BAYSWATER URANIUM CORPORATION

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited)

NINE MONTHS ENDED NOVEMBER 30, 2015

These unaudited condensed consolidated interim financial statements of Bayswater Uranium Corporation for the nine months ended November 30, 2015 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)
AS AT

	November 30, 2015	February 28, 2015 (Audited)
ASSETS		
Current		
Cash	$ 254,628	$ 96,638
Marketable securities (Note 3)	32,504	21,551
Receivables (Note 4)	7,450	4,635
Prepaids and deposits	4,935	42,671
	299,517	165,495
Equipment (Note 5)	10,292	12,348
Reclamation bonds (Note 6)	6,862	6,862
Exploration and evaluation assets (Note 6)	4,157,244	4,157,244
	$ 4,473,915	$ 4,341,949
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 3,704,578	$ 3,305,620
Shareholders' equity		
Capital stock (Note 8)	83,632,678	83,592,678
Reserves (Note 8)	16,749,754	16,749,754
Deficit	(99,613,095)	(99,306,103)
	769,337	1,036,329
	$ 4,473,915	$ 4,341,949

Nature and continuance of operations (Note 1)
Commitments (Note 11)

Approved and authorized on behalf of the Board on January 29, 2016:

"Victor Tanaka"	Director	*"Praveen Varshney"*	Director
Victor Tanaka		Praveen Varshney	

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended November 30, 2015	Three Months Ended November 30, 2014	Nine Months Ended November 30, 2015	Nine Months Ended November 30, 2014
EXPENSES				
Administration (Note 9)	$ 5,250	$ 8,250	$ 16,750	$ 24,750
Amortization (Note 5)	640	839	2,056	2,700
Directors' fees (Note 9)	9,375	9,375	28,125	34,375
Investor relations	6,000	-	42,000	-
Management fees (Note 9)	30,000	30,000	90,000	90,000
Office and miscellaneous	736	7,756	16,735	22,900
Professional fees	8,500	9,230	30,386	49,749
Rent (Note 9)	-	5,686	3,265	29,756
Shareholder communications	6,750	6,750	23,503	18,927
Transfer agent and filing fees	9,588	11,466	17,035	20,805
Loss from operations	(76,839)	(89,352)	(269,855)	(293,962)
OTHER ITEMS				
Foreign exchange loss	(36,037)	(100,640)	(180,988)	(56,796)
Interest expense (Note 6)	(76,579)	(55,977)	(216,182)	(160,513)
Gain on sale of exploration and evaluation asset (Note 6)	-	-	349,080	-
Impairment of exploration and evaluation asset (Note 6)	-	(4,013,143)	-	(4,013,143)
Unrealized gain (loss) on marketable securities (Note 3)	(8,672)	(15,722)	10,953	(11,110)
	(121,288)	(4,185,482)	(37,137)	(4,241,562)
Loss and comprehensive loss for the period	$ (198,127)	$ (4,274,834)	$ (306,992)	$ (4,535,524)
Basic and diluted loss per common share	$ (0.01)	$ (0.18)	$ (0.01)	$ (0.19)
Weighted average number of common shares outstanding	30,739,548	24,187,680	29,888,639	24,093,803

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)
Nine Months ended November 30,

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (306,992)	$ (4,535,524)
Items not affecting cash:		
Amortization	2,056	2,700
Accrued interest expense	216,182	160,513
Gain on sale of exploration and evaluation asset	(349,080)	-
Unrealized gain (loss) on marketable securities	(10,953)	11,110
Impairment of exploration and evaluation asset	-	4,013,143
Changes in non-cash working capital items:		
Increase in receivables	(2,815)	(1,492)
Decrease (increase) in prepaids and deposits	37,736	(3,701)
Increase in accounts payable and accrued liabilities	182,776	206,111
Net cash used in operating activities	(231,090)	(147,140)
CASH FLOWS FROM INVESTING ACTIVITY		
Sale of exploration and evaluation asset, net	389,080	-
Net cash provided by investing activity	389,080	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital stock issued	-	57,000
Finders' fees	-	(4,560)
Net cash provided by financing activities	-	52,440
Change in cash	157,990	(94,700)
Cash, beginning of period	96,638	146,475
Cash, end of period	$ 254,628	$ 51,775

Supplemental disclosure with respect to cash flows (Note 10)

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

BAYSWATER URANIUM CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Common Shares		Capital Stock Amount		Reserves		Deficit		Total
Balance, February 28, 2014	23,899,548	$	83,356,069	$	16,747,323	$	(94,364,368)	$	5,739,024
Private placement	1,140,000		57,000		-		-		57,000
Finders' fees	-		(6,991)		2,431		-		(4,560)
Warrants exercised	100,000		7,500		-		-		7,500
Loss for the period	-		-		-		(4,535,524)		(4,535,524)
Balance, November 30, 2014	25,139,548	$	83,413,578	$	16,749,754	$	(98,899,892)	$	1,263,440
Balance, February 28, 2015	28,739,548	$	83,592,678	$	16,749,754	$	(99,306,103)	$	1,036,329
Shares issued (Note 6)	2,000,000		40,000		-		-		40,000
Loss for the period	-		-		-		(306,992)		(306,992)
Balance, November 30, 2015	30,739,548	$	83,632,678	$	16,749,754	$	(99,613,095)	$	769,337

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Bayswater Uranium Corporation (incorporated under the laws of the Province of British Columbia) and its wholly-owned subsidiaries ("Bayswater" or the "Company") are engaged in the acquisition and exploration of exploration and evaluation assets and have not yet determined whether these assets contain economically recoverable reserves. To date, the Company has not earned significant revenues.

The Company's principal address is suite 202 – 837 West Hastings Street, Vancouver, BC, V6C 3N6 and its registered and records office is 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations rather than through a process of forced liquidation. The Company has incurred operating losses over the past several years and does not have a current source of revenue or sufficient financial resources to sustain operations in the long term.

The Company continues to be dependent upon its ability to finance its operations and exploration programs. The Company has not met certain funding obligations with respect to the Reno Creek Property which has resulted in the dilution of the Company's ownership interest (Note 6). During the year ended February 28, 2015, the Company pledged 20.8% of its interest in the Reno Creek Property (increased to 59.95% subsequent to November 30, 2015) as security on amounts owing to the manager of the Pacific Road Resources Funds (Note 6).

The Company's financing activities may include issuances of additional debt or equity securities or disposal of interests in exploration and evaluation assets in order to re-invest the proceeds. The recoverability of the carrying value and maintenance of ownership interests on exploration projects, and ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the development of the assets, future profitable production or, alternatively, upon the Company's ability to dispose of its assets on an advantageous basis, all of which are uncertain. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

While management intends to pursue additional financings and the Company has been successful in obtaining its required financing in the past, there is no assurance that such financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These unaudited condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

In accordance with the TSX Venture Exchange's Policy 2.5, the Company no longer meets Tier 1 requirements. As a result, effective October 29, 2015, the Company's Tier classification changed from Tier 1 to Tier 2.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended February 28, 2015.

Approval of the financial statements

These unaudited condensed consolidated interim financial statements were reviewed by the Company's Audit Committee and approved and authorized for issue by the Company's Board of Directors on January 29, 2016.

3. MARKETABLE SECURITIES

As at November 30, 2015, marketable securities consist of shares in publicly-traded companies with an initial cost of $207,060 (February 28, 2015 - $207,060) and a fair value of $32,504 (February 28, 2015 - $21,551). An unrealized gain on marketable securities of $10,953 (2014 – loss of $11,110) was recorded in the statement of loss and comprehensive loss for the nine months ended November 30, 2015.

4. RECEIVABLES

The Company's receivables consist of the following:

	November 30, 2015	February 28, 2015
GST receivable	$ 6,716	$ 4,124
Other	734	511
Total	$ 7,450	$ 4,635

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Furniture and fixtures	Computer equipment	Exploration equipment	Total
Cost				
Balance, February 28, 2015 and November 30, 2015	$ 9,536	$ 84,520	$ 24,436	$ 118,492
Accumulated amortization				
Balance, February 28, 2015	$ 9,076	$ 77,742	$ 19,326	$ 106,144
Amortization	51	1,076	929	2,056
Balance, November 30, 2015	$ 9,127	$ 78,818	$ 20,255	$ 108,200
Carrying amounts				
As at February 28, 2015	$ 460	$ 6,778	$ 5,110	$ 12,348
As at November 30, 2015	$ 409	$ 5,702	$ 4,181	$ 10,292

6. EXPLORATION AND EVALUATION ASSETS

Nine Months Ended November 30, 2015	Saskatchewan	Reno Creek Project, Wyoming	Total
Acquisition costs			
Balance, beginning and end of period	$ 1	$ 2,937,632	$ 2,937,633
Deferred exploration costs			
Balance, beginning and end of period	-	1,219,611	1,219,611
Total, end of period	$ 1	$ 4,157,243	$ 4,157,244

Year Ended February 28, 2015	Saskatchewan	Reno Creek Project, Wyoming	Total
Acquisition costs			
Balance, beginning of year	$ 1	$ 6,950,775	$ 6,950,776
Impairment	-	(4,013,143)	(4,013,143)
Balance, end of year	1	2,937,632	2,937,633
Deferred exploration costs			
Balance, beginning and end of year	-	1,219,611	1,219,611
Total, end of year	$ 1	$ 4,157,243	$ 4,157,244

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties is in good standing.

Uranium properties

Investment in Reno Creek Property

During the year ended February 28, 2010, the Company entered into a formal Purchase Agreement (the "Agreement") with Strathmore Resources (US) Ltd. ("Strathmore"), a wholly owned subsidiary of Strathmore Minerals Corp., and American Uranium Corp. ("American"), for the acquisition (the "Acquisition") of a 100% interest in the Reno Creek uranium property, located in northeastern Wyoming (the "Reno Creek Property" or the "Property").

Effective April 7, 2010, the acquisition of the Reno Creek Property was completed through the acquisition of AUCLLC ("AUC"), a limited liability company, in consideration for the aggregate payment of US$20,000,000 ($20,026,000) to Strathmore, of which US$17,500,000 was paid in cash and US$2,500,000 was paid through the issuance of 4,422,807 common shares of the Company valued at $2,502,150. In consideration for a historical database, rights to a previous permit and in exchange for American's consent to the transaction and termination of its rights pursuant to a previous joint venture on the Property, the Company paid American US$1,000,000 and issued 1,833,455 common shares of the Company valued at US$1,000,000 ($1,000,860).

The Company executed an investment agreement dated April 7, 2010 pursuant to which Pacific Road Resources Funds ("PRRF"), a private mining equity investor, provided US$20,000,000 in financing to fund the purchase of the Property. The financing consisted of a US$20,000,000 investment into Reno Creek Holdings Inc. ("RCHI") (formerly 514565 Canada Inc. and formerly referred to as "Newco") which holds the Property indirectly through AUC LLC. PRRF initially held a 76.92% interest in RCHI and the Company initially held a 23.08% interest in RCHI. The Company's cost of its 23.08% interest totaled $8,250,678, which included an establishment fee of US$700,000, (originally payable on or before December 1, 2010, and subsequently amended to be paid upon, or prior to, the next capital contribution to RCHI by the Company, and bearing interest at the rate of prime plus 15% per annum) and a finder's fee of US$1,000,000, both payable in conjunction with this investment agreement. The Company and PRRF entered into a shareholders' agreement in respect of RCHI which permitted the Company to contribute additional amounts to RCHI in order to achieve a 50% ownership interest. PRRF had the right to convert its investment in RCHI into common shares of the Company at any time up to six months following the latter of completion of a feasibility study and mine permitting but, in any event, PRRF was obligated to convert its investment not later than five years from April 7, 2010, provided certain conditions were met. Upon conversion of PRRF's investment, the Company would have owned a 100% interest in RCHI which indirectly holds the Reno Creek Property. The shareholders' agreement also provided for equal representation on the board of RCHI, subject to adjustment, as well as unanimous RCHI shareholder approval for certain key decisions including annual work program and budgets for the Property.

The Company was to contribute additional amounts in stages totaling US$14,000,000 to earn a 50% interest in RCHI and in order to complete a feasibility study and to secure mining permits.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Uranium properties (cont'd)

Investment in Reno Creek Property (cont'd)

Pursuant to the investment agreement and shareholders agreement dated April 7, 2010 (the "Agreements") involving PRRF, the Company was obliged to fund RCHI with US$7,000,000 and pay certain fees to PRRF on or before December 1, 2010. Such funding and payment of fees did not occur. On January 5, 2011, PRRF and the Company entered into an amending agreement in respect of the Agreements whereby PRRF funded the first quarter of the 2011 RCHI budget in the amount of US$1,750,000 and, as a result, the interest held by the Company in RCHI was reduced to 21.29% from 23.08% with a maximum interest the Company could earn in RCHI having been reduced from 50.0% to 45.13%. As a result of this reduction in the Company's maximum earnable interest, PRRF obtained control of the project. On January 31, 2012, the remaining balance of the 2011 AUC budget, being US$5,250,000 plus certain fees (and accrued interest thereon), was due before March 1, 2011. The Company was unable to secure such funding before March 1, 2011. As a result, PRRF funded the balance of $5,250,000 and, as of March 1, 2011, the interest held by the Company in RCHI was reduced to 17.27% from 21.29% with a maximum interest the Company could then earn in RCHI having been reduced from 45.13% to 31.14%. The Company would have been able to increase its interest in RCHI to the maximum level of 31.14% by contributing US$7,000,000 to RCHI and by paying certain fees and interest charges to PRRF on or before the time of the setting of the next Reno Creek budget, which was December 7, 2011.

A budget in the amount of US$8,000,000 for the calendar 2012 Reno Creek Program was approved by PRRF and the Company on December 7th, 2011. On January 31, 2012, PRRF and the Company finalized a second amendment agreement whereby PRRF funded the entire US$8,000,000 for the 2012 Reno Creek program and, as a result, the interest held by the Company in RCHI was reduced to 13.47% from 17.27% with a maximum interest the Company could then earn in RCHI having been reduced from 31.14% to 13.47%.

On March 7, 2013, PRRF completed a further US$2,500,000 investment in RCHI. This financing was the first part of a US$5,500,000 new investment in RCHI which, together with cash on hand at March 7, 2013, would finance the US$7,500,000 2013 Reno Creek work program budget.As a result, the interest held by Bayswater in the Company was reduced to 12.73% from 13.47% with a maximum interest that Bayswater could then earn in the Company having been reduced from 13.47% to 12.73%.

During June 2013, PRRF completed a further US$3,105,000 investment in RCHI. The proceeds from this financing was used by AUC to fund AUC's acquisition of the AUC corporate 5% gross production royalty obligation to Strathmore for US$3,000,000 plus certain fees totaling US$105,000. Following the purchase of the royalty by AUC, the royalty was cancelled. As a result, the interest held by Bayswater in RCHI was reduced to 11.76% from 12.73% with a maximum interest that Bayswater could then earn in RCHI having been reduced from 12.73% to 11.76%.

During August 2013, PRRF completed a further US$3,000,000 investment in RCHI. This financing was the second of two parts of a total US$5,500,000 (as discussed above).As a result, the interest held by Bayswater in RCHI was reduced to 11.09% from 11.76% with a maximum interest that Bayswater could then earn in RCHI having been reduced from 11.76% to 11.09%.

During March 2014, the Company pledged 20.8% of its then 11.09% interest in the Reno Creek Property as security on a balance of $1,457,243 owing to the manager of the PRRF.

During December 2014, PRRF completed a further US$3,250,000 investment in RCHI. As a result, the interest held by Bayswater in RCHI was reduced to 10.40% from 11.09% with a maximum interest that Bayswater could then earn in RCHI having been reduced from 11.09% to 10.40%.

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Uranium properties (cont'd)

Investment in Reno Creek Property (cont'd)

Pursuant to, and in accordance with the terms of, the investment agreement dated April 7, 2010 between Bayswater and PRRF, (as amended), PRRF was entitled to exchange its shares in Reno Creek Holdings Inc. ("RCHI") for common shares of Bayswater within six months following the later of the completion of a feasibility study on the Reno Creek uranium project or receipt of all required permits for production, but in any event not later that within five years of closing (April 7, 2010) provided certain conditions were met.

The conditions to such exchange were not satisfied by April 7, 2015 and, accordingly, PRRF's interest in RCHI was not exchanged for common shares of Bayswater. As a result, PRRF no longer has the right or obligation to convert its RCHI shares into shares of Bayswater.

During the year ended February 28, 2015, the Company wrote down its investment in the Reno Creek property by $4,013,143 to better reflect its estimated recoverable amount with respect to market conditions existing at the time of the write down.

During January 2016, PRRF completed a further US$3,350,000 investment in RCHI. As a result, the interest held by Bayswater in RCHI was reduced to 9.50% from 10.40% with a maximum interest that Bayswater could then earn in RCHI having been reduced from 10.40% to 9.50%.

During January 2016, the Company pledged a further 39.15% (increasing the total pledged amount to 59.95%) of its 9.50% interest in the Reno Creek Property as security on a balance of $2,151,170 owing to the manager of the PRRF.

Collins Bay Extension and Brudell Property, Saskatchewan

The Company held an undivided 100% interest in certain mineral claim blocks in northern Saskatchewan (the "Collins Bay Extension") and holds certain mineral claim blocks in the Athabasca Basin, Saskatchewan (the "Brudell property").

During the year ended February 28, 2010, the Company entered into an agreement with CanAlaska Uranium Ltd. ("CanAlaska"), whereby CanAlaska had an option to earn a 51% interest in the Collins Bay Extension ("CBE") property in the Athabasca Basin by spending $4,000,000 in exploration over five years and by issuing 50,000 shares (20,000 received to date) to the Company. CanAlaska also had an option to increase its interest to 70% by spending an additional $2,000,000 in exploration over a further three year period and by issuing an additional 80,000 shares to the Company.

During the nine months ended November 30, 2015, the Company completed the sale of its CBE property to Nu Nova Energy Ltd. ("Nu Nova"), a private British Columbia company, for gross proceeds totaling $400,000. In conjunction with the sale, the Company incurred $10,920 of legal fees and issued 2,000,000 common shares (valued at $40,000) and a 2.5% net-smelter-return royalty to CanAlaska as an option agreement break fee. Nu Nova received the right of first refusal to purchase up to a 1.5% net-smelter-return royalty from CanAlaska for $500,000 per 0.5% royalty after production is achieved.

The Brudell property remains in good standing.

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

		November 30, 2015		February 28, 2015
Trade payables (Note 9)	$	2,330,244	$	2,228,590
Accrued liabilities (Note 9)		1,374,334		1,077,030
Total	$	3,704,578	$	3,305,620

8. CAPITAL STOCK AND RESERVES

Authorized capital stock

As at November 30, 2015, the authorized share capital of the Company is an unlimited number of common shares without par value and an unlimited number of Class A convertible preferred shares without par value.

Share Issuances

During the nine months ended November 30, 2015, the Company issued 2,000,000 common shares to CanAlaska pursuant to an agreement to sell its CBE property (Note 6). The shares were valued at $40,000.

During the year ended February 28, 2015, the Company received $57,000 pursuant to a non-brokered private placement of 1,140,000 units at a price of $0.05 per unit. Each unit was comprised of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company for two years at a price of $0.10 per share. Total commissions paid consisted of $5,460 cash and the issuance of 91,200 finder's fee warrants valued at $2,431 using the black-scholes option pricing model with a volatility of 134%, an expected life of 2 years, a risk-free rate of 1.02%, a dividend rate of 0% and a forfeiture rate of 0%. The finder's warrants are subject to the same terms as the private placement warrants.

During the year ended February 28, 2015, the Company received $180,000 pursuant to a non-brokered private placement of 3,600,000 units at a price of $0.05 per unit. Each unit was comprised of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company for two years at a price of $0.10 per share.

Stock options

The Company has a stock option plan where the directors are authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the closing price of the Company's shares on the date of grant less any discount permitted by the TSX Venture Exchange ("TSX-V") and vesting terms are at the discretion of the board of directors. The options can be granted up to a maximum term of 10 years.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK AND RESERVES (cont'd)

Stock options (cont'd)

As at November 30, 2015, the Company had outstanding stock options enabling the holders to acquire common shares as follows:

Number of Shares		Exercise Price(1)	Expiry Date
1,853,250	$	0.10	April 29, 2017
2,052,500		0.10	February 3, 2018
3,905,750			

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, February 28, 2014	4,268,250	$	0.10
Cancelled/expired	(362,500)		0.10
Balance, February 28, 2015 and November 30, 2015	3,905,750	$	0.10
Number of options currently exercisable	3,905,750	$	0.10

Warrants

As at November 30, 2015, the Company had outstanding share purchase warrants enabling the holders to acquire common shares as follows:

Number of Warrants		Exercise Price	Expiry Date
1,231,200	$	0.10	November 6, 2016
3,600,000		0.10	December 22, 2016
4,831,200			

(Expressed in Canadian Dollars)

8. CAPITAL STOCK AND RESERVES (cont'd)

Warrants (cont'd)

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at February 28, 2014	1,599,240	$ 0.11
Issued	4,831,200	0.10
Exercised	(100,000)	0.075
Expired	(269,240)	0.25
As at February 28, 2015	6,061,200	$ 0.095
Expired	(1,230,000)	0.075
As at November 30, 2015	4,831,200	$ 0.10

9. RELATED PARTY TRANSACTIONS

During the nine months ended November 30, 2015, the Company:

a) Accrued $90,000 (2014 - $90,000) for management fees to the CEO of the Company.

b) Paid or accrued $16,750 (2014 - $24,750) for administration fees, $750 (2014 - $6,750) for rent and $24,500 (2014 - $24,500) for professional fees to an officer of the Company and to a company controlled by an officer of the Company.

c) Accrued $28,125 (2014 - $34,375) for directors' fees.

Included in accounts payable and accrued liabilities at November 30, 2015 is $688,628 (February 28, 2015 - $597,736) owing to directors of the Company, to a company controlled by the former CEO of the Company and to the current CEO of the Company, all related to the above transactions and for directors' fees.

The remuneration of directors and key management personnel during the nine months ended November 30, 2015 and 2014 are as follows:

	2015	2014
Administration fees	$ 16,750	$ 24,750
Management fees	90,000	90,000
Professional fees	24,500	24,500
	$ 131,250	$ 139,250

(Expressed in Canadian Dollars)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2015	2014
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

During the nine months ended November 30, 2015, the Company issued 2,000,000 common shares, valued at $40,000, in conjunction with the sale of its CBE property (Note 6).

During the nine months ended November 30, 2014, the Company issued 91,200 finder's warrants, valued at $2,431, in conjunction with a non-brokered private placement.

11. COMMITMENTS

During the year ended February 28, 2014, the Company entered into a management services agreement and various consulting agreements with the Company's CEO and consultants with remuneration of $10,000 and $9,250 per month, respectively. If the Company terminates the agreements, the Company will, in certain circumstances, be obligated to make a termination payment equal to twenty-four times, and twelve times, respectively, the monthly management or consulting fees.

12. FINANCIAL AND CAPITAL RISK MANAGEMENT

The fair value of the Company's receivables and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature. The Company's other financial instruments, being cash and marketable securities, are measured at fair value using Level 1 inputs.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at a large Canadian financial institution.

The Company's receivables consist mainly of GST receivable due from the government of Canada (Note 4).

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 through its capital management as outlined below. Accounts payable relating to exploration and evaluation assets and other accounts payable and accrued liabilities are due within one year.

The Company has a working capital deficiency as at November 30, 2015 of $3,405,061. Included in accounts payable and accrued liabilities are finder's and establishment fees (and accrued interest thereon) totaling $2,852,938 (US$2,134,314) associated with the acquisition of the Reno Creek Property (Note 6).

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b) Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars. The greatest risk is the exchange rate of the Canadian dollar relative to the US dollar and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. At November 30, 2015, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	US$
Cash	8,212
Reclamation bonds	6,688
Accounts payable and accrued liabilities	(2,134,314)
Net exposure	(2,119,414)

Based on the above net exposure as at November 30, 2015, and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar would affect the loss and comprehensive loss by $211,941.

c) Price risk

The Company is exposed to price risk with respect to commodity prices, particularly uranium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

The Company currently maintains investments in certain marketable securities. There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

(Expressed in Canadian Dollars)

12. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd)

Capital management (cont'd…)

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its resource properties. The Company relies mainly on equity issuances to raise new capital and on entering joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of shareholders' equity. The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates in effort to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to negotiate premium interest rates on savings accounts or to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated at any time without interest penalty. The Company will require additional financing in order to provide working capital to fund ongoing operating costs as well as costs relating to the financing of the investment in the Reno Creek Property and the funding of its exploration programs. These financing activities may include issuances of additional debt or equity securities or disposal of resource property interests in order to re-invest the proceeds.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management from February 28, 2015.

13. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of resource properties.

Geographic information is as follows:

	November 30, 2015	February 28, 2015
Capital assets		
Canada	$ 2,279	$ 2,858
United States	4,172,119	4,173,596
	$ 4,174,398	$ 4,176,454