ELYSEE DEVELOPMENT CORP.

(formerly Alberta Star Development Corp.)

Financial Statements

November 30, 2015

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Elysee Development Corp. (formerly Alberta Star Development Corp.)

We have audited the accompanying financial statements of Elysee Development Corp., which comprise the statements of financial position as at November 30, 2015 and 2014 and the statements of earnings and comprehensive earnings, changes in equity, and cash flows for the years then ended, and 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 generally accepted 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Professional Accountants

February 17, 2016

Elysee Development Corp.
(formerly Alberta Star Development Corp.)
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at November 30, 2015	As at November 30, 2014
ASSETS			
Current assets			
Cash and cash equivalents	4	**$ 4,106,844**	$ 3,890,409
Receivables	5	**28,468**	8,109
Prepaid expenses	6	**4,763**	8,472
Marketable securities	7	**3,920,592**	3,527,786
		8,060,667	7,434,776
Exploration and evaluation properties	8	**-**	19,618
Equipment	9	**1,429**	4,132
Total assets		**$ 8,062,096**	$ 7,458,526
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	10	**$ 24,187**	$ 34,174
Total liabilities		**24,187**	34,174
Equity			
Common shares	11	**43,258,724**	44,653,865
Contributed surplus	11	**13,772,905**	13,772,905
Deficit		**(48,993,720)**	(51,002,418)
Total equity		**8,037,909**	7,424,352
Total liabilities and equity		**$ 8,062,096**	$ 7,458,526

Basis of Preparation (Note 2) and Subsequent Events (Note 19)

APPROVED ON BEHALF OF THE BOARD:

" Stuart Rogers"	Director	*" Guido Cloetens"*	Director
Stuart Rogers		Guido Cloetens	

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

Elysee Development Corp.
(formerly Alberta Star Development Corp.)
Statements of Earnings and Comprehensive Earnings
(Expressed in Canadian dollars)

		Year ended November 30	
	Notes	**2015**	2014
General and administrative expenses			
Advertising and promotion		**$ 1,066**	$ 9,011
Bank charges and interest		**1,344**	1,743
Depreciation		**491**	1,078
Director fees	17	**26,500**	36,000
Legal and accounting	17	**122,309**	184,838
Management fees	17	**195,000**	145,000
Office, rent and miscellaneous		**31,919**	40,313
Share-based payments		**-**	57,048
Transfer agent, filing fees and shareholder communications		**28,648**	43,439
Travel and entertainment		**15,850**	12,444
Total general and administrative expenses		**(423,127)**	(530,914)
Realized gain on sale of marketable securities	7	**1,289,706**	9,103
Unrealized gain (loss) on marketable securities	7	**(435,912)**	1,143,514
Realized foreign exchange gain		**124,500**	-
Unrealized foreign exchange gain		**139,011**	122,392
Interest income		**69,044**	73,518
Gain on reversal of provision		**-**	1,065,716
Realized gain on sale of equipment	9 & 18	**875**	-
Write-down of exploration and evaluation properties	8	**(19,818)**	(78,780)
Net earnings and comprehensive earnings for the year		**$ 744,279**	$ 1,804,549
Basic and diluted earnings per share			
Earnings per share	14	**$ 0.035**	$ 0.084

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

Elysee Development Corp.
(formerly Alberta Star Development Corp.)
Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended November 30	
	Notes	**2015**	2014
OPERATING ACTIVITIES			
Income for the year		**$ 744,279**	$ 1,804,549
Adjustments for:			
Accrued interest income		**(22,889)**	(4,755)
Depreciation	9	**491**	1,078
Gain on sale of equipment	9 & 18	**(875)**	-
Gain on reversal of provision		**-**	(1,065,716)
Share-based payments	12 & 17	**-**	57,048
Realized gain on sale of marketable securities	7	**(1,289,706)**	(9,103)
Unrealized (gain) loss on marketable securities	7	**435,912**	(1,143,514)
Write-down of exploration and evaluation properties	8	**19,818**	78,780
Operating cash flows before movements in working capital:			
Decrease in receivables		**2,530**	159
Decrease in prepaid expenses		**3,709**	3,456
Decrease in trade and other payables		**(9,987)**	(20,001)
Cash used in operating activities		**(116,718)**	(298,019)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures	8	**(200)**	(76,799)
Proceeds on sale of equipment	9 & 18	**3,087**	-
Purchase of marketable securities	7	**(2,278,377)**	(2,704,813)
Proceeds from sale of marketable securities	7	**2,739,365**	329,646
Cash from (used) in investing activities		**463,875**	(2,451,966)
FINANCING ACTIVITIES			
Purchase of shares to be returned to treasury	11	**(130,722)**	(60,544)
Cash used in financing activities		**(130,722)**	(60,544)
Increase (decrease) in cash and cash equivalents		**216,435**	(2,810,529)
Cash and cash equivalents, beginning of year		**3,890,409**	6,700,938
Cash and cash equivalents, end of year		**$ 4,106,844**	$ 3,890,409

Supplemental cash flow information (Note 18)

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

Elysee Development Corp.
(formerly Alberta Star Development Corp.)
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Notes	Number of shares	Common shares	Contributed surplus	Deficit	Total
Balances, November 30, 2013		21,788,979	$ 45,372,258	$ 13,715,857	$ (53,464,816)	$ 5,623,299
Common shares returned to treasury	11	(345,000)	(718,393)	-	657,849	(60,544)
Share-based payments	12	-	-	57,048	-	57,048
Net earnings for the year		-	-	-	1,804,549	1,804,549
Balances, November 30, 2014		21,443,979	44,653,865	13,772,905	(51,002,418)	7,424,352
Common shares returned to treasury	11	(670,000)	(1,395,141)	-	1,264,419	(130,722)
Net earnings for the year		-	-	-	744,279	744,279
Balances, November 30, 2015		**20,773,979**	**$ 43,258,724**	**$ 13,772,905**	**$ (48,993,720)**	**$ 8,037,909**

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

1. CORPORATE INFORMATION

Elysee Development Corp. (formerly Alberta Star Development Corp.) (the "Company") was incorporated under the laws of the province of Alberta on September 6, 1996. On July 15, 2015, the Company changed its name from Alberta Star Development Corp. to Elysee Development Corp.

On December 31, 2015, the Company completed a change of business from a "mining issuer" to an "investment issuer".

The head office, principal address and registered and records office is located at Suite 2300 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

The Company's financial statements as at November 30, 2015 and for the year then ended have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has net comprehensive earnings of $744,279 for the year ended November 30, 2015 (2014 - $1,804,549) and has working capital of $8,036,480 as at November 30, 2015 (2014 - $7,400,602).

The Company had cash and cash equivalents of $4,106,844 at November 30, 2015 (2014 - $3,890,409), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. However, management believes that the Company has sufficient working capital to meet its projected minimum financial obligations for the next fiscal year.

2. BASIS OF PREPARATION

The financial statements of the Company for the year ended November 30, 2015 were approved and authorized for issue by the Board of Directors on February 17, 2016.

Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 16, and are presented in Canadian dollars except where otherwise indicated.

Statement of compliance

The financial statements of the Company have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2015.

Adoption of new and revised standards and interpretations

During the year ended November 30, 2015, the Company adopted the following accounting policies, none of which had a material impact on the Company's financial statements:

IFRS 10, IFRS 12, IAS 27, *Exception from Consolidation for "Investment Entities"*

IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, *Financial Instruments: Presentation*

IAS 32 is amended to clarify requirements for offsetting of financial assets and financial liabilities.

IAS 36, *Impairment of Assets*

Amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGUs) for periods in which an impairment loss has been recognized or reversed.

Effective for annual periods beginning on or after January 1, 2016

IFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*

Amended to provide specific guidance on accounting for the acquisition of an interest in a joint operation that is a business.

IAS 16 & IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortization*

Amended to (i) clarify that the use of a revenue-based depreciation and amortization method is not appropriated, and (ii) provide a rebuttable presumption for intangible assets.

IAS 27 & IFRS 1, *Equity Method in Separate Financial Statements*

IAS 27 is amended to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 1 is amended to permit use of the business combinations exemption for investments in subsidiaries accounted for using the equity method in the separate financial statements of the first-time adopter.

Effective for annual periods beginning on or after January 1, 2017

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. IFRS 15 supersedes IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programs*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and SIC-31, *Revenue – Barter Transactions involving Advertising Service*.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9, *Financial Instruments – Classification and Measurement*

IFRS 9 is a new standard on financial instruments that will replace IAS 39*, Financial Instruments: Recognition and Measurement.*

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as derecognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of earnings and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Equipment

Items of equipment are depreciated over their estimated useful lives using the declining balance method at the following annual rates with half the rate applied in the year of acquisition:

Computer equipment	30%
Furniture and fixtures	20%

Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related property and deferred costs until the receipts are in excess of costs incurred, at which time they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties and retirement of non-current assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties. A gain or loss may be incurred upon settlement of the decommissioning obligation.

As at November 30, 2015 and 2014, the Company has no known decommissioning, restoration or similar liabilities in relation to its exploration and evaluation assets.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods on a "graded" basis. Share-based payments to non-employees are measured at the fair value of 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. The corresponding amount is recorded to contributed surplus. The fair value of the options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade and other payables. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

Taxation

Income tax expense is comprised of current and deferred income taxes. Current income tax and deferred income tax are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or equity investments.

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

Foreign currency translation

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Earnings (loss) per share

Basic per share amounts are calculated by dividing the earnings or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted per share amounts are determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which consist of share purchase warrants and stock options.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were acquired. Management determines the classification of financials assets and liabilities at initial recognition.

Non-derivative financial assets

The Company has the following non-derivative financial assets: financial assets at FVTPL and loans and receivables.

A financial asset is classified as FVTPL if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition material transaction costs are recognized in profit or loss as incurred. Financial assets at FVTPL are measured at fair value and changes therein are recognized in profit or loss.

The Company's non-derivative marketable securities are classified as FVTPL, and are comprised of the following:

Publicly-traded investments (securities of issuers that are public companies)

Marketable securities which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing trade prices at the statement of financial position dates.

Private company investments (securities of issuers that are not public companies)

Marketable securities held in non-public companies without an active market are classified as non-current assets and are valued at fair value. In situations where fair value is indeterminable or impracticable to determine, the shares are recorded at cost. This may occur when non-public company shares are received as payment for mineral properties. In such situations cost is determined by reference to the issue price of similar shares issued by the non-public entity for cash, at or near the time of issue of the shares, and in similar volumes. When, at future measurement dates, fair value is still indeterminable or impracticable, cost is used as the measure of fair value. When there is evidence of impairment, the shares are written down to an expected realizable value.

Convertible debentures

The Company holds a series of convertible debentures that are traded in an active market. As such, the debentures are presented at fair value based on quoted closing trade prices at the statement of financial position dates.

Cash and cash equivalents are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Derivative financial assets

Warrants are classified as derivative financial assets and are recorded at FVTPL. Warrants without an active market that are received as attachments to common share units are initially recorded at nominal amounts. At the time of purchase the per unit cost is allocated in full to each common share. Subsequent value is determined at measurement date using a valuation technique, such as the Black-Scholes option pricing model, or when the valuation technique input variables are not reliable, using the intrinsic value, which is equal to the higher of the market value of the underlying security, less the exercise price of the warrant, or zero.

Non-derivative financial liabilities

The Company has classified its trade and other payables at FVTPL.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Derecognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

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 recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

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.

Comparative figures

Certain comparative figures have been adjusted to conform to the current year's presentation.

4. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

As at November 30	**2015**	2014
Denominated in Canadian dollars	**$ 3,148,584**	$ 2,198,351
Denominated in U.S. dollars	**958,260**	1,692,058
Total cash and cash equivalents	**$ 4,106,844**	$ 3,890,409

At November 30, 2015 and 2014, all the Company's cash and cash equivalents were classified as cash.

5. RECEIVABLES

The Company's primary receivables arise from Goods and Services Tax ("GST") receivable due from the government taxation authorities and interest receivable. These are as follows:

As at November 30	**2015**	2014
GST receivable	**$ 4,785**	$ 3,354
Other receivables	**794**	-
Interest receivable	**22,889**	4,755
Total trade and other receivables	**$ 28,468**	$ 8,109

6. PREPAID EXPENSES

The Company's prepaid expenses are as follows:

As at November 30	**2015**	2014
Insurance	**$ 4,664**	$ 8,373
Other	**99**	99
Total prepaid expenses	**$ 4,763**	$ 8,472

(Expressed in Canadian dollars)

7. MARKETABLE SECURITIES

The Company's marketable securities are as follows:

	TerraX Minerals Inc. shares	TerraX Minerals Inc. warrants	Other marketable securities	Other warrants	Convertible debentures	Total	Total gain (loss)
COST							
November 30, 2013	$ -	$ -	$ -	$ -	$ -	$ -	
Additions	585,000	-	1,599,317	-	520,496	2,704,813	
Proceeds on sale	-	-	-	-	(329,646)	(329,646)	
Realized gain	-	-	-	-	9,103	9,103	
November 30, 2014	585,000	-	1,599,317	-	199,953	2,384,270	$ 9,103
Additions	-	-	1,692,674	-	585,703	2,278,377	
Proceeds on sale	-	-	(2,704,865)	-	(34,500)	(2,739,365)	
Realized gain	-	-	1,285,746	-	3,960	1,289,706	
November 30, 2015	**$ 585,000**	**$ -**	**$ 1,872,872**	**$ -**	**$ 755,116**	**$ 3,212,988**	**$ 1,289,706**
FAIR VALUE							
November 30, 2013	$ -	$ -	$ -	$ -	$ -	$ -	
Additions	585,000	-	1,599,317	-	520,496	2,704,813	
Cost of disposals	-	-	-	-	(320,541)	(320,541)	
Unrealized gain (loss)	(234,000)	34,379	359,683	990,752	(7,300)	1,143,514	
November 30, 2014	351,000	34,379	1,959,000	990,752	192,655	3,527,786	$ 1,143,514
Additions	-	-	1,692,674	-	585,703	2,278,377	
Cost of disposals	-	-	(1,419,119)	-	(30,540)	(1,449,659)	
Unrealized gain (loss)	26,000	6,682	(280,710)	(207,017)	19,133	(435,912)	
November 30, 2015	**$ 377,000**	**$ 41,061**	**$ 1,951,845**	**$ 783,735**	**$ 766,951**	**$ 3,920,592**	**$(435,912)**
Total gain 2015							**$ 853,794**

The valuation of the shares has been determined in whole by reference to the bid price of the shares on the TSX and TSX Venture Exchange (the "Exchanges") at each period end date. The warrants were received as attachments to various share purchase units and do not trade in an active market. At the time of purchase the per unit cost was allocated in full to each common share. Values are subsequently determined at the measurement date using the Black-Scholes Option Pricing Model.

The Company's significant marketable securities are as follows:

On February 24, 2014, the Company entered into an agreement with TerraX Minerals Inc. ("TerraX"), a company with a director and officer in common, pursuant to which the Company could have earned up to a 60% interest in TerraX's wholly-owned Central Canada gold project in Ontario and subscribed for 1,300,000 units of TerraX (the "Units") at $0.45 per Unit for gross proceeds of $585,000. Each Unit consists of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.57 per common share exercisable until February 28, 2016. On December 8, 2015, these warrants were extended until February 28, 2017.

On October 24, 2014, the Company entered into an agreement with NioCorp Developments Ltd. ("NioCorp"), pursuant to which the Company could have earned up to a 60% interest in NioCorp's wholly-owned Archie Lake project in Saskatchewan and subscribed for 2,800,000 special warrants of NioCorp (the "Special Warrants") at $0.55 per Special Warrant for gross proceeds of $1,540,000. Each Special Warrant was exchanged on January19, 2015 for no additional consideration into one unit of NioCorp ("Unit"). Each Unit consists of one common share and one share purchase warrant, with each warrant entitling the holder to purchase an additional common share at an exercise price of $0.65 per common share exercisable until November 10, 2016.

On October 26, 2015, the Company subscribed for 6,000,000 units of a private placement at $0.125 per unit of Focus Ventures Ltd. ("Focus") for gross proceeds of $750,000. Each unit consists of one common share and one warrant, with each warrant entitling the holder to purchase one additional common share of Focus for five years from closing at $0.15 per share in the first, second and third years, and at $0.20 per share in the fourth and fifth years.

(Expressed in Canadian dollars)

8. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the year ended November 30, 2015 are as follows:

	Contact Lake Property	Total
ACQUISITION COSTS		
Balance, November 30, 2014	$ -	$ -
Additions	-	-
Write-down	-	-
Balance, November 30, 2015	**$ -**	**$ -**
EXPLORATION AND EVALUATION COSTS		
Balance, November 30, 2014	$ 19,618	$ 19,618
Claim maintenance and permitting	200	200
Write-down	(19,818)	(19,818)
Balance, November 30, 2015	**$ -**	**$ -**
Total costs	**$ -**	**$ -**

The Company's exploration and evaluation properties expenditures for the year ended November 30, 2014 are as follows:

	Central Canada Gold Property	Contact Lake Property	Glacier Lake Property	Other Properties	Total
ACQUISITION COSTS					
Balance, November 30, 2013	$ -	$ -	$ -	$ -	$ -
Additions	10,000	-	-	-	10,000
Write-down	(10,000)	-	-	-	(10,000)
Balance, November 30, 2014	$ -	$ -	$ -	$ -	$ -
EXPLORATION AND EVALUATION COSTS					
Balance, November 30, 2013	$ -	$ 10,120	$ 6,227	$ 893	$ 17,240
Claim maintenance and permitting	2,600	9,498	6,227	-	18,325
Camp removal	-	-	52,833	-	52,833
Write-down	(2,600)	-	(65,287)	(893)	(68,780)
Balance, November 30, 2014	$ -	$ 19,618	$ -	$ -	$ 19,618
Total costs	$ -	$ 19,618	$ -	$ -	$ 19,618

Contact Lake Property – Contact Lake, Northwest Territories

During the year ended November 30, 2005, the Company acquired a 100% undivided right, title and interest, subject to a 1% net smelter return royalty ("NSR"), in five mineral claims located eight kilometres ("km") southeast of Port Radium on Great Bear Lake, Northwest Territories ("NT"), for cash payments of $60,000 (paid) and 60,000 common shares (issued and valued at $72,000) of the Company. The Company could have purchased the NSR for a one-time payment of $1,000,000. The Company completed additional staking in the area in order to increase the project size to sixteen contiguous claims.

During the year ended November 30, 2015, the Company did not renew these claims and all associated costs totaling $19,818 were written off.

Port Radium – Glacier Lake Property, Northwest Territories

During the year ended November 30, 2005, the Company acquired a 100% undivided right, title and interest, subject to a 2% NSR, in four mineral claims (the "Glacier Lake Mineral Claims") located 1.6 km east of Port Radium on Great Bear Lake, NT, for cash payments of $30,000 (paid) and 72,000 common shares (issued and valued at $72,000) of the Company.

During the year ended November 30, 2015, the Company did not renew these leases and all associated costs totaling $65,287 were previously written off during the year ended November 30, 2014.

Port Radium – Crossfault Lake Property, Northwest Territories

During the year ended November 30, 2005, the Company acquired a 100% undivided right, title and interest, subject to a 2% NSR, in five mineral claims (the "Port Radium – Crossfault Lake Mineral Claims") located north of Port Radium on Great Bear Lake, NT, for cash payments of $60,000 (paid) and 90,000 common shares (issued and valued at $297,000) of the Company.

During the year ended November 30, 2015, the Company did not renew these claims and all associated costs were previously written off.

North Contact Lake Mineral Claims – Great Bear Lake, Northwest Territories

During the year ended November 30, 2006, the Company acquired a 100% right, interest and title, subject to a 2% NSR, in eleven mineral claims (the "North Contact Lake Mineral Claims"), for cash payments of $75,000 and the issuance of 50,000 common shares of the Company valued at $182,500. The Company may purchase one-half of the NSR for a one-time payment of $1,000,000. The North Contact Lake Mineral Claims are situated north of Contact Lake on Great Bear Lake approximately 680 km north of Yellowknife, NT.

During the year ended November 30, 2015, the Company allowed all claims to lapse and all associated costs were previously written off.

Eldorado South IOCG & Uranium Project, Northwest Territories

During the year ended November 30, 2007, the Company staked twenty-four claims (the "Eldorado South Uranium Mineral Claims") and four additional claims (the "Eldorado West Uranium Mineral Claims") located 16 km south of the Eldorado uranium mine on the east side of Great Bear Lake, NT and 680 km north of the city of Yellowknife, NT, collectively known as the Eldorado South Uranium Project.

Twenty-two claims have lapsed and the remaining six claims will be allowed to lapse when their obligations come due.

Longtom Property – Longtom Lake, Northwest Territories

The Company held a 50% undivided interest subject to a 2% NSR in the Longtom Property (the "Longtom Property") located about 350 km northwest of Yellowknife, NT. The Longtom Property is registered 100% in the name of the Company.

During the year ended November 30, 2014, the Company did not renew their interest in this lease and all associated costs totaling $893 were written off during the year ended November 30, 2014.

Central Canada Gold Property – Ontario

The Central Canada Gold Property consists of seven claims totaling 24 claim units located approximately 20 km east of the town of Atikokan and 190 km west of the City of Thunder Bay in the Province of Ontario.

The Company held its interest in the Central Gold Property under an Option Agreement dated February 24, 2014 pursuant to which the Company could have earned a 60% interest in the Central Canada Gold Property from TerraX. In order to exercise the Option, the Company was to make cash payments to TerraX totaling $85,000 over a three year period, with $10,000 paid upon execution of the Option Agreement, $25,000 due on the second anniversary of the execution of the Option Agreement and a further $50,000 due on the third anniversary date. The Company was to also incur an aggregate of $500,000 in exploration expenditures over a three year period, with $100,000 to be incurred by March 31, 2015, a further $150,000 to be incurred by March 31, 2016 and the remaining $250,000 to be incurred by March 31, 2017. The Company was also responsible for payment of the annual pre-production royalty of $10,000 to the original vendors of the Central Canada Property due annually in December beginning with the next payment due on December 11, 2014.

During the year ended November 30, 2014, the Company terminated the agreement and all associated costs totaling $12,600 were written off during the year ended November 30, 2014.

Archie Lake Property – Saskatchewan

The Archie Lake Property consists of one claim located approximately 50 km west of Uranium City and approximately 5 km north of Lake Athabasca, in the Province of Saskatchewan.

The Company held its interest in the Archie Lake Property under an Option Agreement dated October 24, 2014 pursuant to which the Company could have earned a 60% interest in the Archie Lake Property from NioCorp. In order to exercise the Option, the Company was to incur an aggregate of $1,750,000 in exploration expenditures prior to October 20, 2017. The expenditures were to include completion of a minimum of $250,000 prior to October 20, 2015, a further $500,000 on or before October 20, 2016 and a further $1,000,000 on or before October 20, 2017.

During the year ended November 30, 2015, the Company terminated the agreement and all associated costs were written off.

(Expressed in Canadian dollars)

9. EQUIPMENT

The Company's equipment as at November 30, 2015 is as follows:

	Cost	Accumulated depreciation	Net book value
Computer equipment	$ 5,300	$ 5,124	$ 176
Furniture and fixtures	10,282	9,029	1,253
Total	**$ 15,582**	**$ 14,153**	**$ 1,429**

The changes in the Company's equipment for the years ended November 30, 2015 and 2014 are as follows:

	Computer equipment	Furniture and fixtures	Total
COST			
Balance, as at November 30, 2014 and 2013	$ 5,300	$ 25,706	$ 31,006
Dispositions (Note 18)	-	(15,424)	(15,424)
As at November 30, 2015	**$ 5,300**	**$ 10,282**	**$ 15,582**

	Computer equipment	Furniture and fixtures	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
Balance, as at November 30, 2013	$ 4,942	$20,854	$ 25,796
Depreciation	107	971	1,078
As at November 30, 2014	5,049	21,825	26,874
Depreciation	75	416	491
Dispositions (Note 18)	-	(13,212)	(13,212)
As at November 30, 2015	**$ 5,124**	**$ 9,029**	**$ 14,153**
NET BOOK VALUES			
At November 30, 2014	251	3,881	4,132
At November 30, 2015	**$ 176**	**$ 1,253**	**$ 1,429**

(Expressed in Canadian dollars)

10. TRADE AND OTHER PAYABLES

The Company's trade and other payables are broken down as follows:

As at November 30	**2015**	2014
Trade payables	**$ 6,929**	**$ 7,967**
Accrued liabilities	**17,258**	**26,207**
Total trade and other payables	**$ 24,187**	**$ 34,174**

11. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of voting common shares with no par value. Authorized share capital also consists of an unlimited number of preferred shares with no par value, to be issued in series, with the directors being authorized to determine the designation, rights, privileges, restrictions and conditions attached to all of the preferred shares. At November 30, 2015, the Company had 20,773,979 common shares outstanding (2014 - 21,443,979) and no preferred shares outstanding (2014 - Nil).

Pursuant to the Company's change of business to an investment issuer on December 31, 2015, certain directors and officers shares are subject to the following resale restrictions:

	Date	Shares
	December 31, 2015	1,050,500
	June 30, 2016	1,050,500
	December 31, 2016	1,050,500
	June 30, 2017	1,050,500
Total		4,202,000

Share issuances and repurchases

During the years ended November 30, 2015 and 2014, the Company did not issue any common shares.

In addition, 670,000 (2014 – 345,000) shares were repurchased at a total cost of $130,722 (2014 - $60,544) and were returned to capital pursuant to the Normal Course Issuer Bid.

(Expressed in Canadian dollars)

Normal Course Issuer Bid

On May 4, 2015, the Company received approval from the TSX Venture Exchange (the "Exchange") to renew its Normal Course Issuer Bid (the "Bid"). The original Bid started on May 3, 2013. Pursuant to the Bid, the Company may purchase for cancellation, from time to time, as it considers advisable, up to 1,050,000 of its issued and outstanding common shares. The price which the Company will pay for any shares purchased will be the prevailing market price of such common shares on the Exchange at the time of such purchase. The Bid commenced on May 7, 2015 and will terminate on May 6, 2016, or such earlier time as the Bid is completed or at the option of the Company. Mackie Research Capital Corporation of Vancouver, British Columbia will conduct the Bid on behalf of the Company. During the year ended November 30, 2015, the Company purchased 670,000 shares (November 30, 2014 – 345,000) at a total cost of $130,722 (November 30, 2014 - $60,544). The difference between the share repurchase price and the original share issuance of $1,264,419 (November 30, 2014 - $657,849) has been included in equity.

Share purchase warrants

There were no share purchase warrants outstanding for the years ended November 30, 2015 and 2014.

Stock options

The Company grants share options in accordance with the policies of the Exchange. Under the general guidelines of the Exchange, the Company may reserve up to 20% of its issued and outstanding shares for its employees, directors or consultants to purchase shares of the Company. The exercise price for options granted under the plan will not be less than the market price of the common shares less applicable discounts permitted by the Exchange and options will be exercisable for a term of up to five years, subject to earlier termination in the event of death or the cessation of services.

The following is a summary of the changes in the Company's stock option plan for the years ended November 30, 2015 and 2014:

Year ended November 30	**2015**		2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding, beginning of year	2,000,000	$ 0.20	1,845,000	$ 0.27
Granted	-	-	750,000	0.20
Exercised	-	-	-	-
Expired/cancelled	(250,000)	0.19	(595,000)	0.44
Outstanding, end of year	**1,750,000***	**$ 0.20**	2,000,000	$ 0.20

(Expressed in Canadian dollars)

* Pursuant to the Company's change of business to an investment issuer on December 31, 2015, certain directors and officers options are subject to the following resale restrictions:

	Date	Options	Exercise price
	December 31, 2015	200,000	$0.20
	June 30, 2016	200,000	$0.20
	December 31, 2016	200,000	$0.20
	June 30, 2017	200,000	$0.20
Total		800,000	

On September 30, 2014, the Company granted 750,000 options to directors and officers, exercisable at $0.20 per share until September 30, 2016. The weighted average fair value of the options granted and vested during the year ended November 30, 2014 was estimated at $0.064 per option at the grant date using the Black-Scholes Option Pricing Model.

On July 18, 2013, the Company granted 1,025,000 options to directors and officers, exercisable at $0.20 per share until July 18, 2016. 512,500 options vested on July 18, 2013 and 512,500 options vested on January 18, 2014. The weighted average assumptions used for the calculation were:

Year ended November 30	**2015**	2014
Risk free interest rate	**-**	1.09%
Expected life	**-**	2.00 years
Expected volatility	**-**	70.78%
Expected dividend per share	**-**	-

The following table summarizes information regarding stock options outstanding and exercisable as at November 30, 2015:

Grant date	**Expiry date**	**Number of options outstanding**	**Number of options exercisable**	**Exercise price**	**Remaining contractual life (years)**
July 18, 2013	July 18, 2016	1,000,000	1,000,000	$ 0.20	0.63
September 30, 2014	September 30, 2016	750,000	750,000	$ 0.20	0.84
Total options		**1,750,000**	**1,750,000**		

12. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which $Nil was recognized in the year ended November 30, 2015 (2014 - $57,048) (Note 17):

Grant date	**Fair value**	**Amount vested in 2015**	Amount vested in 2014
July 18, 2013	**$ 66,523**	**$ -**	$ 8,763
September 30, 2014	**48,285**	**-**	48,285
Total	**$ 114,808**	**$ -**	$ 57,048

(Expressed in Canadian dollars)

13. TAXES

Provision for income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

Year ended November 30	**2015**	2014
Earnings for the year	**$ 744,279**	$ 1,804,549
Expected income tax expense	**194,000**	460,000
Change in statutory tax rates and other	**(49,000)**	29,000
Permanent differences	**(145,000)**	(404,000)
Adjustment to prior years provision versus statutory tax returns	**-**	281,000
Change in unrecognized deductible temporary differences	**-**	(366,000)
Total income tax expense	**$ -**	$ -

The Canadian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Canada.

The significant components of the Company's deferred tax assets and liabilities are as follows:

As at November 30	**2015**	2014
Deferred tax assets (liabilities)		
Marketable securities	**$ (92,000)**	$ (146,000)
Non-capital losses	**92,000**	146,000
Net deferred tax liability	**$ -**	$ -

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

As at November 30	**2015**	2014
Deferred tax assets		
Exploration and evaluation properties	**$ 2,440,000**	$ 2,374,000
Equipment	**89,000**	88,000
Non-capital losses available for future periods	**1,864,000**	1,931,000
	4,393,000	4,393,000
Less: Unrecognized deferred tax assets	**(4,393,000)**	(4,393,000)
Net deferred tax assets	**$ -**	$ -

(Expressed in Canadian dollars)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

As at November 30	**2015**	Expiry Date Range	2014	Expiry Date Range
Temporary Differences				
Exploration and evaluation properties	**$ 9,383,000**	No expiry date	$9,310,000	No expiry date
Equipment	**344,000**	No expiry date	344,000	No expiry date
Non-capital losses available for future periods	**$ 6,815,000**	2026 to 2035	$6,999,000	2026 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

Year ended November 30	**2015**	2014
Net earnings for the year	**$ 744,279**	$ 1,804,549
Weighted average number of shares – basic and diluted	**21,160,128**	21,593,263

The basic earnings per share is computed by dividing the net earnings by the weighted average number of common shares outstanding during the year. The diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

15. CAPITAL RISK MANAGEMENT

The capital structure of the Company consists of equity attributable to common shareholders, comprising of issued capital, contributed surplus and deficit. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic condition and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments.

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 year ended November 30, 2015. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

16. FINANCIAL INSTRUMENTS

Categories of financial instruments

As at November 30	2015	2014
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash and cash equivalents	**$ 4,106,844**	$ 3,890,409
Marketable securities	**3,920,592**	3,527,786
Loans and receivables, at amortized cost		
Interest receivable	**23,683**	4,755
Total financial assets	**$ 8,051,119**	$ 7,422,950
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade and other payables	**$ 24,187**	$ 34,174
Total financial liabilities	**$ 24,187**	$ 34,174

Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at November 30, 2015, the Company does not have any Level 3 financial instruments.

(Expressed in Canadian dollars)

	Level 1	Level 2	Level 3	Total
As at November 30, 2015				
Cash and cash equivalents	$ 4,106,844	$ -	$ -	$ 4,106,844
Marketable securities	3,095,796	-	-	3,095,796
Warrants	-	824,796	-	824,796
Total financial assets at fair value	$ 7,202,640	$ 824,796	$ -	$ 8,027,436

	Level 1	Level 2	Level 3	Total
As at November 30, 2014				
Cash and cash equivalents	$ 3,890,409	$ -	$ -	$ 3,890,409
Marketable securities	2,502,655	-	-	2,502,655
Warrants	-	1,025,131	-	1,025,131
Total financial assets at fair value	$ 6,393,064	$ 1,025,131	$ -	$ 7,418,195

Management of financial risks

The financial risks arising from the Company's operations include credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and receivables. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at November 30, 2015, receivables were comprised of GST receivable of $4,785 (2014 - $3,354), other receivables of $794 (2014 - $Nil) and interest receivable of $22,889 (2014 - $4,755). As a result, credit risk is considered insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. The Company has cash and cash equivalents of $4,106,844 to settle current liabilities of $24,187, therefore liquidity risk is considered insignificant.

Interest rate risk

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant. The Company also has investments in convertible debentures which have a fixed interest rate and are not subject to interest rate fluctuations.

A 1% change in short-term rates would have changed the interest income and net earnings of the Company, assuming that all other variables remained constant, by approximately $31,486 for the year ended November 30, 2015.

Currency risk

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars (Note 4). The Company monitors and forecasts the values of net foreign currency cash flow and financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

Commodity price risk

As at November 30, 2015, the Company is in the exploration stage and is not subject to commodity price risk. Subsequent to year end, the Company completed a change of business from a "mining issuer" to an "investment issuer" (Note 19).

17. RELATED PARTY TRANSACTIONS

For the year ended November 30, 2014, the Company had related party transactions with Max Resource Corp., a company related by way of an officer and director in common for rent expense.

Related party expenses

The Company's related party expenses are broken down as follows:

Year ended November 30	**2015**	2014
Rent expense	**$ -**	$ 3,000
Total related party expenses	**$ -**	$ 3,000

The amount due to related party was unsecured and non-interest bearing.

(Expressed in Canadian dollars)

Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

Year ended November 30	**2015**	2014
Short-term benefits	**$ 274,500**	$ 241,000
Share-based payments (Note 12)	**-**	57,048
Total key management personnel compensation	**$ 274,500**	$ 298,048

18. SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended November 30, 2015, exploration costs in trade payables were $Nil (2014 - $4,359) (Note 8).

During the year ended November 30, 2015, the amount credited to deficit on the repurchase of the Company shares was $1,264,419 (2014 - $657,849) (Note 11).

During the year ended November 30, 2015, the Company disposed of equipment for proceeds of $3,087 (2014 - $Nil) resulting in a gain of $875 (2014 – $Nil) (Note 9).

Cash payments for interest and taxes

The Company made cash payments for interest of $Nil (2014 - $Nil) and income taxes of $Nil (2014 - $Nil) during the year ended November 30, 2015.

19. SUBSEQUENT EVENTS

The following events occurred subsequent to November 30, 2015:

i. On December 31, 2015, the Company completed a change of business from a “mining issuer” to an “investment issuer”.

ii. For the period from December 1, 2015 to February 17, 2016, the Company repurchased 155,500 shares of the Company, which will be cancelled.

iii. On December 31, 2015, 300,000 stock options expired.

iv. On January 29, 2016, the Company granted 600,000 options to directors and officers, exercisable at $0.20 per share until January 29, 2018.