shares (the "Agent's Option Shares") at a price of $0.265 per Agent's Option Share for a period of two years from the date of issuance. The Agent's Option Shares issued with the first tranche were valued at fair value of $15,897, or $0.19 per share. The fair value of each Agent Option Share was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 0.64%, a dividend yield of nil, an expected volatility of 91.79% and an average expected life of 2 years. The residual $3,804 of share issuance costs includes legal and filing expenses related directly to the private placement.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

During the year ended November 30, 2015: (continued)

On July 21, 2015, the Company closed the second and final tranche of the private placement originally announced on April 29, 2015 and amended on June 5, 2015. The Company issued 238,680 flow-through shares at a price of $0.265, for gross proceeds of $63,250. The Company also issued 529,456 unties (“Units”) at a price of $0.255 for gross proceeds of $135,011. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant (“Warrant”), with one Warrant entitling the holder to acquire one additional share at a price of $0.30 for 2 years. The fair value of the Warrant is deemed to be $13,236, based on the residual method.

During the year ended November 30, 2014:

On July 11, 2014, the Company completed a non-brokered private placement, issuing 2,228,690 units (“Unit”) at a price of $0.50, for gross proceeds of $1,114,345. Each Unit consists of one common share of the Company and one non-transferrable common share purchase warrant (“Warrant”), with one Warrant entitling the holder to acquire one additional share at a price of $0.75 per warrant until July 11, 2016. The Company paid cash finders’ fees to certain finders in the aggregate amount of $29,840 and issued 59,680 warrants (the “Finders warrants”) each exercisable into one common share until July 11, 2016 at a price of $0.50. The fair value of the shares at the date of issuance was $0.58. The fair value of the Warrant is deemed to be $nil based on the residual method. The Finders warrants were valued at fair value of $17,353, or $0.29 per share. The fair value of each Finder warrant was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 1.10%, a dividend yield of nil, an expected volatility of 86.53% and an average expected life of 2 years. The residual $35,295 of share issuance costs includes legal and filing expenses related directly to the private placement.

c) Warrants:

At November 30, 2015, the Company had the following share purchase warrants outstanding:

Expiry Date	Exercise Price	Number of warrants	Weighted average life (years)
July 11, 2016	$0.75	2,228,690*	0.61
July 21, 2017	$0.30	529,456	1.64
	$0.66	2,758,146	0.81

*These warrants are subject to an acceleration clause. If on any 20 consecutive trading days following July 11, 2014, the closing sales price of the Shares as quoted on the TSX-V is greater than 150% of the exercise price, the Company may accelerate the expiry date of the warrants to the 30th day after the date on which the Company gives notice to the Warrant holder.

d) Finder’s Warrants/Agent’s Options:

At November 30, 2015, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price	Number of warrants/options	Weighted average life (years)
July 11, 2016	$0.50	59,680*	0.61
June 12, 2017	$0.265	84,908	1.53
	$0.36	144,588	1.15

*These finders warrants are subject to an acceleration clause. If on any 20 consecutive trading days following July 11, 2014, the closing sales price of the Shares as quoted on the TSX-V is greater than 150% of the exercise price, the Company may accelerate the expiry date of the finders warrants to the 30th day after the date on which the Company gives notice to the Warrant holder.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

e) Stock Option Plan

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. At the Company's Annual General Meeting on May 27, 2015, the shareholders approved the "2015 Stock Option Plan", and set the number of options granted under the Plan to be fixed at 2,698,835 (2014: 1,998,873), which is equal to 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three month period.

A summary of the stock option transactions under the Company's stock option plan is presented below:

	2015			**2014**		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of year	1,606,000	$	0.78	871,000	$	1.18
Granted	-		-	1,100,000		0.50
Expired/cancelled	(506,000)		1.38	(365,000)		0.90
Outstanding, end of year	1,100,000	$	0.50	1,606,000	$	0.78
Weighted average life (years)	3.36			3.19		

As at November 30, 2015 and 2014, the Company had the following stock options outstanding:

Expiry Date	Original Exercise Price	**2015** Number of options	**2014** Number of options
December 3, 2014	$1.08	-	96,000
April 5, 2015	$1.35	-	100,000
November 4, 2015	$1.48	-	310,000
February 25, 2019	$0.50	100,000	100,000
March 31, 2019	$0.50	500,000	500,000
April 30, 2019	$0.50	500,000	500,000
		1,100,000	1,606,000

On February 25, 2014, a total of 100,000 stock options were issued to a consultant. The stock options have an exercise price of $0.50 and expire on February 25, 2019. The exercise price of the options granted is equal to the market price at the date of grant. These options w were fully vested as at November 30, 2014.

On March 31, 2014, a total of 500,000 stock options were issued to employees and consultants. The stock options have an exercise price of $0.50 and expire on March 31, 2019. The exercise price of the options granted is lower than the market price at the date of grant. All of the stock options vested immediately.

On April 30, 2014, a total of 500,000 stock options were issued to employees and consultants. The stock options have an exercise price of $0.50 and expire on April 30, 2019. The exercise price of the options granted is lower than the market price at the date of grant. All of the stock options vested immediately.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

e) Stock Option Plan (continued)

During the year ended November 30, 2015, share based payment expense of $nil (2014 - $428,194) was recognized for the above granted stock options using the Black-Scholes option pricing model with the following assumptions:

	2015	2014
Risk-free interest rate	N/A	1.67-1.71%
Expected life of options	N/A	5 years
Annualized volatility	N/A	91-95%
Dividends	N/A	0.00%
Fair value of option	N/A	$0.36-0.42

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

11. ADVANCES AND AMOUNTS RECEIVABLE

The Company's current advances and amounts receivable consist mainly of amounts advanced for property and share payments. The amounts are unsecured, non-interest bearing, and have no specific terms of repayments.

12. PREPAID EXPENSES

The Company's current prepaid expenses consist mainly of marketing expenses paid in advance of service, advance payments made on the Company's credit card for marketing and travel expenses, and an advance payment for a future investment.

13. LOAN RECEIVABLE

The Company's loans receivable consist of:

a. one promissory notes totalling $600 issued to an individual with a term ending three years following the date on which Red Star Capital Ventures Inc. shares commence trading on the TSX-V following the acceptance of a qualified transaction pursuant to the policies of the TSX-V. The non-interest bearing promissory notes are for shares issued to employees of the Company,
b. one promissory note totalling $1,500 issued to an individual with a term of one year, ending October 22, 2016,
c. one promissory notes totalling $15,000 with terms of three years ending April 27, 2015. This non-interest bearing loans relates to the sale of shares of Pasinex to an individual. The repayments coincide with the release of shares from escrow,
d. four promissory notes totalling $90,054 issued to individuals with a term of three years ending August 22, 2017. These non-interest bearing promissory notes are for the purchase of the escrow shares of Red Star Capital Ventures Inc., and
e. five three promissory notes totalling $18,292 issued to individuals with a term of three years ending August 14, 2017. These non-interest bearing promissory notes are for the purchase of the escrow shares of Electra Stone Ltd.

14. DEPOSITS

The Company's deposits consist of an amount equal to one month's basic rent, held by the landlords to be applied to the last month of rent in the Company's lease (see Note 22).

(Expressed in Canadian Dollars)

15. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due to service providers, mainly including management fees, professional fees and consulting fees. All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

16. UNEARNED REVENUE

The Company has entered into agreements with five companies to provide corporate development and marketing services for a twelve month period. These services are billed for in advance and recorded as revenue on the first of the month. Amounts received for services provided in the future are included as unearned revenue.

17. PROMISSORY NOTES PAYABLE

The Company entered into an agreement whereby the Company was assigned the rights and obligations to $732,299 of accounts payable of an independent company. The Company simultaneously entered into six individual agreements whereby the outstanding obligations acquired were settled with the issuance of short-term promissory notes payable. The promissory notes had a principal balance totalling $88,969, are non-interest bearing and mature July 8, 2016. The transaction resulted in a gain on purchase of debt of $643,330 which is included in the statement of operations and comprehensive loss. During the year the Company repaid $36,393 of the outstanding balance.

18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

		2015		2014
Accounts payable portion of mineral property	$	25,620	$	38,652
Shares received for debt (Note 7)	$	75,040	$	795,669
Shares received for finders' fees	$	29,388	$	2,500
Shares received for property	$	366,649	$	368,000
Shares received on exercise of warrant	$	100,000	$	7,692
Fair value of finders warrants (Note 10 (b))	$	15,897	$	17,353

19. GENERAL AND ADMINISTRATIVE EXPENSES

During the years ended November 30, 2015 and 2014, the Company incurred the following general and administrative expenses:

		2015		2014
Expenses				
Advertising and promotion	$	450,204	$	608,827
Amortization		2,920		24,261
Filing fees and transfer agent expenses		24,383		27,675
Investor relations		-		68,459
Office, rent and telephone		306,286		315,028
Professional fees		200,855		125,270
Share-based payments		-		428,194
Wages and benefits		1,626,316		1,523,015
		2,610,964		3,120,729

(Expressed in Canadian Dollars)

20. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount.

	Year Ended November 30,	
	2015	**2014**
Key management compensation*	**$**	**$**
Key management compensation	838,111	642,138
Share-based payment	-	162,917
Revenue**	**$**	**$**
Management administration fees	795,720	791,550

Amounts due from (to) related parties	**November 30, 2015 $**	**November 30, 2014 $**
Commerce Resources Corp.	117,714	-
Sean Charland, a director	(1,713)	-
Sven Olsson, a director	(11,306)	(15,920)
Total amount due from (to) related parties	104,695	(15,920)

Loan receivable due from related parties	**$**	**$**
David Hodge, CEO and director	23,844	36,344
Jody Bellefleur, CFO	5,067	6,109
Sean Charland, director	23,844	28,010
Sven Olsson, director	-	1,042
Frances Petryshen, director	-	1,042
Chris Grove, director	4,167	6,117
Total amount due from related parties	56,922	78,664

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain members of its Board of Directors.

** The Company provides Management and Administrative services to companies, included three related parties. These services include rent, office costs, administration, and staffing.

The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayments.

(Expressed in Canadian Dollars)

21. SEGMENT INFORMATION

All of the Company's business is located in Canada. The Company's segment information is presented by industry according to the nature of their operations and the products and services they provide. Each of the Company's industry segments represents a strategic business unit offering products and services subject to different risks and returns from those of the other industry segments. Summary details of the industry segments are as follows:

(a) Investment in stock, warrants and others
(b) Investments in mineral resource property acquisitions and dispositions segment and project management;
(c) Management services segment;
(d) Corporate segment

For the year ended November 30, 2015

	Investment in stock, warrants and others $	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue					
Administrative fees	-	-	1,415,720	-	1,415,720
Corporate development fees	-	-	557,924	-	557,924
Loss on sale of investments	(1,955,638)	-	-	-	(1,955,638)
Income from property sale	-	310,313	-	-	310,313
	(1,955,638)	310,313	1,973,644	-	328,319
Segment assets	5,617,523	112,245	-	2,416,265	8,146,033
Expenditure for segment capital assets	-	68,859	-	-	68,859

For the year ended November 30, 2014

	Investment in stock, warrants and others $	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue					
Administrative fees	-	-	1,276,312	-	1,276,312
Corporate development fees	-	-	320,889	-	320,889
Loss on sale of investments	(1,634,448)	-	-	-	(1,634,448)
Income from property sale	-	299,381	-	-	299,381
	(1,634,448)	299,381	1,577,791	-	262,134
Segment assets	5,533,907	148,110	-	1,862,544	7,544,561
Expenditure for segment capital assets	-	183,564	-	-	183,564

(Expressed in Canadian Dollars)

22. LONG-TERM LEASE OBLIGATIONS

The Company leases its main office premises under a long-term lease that expires September 1, 2019. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises.

The rent payable in each of the next four fiscal years is as follows:

November 30, 2016	$ 106,837
November 30, 2017	110,176
November 30, 2018	120,192
November 30, 2019	90,144
	$ 427,349

The Company also leases a second office premises under a sub-lease effective June 1, 2014 that expires May 31, 2017. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises.

The rent payable in each of the next three fiscal years is as follows:

November 30, 2016	$ 27,704
November 30, 2017	14,139
	$ 41,843

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the current year's financial statements presentation.

24. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On June 12, 2015, the Company issued 1,132,170 shares on a flow-through basis at $0.265 per share (see Note 10b) for gross proceeds of $300,025, and recognized a liability on flow-through shares of $nil, as the market price of the shares was less than the share price on the date of issuance. As at November 30, 2015, the amount of flow-through proceeds remaining to be spent is $266,820 (2014 - $nil) and the liability for flow-through shares related to this private placement is $nil (2014 - $nil).

On July 21, 2015, the Company issued 238,680 shares on a flow-through basis at $0.265 per share (see Note 10b) for gross proceeds of $63,250, and recognized a liability on flow-through shares of $8,354. At November 30, 2015, the Company has incurred $nil of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of $nil. As at November 30, 2015, the amount of flow-through proceeds remaining to be spent is $63,250 and the liability for flow-through shares related to this private placement is $8,354.

(Expressed in Canadian Dollars)

24. LIABILITY AND INCOME TAX EFFECT ON FLOW-THOUGH SHARES (continued)

	Issued on June 12, 2015	Issued on July 21, 2015	Total
Balance, December 1, 2014	$ -	$ -	$ -
Liability incurred on flow-through shares issued	-	8,354	8,354
Settlement of flow-through share liability on incurring expenses	-	-	-
Balance, November 30, 2015	$ -	$ 8,354	$ 8,354

25. INCOME TAXES

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended November 30, 2015 and 2014:

	2015	2014
Statutory tax rate	**26%**	26%
Loss before income taxes	**$ (201,782)**	$ (1,491,286)
Expected income taxes	**(52,463)**	(387,734)
Increase (decrease) in income taxes resulting from:		
Non-deductible items	**86,060**	110,966
Share issuance costs	**(11,590)**	(21,447)
Change in estimates	**89,993**	16,278
Other items	**-**	(11,290)
Change in deferred tax asset not recognized	**(112,000)**	179,210
Income tax expense (recovery)	**$ -**	$ (114,017)
Current tax expense (recovery)	**$ -**	$ (114,017)
Deferred tax expense (recovery)	**-**	-
	$ -	$ (114,017)

(Expressed in Canadian Dollars)

25 . INCOME TAXES (continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets at November 30, 2015 and November 30, 2014 are comprised of the following:

	2015	2014
Non-capital losses carry forwards	**$ 288,487**	$ 387,208
Capital loss carryforwards	**402,899**	148,666
Equipment	**25,835**	25,076
Investments	**400,442**	639,877
Mineral property interests	**(29,345)**	(1,785)
Financing costs	**27,550**	28,826
	1,115,868	1,227,868
Deferred tax asset not recognized	**1,115,868**	1,227,868
Net deferred tax asset (liability)	**$ -**	$ -

The Company has non capital loss carryforwards of approximately $1,109,564 (2014: $1,489,262) which may be carried forward to apply against future years' net income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	2015
2033	$ 231,062
2034	878,502
Total	$ 1,109,564

In addition, the Company has capital losses of approximately $2,365,892, which may be carried forward indefinitely and applied to reduce future capital gains.

26 . EVENTS AFTER THE REPORTING PERIOD

a) On October 16, 2015, the Company signed an option agreement with Pistol Bay Mining Inc. (TSX-V - PST) ("Pistol Bay") whereby Pistol Bay can acquire a 100%-interest in 40 claims (1,000 hectares) in Newfoundland and Labrador, Canada. These claims will be added to Pistol Bays’ existing Garland Peninsula Group. For its participation in the transaction, the Company will receive staged cash and share payments from Pistol Bay as follows: (i) $2,500 on signing; (ii) 500,000 common shares within five days of TSX-V approval; (iii) $2,500 within five days of TSX-V approval; (iv) 750,000 common shares 12 months from the date of TSX-V approval; (v) $10,000 within 12 months from the date of TSX-V approval. The Company will retain a 2% Net Smelter Returns Royalty on the Property. The claims were originally acquired by the Company by staking. The agreement is subject to TSX-V approval.

b) On February 1, 2016, the Company announced that the Company and two of its prospecting partners have signed an agreement with MGX Minerals Inc. (“MGX Minerals”) whereby MGX Minerals can acquire a 100%-interest in 12 Metallic and Industrial Mineral Permits and Permit Applications encompassing 96,000 hectares throughout the Province of Alberta (the “Properties”). For its participation in the transaction, the Company will receive cash and share payments from MGX Minerals as follows: (i) $10,000 on signing; (ii) 250,000 common shares within 10 days of signing; (iii) 250,000 common shares within 12 months of signing; and (iv) 250,000 common shares within 24 months of signing.

26 . EVENTS AFTER THE REPORTING PERIOD - continued

c) On February 18, 2016, the Company and its prospecting partner Mesa Exploration Corp. ("Mesa") have entered into a property purchase agreement with Prima Diamond Corp. ("Prima") whereby Prima can acquire a 100%-interest in a lithium property. For its participation in the transaction, the Company will receive $10,000 cash for reimbursed acquisition costs and issue 3,000,000 post-consolidated shares to Mesa. The agreement is subject to TSX-V approval.

d) March 1, 2016, the Company announced that the Company and two of its prospecting partners have signed a property purchase agreement with 92 Resources Corp. ("92 Resources") whereby 92 Resources can acquire a 100%-interest in the Hidden Lake Lithium Property. For its participation in the transaction, the Company will receive share payments from 92 Resources as follows: (i) 500,000 upon receipt of regulatory approval; and (ii) 500,000 common shares within 12 months of regulatory approval.