GGL RESOURCES CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

AUGUST 31, 2016

(UNAUDITED - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these consolidated interim financial statements they must be accompanied by a notice indicating that the consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

GGL RESOURCES CORP.

Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		August 31, 2016		November 30, 2015
ASSETS				
Current				
Cash (Note 4)	$	106,028	$	33,591
Amounts receivable (Note 5)		5,671		12,746
Prepaid expenses		4,704		12,375
Total Current Assets		116,403		58,712
Investment (Note 7)		25,000		25,000
Exploration and Evaluation Assets (Note 8)		1,998,249		1,994,380
Property and Equipment (Note 9)		43,956		51,714
	$	2,183,608	$	2,129,806
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	81,164	$	91,159
Consulting fees payable (Note 12)		275,005		276,034
Total Liabilities		356,169		367,193
SHAREHOLDERS' EQUITY				
Share Capital (Note 10)		35,983,666		35,983,666
Share-based Payments Reserve		4,258,224		4,258,224
Deficit		(38,414,451)		(38,479,277)
Total Shareholders' Equity		1,827,439		1,762,613
	$	2,183,608	$	2,129,806

Nature of Operations and Going Concern (Note 1)

On behalf of the Board:

"Raymond A. Hrkac"
Raymond A. Hrkac, Director

"Nick DeMare"
Nick DeMare, Director

Date of Board of Directors approval for issue: October 31, 2016

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

GGL RESOURCES CORP.

Consolidated Interim Statements of Comprehensive Loss
For the three and nine months ended
(Unaudited – Expressed in Canadian Dollars)

	For the three months ended		For the nine months ended	
	Aug. 31, 2016	Aug. 31, 2015	Aug. 31, 2016	Aug. 31, 2015
Expenses				
Consulting fees	$ -	$ 6,250	$ -	$ 18,750
Depreciation	35	30	106	132
Exploration costs - general	3,407	5,779	9,552	15,733
Legal and audit	-	503	1,146	1,289
Licenses, taxes, insurance and fees	3,432	4,320	17,924	19,056
Office services and expenses	5,564	14,853	18,849	55,711
Shareholders' meetings and reports	-	80	215	544
Travel	-	50	-	627
Operating loss	(12,438)	(31,865)	(47,792)	(111,842)
Other income (loss)				
Interest income	116	124	411	358
Interest expense (Note 6)	(1,289)	(536)	(2,270)	(858)
Gain on sale of exploration and evaluation assets (Note 8(a))	177,576	-	177,576	-
Write off of exploration and evaluation assets (Notes 8(c) and (d))	(30,679)	(44,440)	(63,099)	(239,120)
Write off of property and equipment	-	(1,252)	-	(8,560)
	145,724	(46,104)	112,618	(248,180)
Net income (loss) and comprehensive income (loss) for the period	$ 133,286	$ (77,969)	$ 64,826	$ (360,022)
Income (loss) per share - basic and diluted	$ 0.004	$ (0.002)	$ 0.002	$ (0.010)
Weighted average number of common shares outstanding - basic and diluted	35,484,738	33,234,738	35,484,738	33,234,738

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

GGL RESOURCES CORP.

Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine months ended
(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Share-based Payments		Shareholders'
	# of Shares	Amount ($)	Reserve	Deficit	Equity
Balance November 30, 2015 (Note 10)	**35,484,738**	**$ 35,983,666**	**$ 4,258,224**	**$(38,479,277)**	**$ 1,762,613**
Net income	-	-	-	64,826	64,826
Balance August 31, 2016	**35,484,738**	**$ 35,983,666**	**$ 4,258,224**	**$(38,414,451)**	**$ 1,827,439**

	Share Capital		Subscription	Share-based Payments		Shareholders'
	# of Shares	Amount ($)	Advances	Reserve	Deficit	Equity
Balance November 30, 2014	**33,234,738**	**$ 35,951,456**	**$ -**	**$ 4,217,619**	**$(38,459,912)**	**$ 1,709,163**
Subscription Advances	-	-	12,500	-	-	12,500
Net loss	-	-	-	-	(360,022)	(360,022)
Balance August 31, 2015	**33,234,738**	**$ 35,951,456**	**$ 12,500**	**$ 4,217,619**	**$(38,819,934)**	**$ 1,361,641**

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

GGL RESOURCES CORP.
Consolidated Interim Statements of Cash Flows
For the nine months ended
(Unaudited - Expressed in Canadian Dollars)

		August 31, 2016		August 31, 2015
Cash flows from (used in) operating activities				
Net income (loss) for the period	$	64,826	$	(360,022)
Adjustment for items not involving cash:				
- depreciation of equipment		106		132
- depreciation of exploration equipment		7,652		9,544
- write off of exploration and evaluation assets		63,099		239,120
- write off of property and equipment		-		8,560
		135,683		(102,666)
Change in non-cash working capital items:				
- amounts receivable		7,075		321,082
- prepaid expenses		7,671		7,937
- accounts payable and accrued liabilities		(34,464)		(82,600)
		115,965		143,753
Cash flows from (used in) financing activities				
Subscription Advances		-		12,500
Cash flows from (used in) investing activities				
Additions to exploration and evaluation assets		(43,528)		(160,168)
Increase (decrease) in cash		72,437		(3,915)
Cash, beginning of period		33,591		38,706
Cash, end of period	$	106,028	$	34,791

See Note 15 Supplementary Cash Flow Information

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

1. Nature of Operations and Going Concern

GGL Resources Corp. ("the Company") was incorporated on May 25, 1981 under the provisions of the Company Act (British Columbia). The Company is listed on the TSX Venture Exchange, (Tier 2) under the symbol "GGL". The Company's current mailing address is c/o #1305, 1090 West Georgia Street, Vancouver, BC V6E 3V7. The Company's records office and registered address is DLA Piper (Canada) LLP, 666 Burrard Street, Vancouver, BC, V6C 2Z7, Canada.

The Company is in the exploration stage and, on the basis of information to date, does not yet have economically recoverable reserves. The underlying value of the exploration and evaluation assets and related deferred costs are entirely dependent upon the existence of such reserves, the ability of the Company to obtain the necessary financing to develop the reserves and upon future profitable production.

As at August 31, 2016, the Company has a working capital deficiency of $239,766 (November 30, 2015 - $308,481) and a deficit of $38,414,451 (November 30, 2015 - $38,479,277).

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production. To date the Company has not consistently earned any revenues and is considered to be in the exploration stage. The Company's operations are funded primarily from equity financings which are dependent upon many external factors and it may be difficult to impossible to secure or raise additional funds when required. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year. The Company also recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. In light of the Company's history of negative cash flows from operating activities, operating losses incurred in the past years and a working capital deficiency, the Company's ability to continue its exploration programs is dependent on its ability to secure additional financing. The Company intends to continue its exploration programs. Management is actively pursuing such additional sources of financing. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation and Adoption of IFRS

Statement of Compliance and Conversion to International Financial Reporting Standards

These consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are in effect for August 31, 2016. The policies set out below were consistently applied to all the periods presented.

2. Basis of Preparation and Adoption of IFRS, continued

The Company's consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Significant Accounting Policies Not Yet Adopted

The following accounting standards have been issued, but are not effective until annual periods beginning on or after January 1, 2018, unless otherwise indicated, earlier application is permitted. As at the date of these consolidated financial statements, the following standards have not been applied in these consolidated financial statements.

i) IFRS *9 Financial Instruments:* This standard partially replaces IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities.

ii) IFRS *15 Revenue from contracts with customers:* IFRS 15 is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

(Unaudited - Expressed in Canadian Dollars)

4. Cash

	August 31, 2016	November 30, 2015
Cash	$ 106,028	$ 15,832
Cash reserved for exploration	-	17,759
	$ 106,028	$ 33,591

5. Amounts Receivable

	August 31, 2016	November 30, 2015
Goods and Services/Harmonized sales tax receivable	$ 5,558	$ 12,433
Other	113	313
	$ 5,671	$ 12,746

6. Loans Payable

The Company negotiated a line of credit from certain shareholders to provide bridge loan funding to pay property tenure costs and other corporate overhead costs. One of the lenders is a private company, the officers of which are the brother and sister of one of the directors of the Company, and this director has guaranteed repayment of the loan provided by this private company. The Company has drawn down on this bridge loan financing in the amount of $62,000. The bridge loan bears interest at 8% per year and is secured by a general security agreement (GSA). The principal portion of the loan was repaid during the period ended August 31, 2016. Interest to August 31, 2016 of $1,322 is accrued in accounts payable. In addition, the loans by two directors of $2,000 were repaid during the period ended August 31, 2016. See Note 12.

7. Investment

In 2014 the Company concluded an agreement with Proxima Diamonds Corp. ("Proxima"), an arm's length private corporation in the process of going public, for the sale of a portion of the Company's Diamond database. The Company received cash and 500,000 common shares of Proxima. The 500,000 shares were recorded at an ascribed value of $0.05 per common share. These shares will represent an ownership interest in Proxima of approximately 1%.

8. Exploration and Evaluation Assets

	Balance November 30, 2015	2016 Mineral Interests Additions	2016 Net Exploration cost additions	2016 Written Off	Balance August 31, 2016
Doyle Lake	$ 11,964	$ -	$ (11,964)*	$ -	$ -
Fishback Lake	56,352	-	1,709	-	58,061
CH	604,772	-	41,361	(32,420)	613,713
Providence Greenstone Belt	634,291	-	35,862*	(30,679)	639,474
McConnell Creek	687,001	-	-	-	687,001
	$ 1,994,380	$ -	$ 66,968	$(63,099)	$ 1,998,249

* See Notes 8(a) and (d)

(Unaudited - Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets, continued

	Balance November 30, 2015	2016 Net Additions	2016 Written off	Balance August 31, 2016
Acquisition costs	$ 164,680	$ (6,097)	$ (3,495)	$ 155,088
Deferred exploration costs	1,829,700	73,065	(59,604)	1,843,161
	$ 1,994,380	$ 66,968	$(63,099)	$ 1,998,249

	Balance November 30, 2014	2015 Mineral Interests Additions	2015 Net Exploration cost additions	2015 Written Off	Balance August 31, 2015
Doyle Lake	$ 6,097	$ -	$ 6,458	$ -	$ 12,555
Fishback Lake	54,106	-	1,627	-	55,733
CH	550,661	-	45,828	-	596,489
Providence Greenstone Belt	860,351	-	12,723	(239,120)	633,954
McConnell Creek	687,018	-	(17)*	-	687,001
	$ 2,158,233	$ -	$ 66,619	$(239,120)	$ 1,985,732

	Balance November 30, 2014	2015 Net Additions	2015 Written off	Balance August 31, 2015
Acquisition costs	$ 177,094	$ -	$ (12,414)	$ 164,680
Deferred exploration costs	1,981,139	66,619	(226,706)	1,821,052
	$ 2,158,233	$ 66,619	$(239,120)	$ 1,985,732

Included in exploration and evaluation assets are reclamation bonds held in the name of the Ministry of Energy, Mines and Petroleum Resources of BC and the Government of the Northwest Territories (for Northwest Territories claims) in the amount of $76,400 (November 30, 2015 - $76,400).

(Unaudited - Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets, continued

Exploration costs incurred during the nine months ended:

	August 31, 2016	August 31, 2015
Aircraft	$ 6,338	$ -
Geophysics	18,150	-
Licenses, recording fees and lease payments	64,886	62,296
Project supplies	18	493
Salaries and wages	-	290
Staking	(6,097)	-
Technical and professional services	(16,327)	3,540
	$ 66,968	**$ 66,619**

(a) Doyle Lake, Northwest Territories, Canada

Under the De Beers Agreement (“the Agreement”) dated May 25, 1995, De Beers Canada Inc. (“De Beers”) earned a 60% interest in the Doyle Lake Properties (“the Properties”), which consist of 5 claims and 3 fractional claims (12,972 acres), by completing exploration expenditures of $4.65 million.

Under an agreement dated November 28, 2014, the May 25, 1995 agreement including amendments was terminated and De Beers purchased the Company’s interest in the LA 7 and Extra 2 to 4 claims for $300,000 and returned De Beers’ interest in the LA 5, 6, 8 and 9 claims to the Company.

During the period ended August 31, 2016, the Company sold its interest in the remaining four claims and two fractional claims to Kennady Diamonds Inc. for $200,000. The Company will retain a 0.75% royalty interest (the "Royalty") on all mineral products produced from the property. Kennady has the right at any time prior to commencement of production from the property to purchase one-third (1/3) of the Royalty, being 0.25%, for the sum of $1,000,000. The Company recorded the proceeds on sale first as a recovery of carrying costs and recorded a recovery of $22,424 of exploration expenditures and the balance of $177,576 is recorded as a gain on the Statements of Comprehensive Loss.

(b) Fishback Lake, Northwest Territories, Canada

The Company owns one claim (692 hectares). This claim is a mining lease.

(c) CH, Northwest Territories, Canada

The Company owns 34 claims (27,682 hectares), north-northeast of Yellowknife, acquired by staking during the years 2000 to 2003. These claims include the Courageous, Starfish, Winterlake North, Winterlake South, BP, Zip and Mill claims. 24 of these claims are leases and 10 claims were surveyed in 2014 and are awaiting Mining Recorder approval.

(Unaudited - Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets, continued

(c) CH, Northwest Territories, Canada, continued

During the period ended August 31, 2016, two claims (1,254 hectares) were allowed to lapse and the related costs of $32,420 were written off.

(d) Providence Greenstone Belt, Northwest Territories, Canada

The Company owns 11 claims (7,259 hectares) in the Providence Greenstone Belt ("PGB") area of the Northwest Territories. These claims lie within an extensive belt of rocks previously identified by a mapping project funded by the Geological Survey of Canada and reported as having the potential for hosting magmatic nickel mineralization.

The Company received a grant of $17,759 from the Government of the Northwest Territories' ("GNWT") Mineral Incentive Program to spend on a pre-approved exploration program by March 31, 2016. The Company was required to finance a part of the program in order to keep the grant or the grant must be returned. The Company returned the grant to the GNWT during the period.

During the period ended August 31, 2016, one claim (1,045 hectares) was allowed to lapse and the related costs of $30,679 were written off.

Included in exploration costs for the period ended August 31, 2016 is a refund of $3,746 for extension deposits paid in previous years.

(e) McConnell Creek, British Columbia, Canada

The Company owns 2 mineral claims (4,878 hectares) in the Omineca Mining Division of British Columbia.

8. Property and Equipment

		Office Furniture		Exploration Equipment		Total
Cost						
Balance as at November 30, 2014	$	58,103	$	450,632	$	508,735
Disposals in 2015		(40,224)		(59,787)		(100,011)
Balance as at November 30, 2015 and August 31, 2016	$	17,879	$	390,845	$	408,724
Accumulated Depreciation						
Balance as at November 30, 2014	$	51,927	$	383,606	$	435,533
Depreciation		232		12,696		12,928
Disposals		(35,208)		(56,243)		(91,451)
Balance as at November 30, 2015	$	16,951	$	340,059	$	357,010
Depreciation		139		7,619		7,758
Balance as at August 31, 2016	$	17,090	$	347,678	$	364,768

(Unaudited - Expressed in Canadian Dollars)

9. Property and Equipment, continued

	Office Furniture	Exploration Equipment	Total
Carrying Amounts			
At November 30, 2014	$ 6,176	$ 67,026	$ 73,202
At November 30, 2015	$ 928	$ 50,786	$ 51,714
At August 31, 2016	$ 789	$ 43,167	$ 43,956

At August 31, 2016 depreciation is recorded on the Statement of Comprehensive Loss as $106 (August 31, 2015 - $132) in depreciation and $7,652 (August 31, 2015 - $9,544) is recorded as part of general exploration costs.

10. Share Capital

(a) Authorized: unlimited common shares without par value;

(b) Changes in warrants for each of the nine months ended August 31, 2016 and 2015:

	August 31, 2016		August 31, 2015	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period	3,355,000	$0.35	2,230,000	$0.50
Expired	(240,000)	$0.50	-	-
	3,115,000	**$0.34**	**2,230,000**	**$0.50**

The Company has the following warrants outstanding and exercisable as at August 31, 2016:

Number of warrants	Exercise Price	Expiry Date
480,000	$0.50	August 17, 2017
1,510,000	$0.50	May 8, 2018
1,125,000	$0.05	November 25, 2018
3,115,000		

(Unaudited - Expressed in Canadian Dollars)

11. Stock Options

In 2006, the Company amended its Stock Option Plan to a 10% rolling plan whereby the Company may grant stock options to purchase up to 10% of the issued capital of the Company at the time of the grant of any option. Under the policies of the TSX Venture Exchange, options granted under the 10% rolling plan will not be required to include the mandatory vesting provisions required by the Exchange for a fixed number stock option plan, except for stock options granted to investor relations consultants which vest over 12 months. Awarded stock options are exercisable over a period not exceeding five years at exercise prices determined by the Board of Directors based on the most recent trading prices and subject to the TSX Venture Exchange policies.

Under this plan, the number of shares available for grant increases as the issued capital of the Company increases.

	# of Options Outstanding	Weighted Average Exercise Price
Options outstanding as at November 30, 2014	**151,000**	**$0.50**
Granted in 2015	2,250,000	$0.05
Expired in 2015	(151,000)	$0.50
Options outstanding as at Nov. 30, 2015 and August 31, 2016	**2,250,000**	**$0.05**

	August 31, 2016	**August 31, 2015**
Weighted average remaining contractual life	4.25 years	N/A
Weighted average fair value of options granted during the period	N/A	N/A

The stock options granted in 2015 have an exercise price of $0.05 per common share and expire on November 30, 2020.

The fair value of each option granted to an employee is estimated as of the date of grant using the *Black-Scholes option pricing model* with the following assumptions: risk-free interest rate, dividend yield, volatility, expected life and estimated forfeiture rate.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

(Unaudited - Expressed in Canadian Dollars)

12. Related Party Disclosures

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

(a) There are debts owing to two related parties, one being Mr. Ray Hrkac, a director and an officer and the other being Mr. Chris Hrkac, the son of Mr. Ray Hrkac and a consultant who has provided services to the Company. At November 30, 2015, Mr. R. Hrkac agreed to write down the $499,085 debt owed to him to $100,000. The debt to related parties is a current liability and is past due. The debts are non-interest bearing.

(b) The Company received a line of credit from a private company, the officers of which are the brother and sister of one of the directors of the Company, and this director has guaranteed repayment of the loan provided by this private company. The bridge loan bears interest at 8% per year and is secured by a general security agreement (GSA). The principal portion of the loan was repaid during the period. See Note 6.

(c) During the period, Nick DeMare and Ray Hrkac advanced a total of $2,000 that is non-interest bearing and unsecured. Both advances were repaid during the period ended August 31, 2016.

August 31, 2016	Consulting Fees	Technical and professional services	Consulting Fees Payable
Management	$ -	$ -	$ 100,000
Non-management	$ -	$ -	$ 160,525
Total	$ -	$ -	$ 260,525

August 31, 2015	Consulting Fees	Technical and professional services	Consulting Fees Payable
Management	$ 18,750	$ -	$ 492,954
Non-management	$ -	$ 5,915	$ 161,554
Total	$ 18,750	$ 5,915	$ 654,508

13. Segmented Information

The Company is involved in mineral exploration and development activities, which are conducted in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results for each of the nine months ended August 31, 2016 and 2015.

(Unaudited - Expressed in Canadian Dollars)

14. Financial Instruments

The Company classifies all financial instruments as fair value through profit or loss ("FVTPL"), held-to-maturity, available for sale, loans and receivables, or other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instruments – Disclosures

IFRS establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - inputs that are not based on observable market data.

(a) **Fair Value**

The fair value of financial instruments at August 31, 2016 and August 31, 2015 is summarized as follows:

	August 31, 2016		August 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
FVTPL				
Cash	$ 106,028	$ 106,028	$ 34,791	$ 34,791
Loans and receivables				
Amounts receivable	$ 5,671	$ 5,671	$ 48,300	$ 48,300
Available for sale				
Investment	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Financial Liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	$ 81,164	$ 81,164	$ 125,405	$ 125,405
Consulting fees payable*	$ 275,005	$ 275,005	$ 668,988	$ 668,988

*Consulting fees include amounts owed to related parties. See Notes 6 and 12.

14. Financial Instruments, continued

(a) **Fair Value**, continued

The recorded amounts for cash, amounts receivable, accounts payable and accrued liabilities, consulting fees payable and loan payable approximate their fair value due to their short-term nature. The Company's fair value of cash under the fair value hierarchy is measured using Level 1 inputs. The fair value of investment is measured using Level 3 inputs.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. Investments in common shares are classified as available for sale.

(b) **Financial Risk Management**

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange (currency) risk and liquidity risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and amounts receivable. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company deposits the majority of its cash with high credit quality financial institutions in Canada.

Currency risk

The Company operates in Canada and transacts business with foreign vendors and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risk. Currency risk is not considered significant.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. The Company manages liquidity by carefully monitoring its operating requirements.

(Unaudited - Expressed in Canadian Dollars)

15. Supplementary Cash Flow Information

Non-cash operating and investing activities were conducted by the Company during the nine months ended:

	August 31, 2016	August 31, 2015
Operating activities		
Accounts payable for exploration and evaluation assets	$ 242,863	$ 538,361
Investing activities		
Additions to exploration and evaluation assets	$ (242,863)	$ (538,361)

Other supplementary cash flow information:

Cash paid for interest charges (Note 6)	$ 2,270	$ 858

16. Management of Capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

In the management of capital, the Company includes the components of shareholders' equity as well as cash and cash reserved for exploration.

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

In order to maximize ongoing development efforts, the Company does not pay dividends.