Copper Reef Mining Corporation

FINANCIAL STATEMENTS

THREE MONTHS ENDED FEBRUARY 28, 2017 AND 2016

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited, condensed interim financial statements of Copper Reef Mining Corp. for the three months ended February 28, 2017 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. The accompanying unaudited, condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Copper Reef Mining Corporation
Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	February 28, 2017 $	November 30, 2016 $
Assets			
Current assets			
Cash		**43,811**	**112,014**
Marketable securities	4	**20,500**	**23,200**
Amounts receivable	5	**138,001**	**223,523**
Total current assets		**202,313**	**358,737**
Non-current assets			
Equipment	6	**1,339**	**1,444**
Exploration and evaluation assets	7, 11	**8,871,553**	**8,857,834**
Total Assets		**9,075,205**	**9,218,015**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	**311,440**	**346,637**
Non-current liabilities			
Deferred income taxes		**1,100,000**	**1,100,000**
Total Liabilities		**1,411,440**	**1,446,637**
Shareholders' equity			
Share capital	9(a)(b)	**13,423,589**	**13,481,215**
Stock option reserve	9(c)	**–**	**–**
Warrant reserve	9(d)	**129,700**	**129,700**
Deficit		**(5,889,524)**	**(5,839,537)**
Total Shareholders' Equity		**7,663,765**	**7,771,378**
Total Liabilities and Shareholders' Equity		**9,075,205**	**9,218,015**

Going Concern (Note 1)

Commitments and contingencies (Notes 7 and 12)

Subsequent events (Note 16)

Approved on behalf of the Board of Directors

"Stephen L. Masson" ***"Robert Granger"***

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Chief Executive Officer & Director **Director**

(Expressed in Canadian Dollars) February 28, 2017 and 2016

	For the Three Months Ended February 28	
	2017	**2016**
Expenses		
Amortization	**109**	153
General and administrative	**51,751**	58,171
Investor relations	**715**	575
Generative exploration	**17,337**	17,616
Total expenses	**69,913**	**76,515**
Other Income/(loss)		
Unrealized/ realized gain (loss) on marketable securities	**(37,700)**	(36,263)
Total other income (loss)	**(37,700)**	**(36,263)**
(Loss) before income taxes	**(107,613)**	(112,778)
Net (loss) and comprehensive (loss) for the year	**(107,613)**	(112,778)
(Loss) per share, basic and diluted	**(0.001)**	(0.001)
Weighted average shares outstanding, basic and diluted	**127,531,300**	120,761,300

Copper Reef Mining Corporation
Statements of Changes in Equity
(Expressed in Canadian Dollars) **February 28, 2017 and 2016**

	Notes	Number of Shares #	Amount $	Stock Option Reserve $	Warrant Reserve $	Deficit $	Total Shareholder's Equity $
Balance as at November 30, 2015		**120,761,300**	**13,374,415**	**284,900**	**57,500**	**-5,866,144**	**7,850,672**
Value of Warrants expired	9				-16,000	16,000	
Net loss and comprehensive loss for the period						(112,777)	(112,777)
Balance as at February 28, 2016		120,761,300	13,374,415	284,900	41,500	(5,962,921)	7,737,895
Units issued for cash, private placement	9	6,770,000	207,000	–	–	–	207,000
Value of warrants issued	9	–	-100,200	–	100,200		0
Warrants expired	9	–	–	–	-12,000	12,000	0
Options expired/cancelled	9	–	-	-284,900	–	284,900	0
Net loss and comprehensive loss for the period		–	–	–	–	(173,516)	(173,516)
Balance as at November 30, 2016		127,531,300	13,481,215	–	129,700	(5,839,537)	7,771,378
Adjust warrant value net of issue costs		–	(45,826)	–	–	45,826	0
Flow through share premium		–	(11,800)	–	–	11,800	0
Net and comprehensive loss for the period		–	–	–	–	(107,613)	(107,613)
Balance as at February 28, 2017		127,531,300	13,423,589	0	129,700	(5,889,524)	7,663,765

(Expressed in Canadian Dollars) February 28, 2017 and 2016

	Notes	3-Months Ended February 28, 2017 $	2016 $
Cash Flows from Operating Activities			
Items not affecting cash:			
Net (loss) for the year		**(107,613)**	(112,777)
Unrealized/realized (gain)/Loss on marketable securities		**37,700**	79,618
Write down of properties		**–**	–
Deferred income tax recovery		**–**	–
Amortization		**109**	153
(Increase)/decrease in amounts receivable,	(3)	**522**	4.044
Increase/(decrease) in accounts payable and accrued liabilities,	(1)	**16,859**	36,982
Cash (used in) operating activities		**(52,423)**	8,020
Cash Flows from Financing Activities			
Proceeds from share and warrant issuance		**–**	–
Cash provided from financing activities		**–**	–
Cash Flows from Investing Activities			
Exploration, evaluation and expenditures, (1,2)	7	**(65,780)**	(42,018)
Cash proceeds from sale of properties		**50,000**	
MEAP rebates received	7	**–**	–
Cash provided from (used in) investing activities		**(15,780)**	(42,018)
Change in cash		**(68,203)**	**(33,998)**
Cash, beginning of year		**112,014**	50,623
Cash, end of year		**43,811**	16,625
Supplemental Information			
(1)Change in accrued exploration expenditures		(52,061)	
(2) Shares issued for evaluation and exploration assets		–	
(3)Cash and marketable securities receivable from sale of property		133,000	
(4)Marketable securities received from sale of property		21,000	

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Copper Reef Mining Corporation (the "Company" or "Copper Reef") was incorporated under the laws of the Province of Manitoba by Letters Patent of Incorporation dated March 27, 1973 as "Copper Reef Mines (1973) Limited", as amended by Articles of Amendment dated January 18, 2005, and Articles of Amendment dated September 8, 2006, changing the corporate name to "Copper Reef Mining Corporation". The registered and head office of the Company is located at 6 Mitchell Road, Flin Flon, Manitoba R8A 1N1.

The shares of the Company are listed on the Canadian Securities Exchange under the symbol "CZC". The Company is engaged in the identification, acquisition and exploration of mineral properties in Canada, with present activities concentrated in the provinces of Manitoba and Saskatchewan.

The financial statements of Copper Reef for the year ended November 30, 2016, were reviewed by the Audit Committee and approved and authorized by the Board of Directors on April 21, 2017.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory, social and environmental requirements. These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. These adjustments could be material.

As at February 28, 2017, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred net loss of $107,615 during the 3-month period ended February 28, 2017 (2016 – $112,778), and had an accumulated deficit of $5,889,524 as at February 28, 2017 (2016 - $5,962,920). These conditions indicate the existence of material uncertainties which cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with funds currently on hand and through the raising of equity, if available.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

a) STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The policies set out below were consistently applied to all periods presented unless otherwise noted below. These financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after December 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

- IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

- IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted.

(Expressed in Canadian Dollars) February 28, 2017 and 2016

4. MARKETABLE SECURITIES

The Company holds shares in two public companies (2016 – three),

- Jaxon Minerals Inc. (**JAX**);
- Rockcliff Copper Corporation (**RCU**) and
- Foran Mining Corporation (**FOM**)).

Activity in marketable securities is summarized as follows:

	February 28, 2017					November 30, 2016		
Securities issuer	**Number of shares November 30, 2016**	**Number of shares sold during period**	**Number of shares February 28, 2017**	**Value $**	**Cumulative Unrealized (loss) $**	Number of shares held	Value $	Cumulative Unrealized (loss) $
FOM	**–**	**–**	**–**	**–**	**–**	–	–	–
JAX	**20,000**	**–**	**20,000**	**1,500**	**300**	20,000	1,200	300
RCU	**200,000**	**–**	200,000	**19,000**	**(3,000)**	200,000	22,000	(2,000)
Total				**20,500**	**(2,700)**		23,200	(1,700)

5. AMOUNTS RECEIVABLE

The Company's amounts receivable are broken down as follows:

	February 28, 2017 $	November 30, 2016 $
Goods and services tax receivable	**5,001**	5,523
Value of Rockcliff Copper Corp. Shares receivable April 24, 2017 (400,000) and October 24, 2017 (1,000,000) – (1)	**133,000**	168,000
Cash payment due by Rockcliff Copper Corp.	**–**	50,000
Total	**138,001**	223,523

(1) The Rockcliff Copper Corporation shares were valued based on their trading price on November 30, 2016. No discount has been applied to their value as they are receivable within a period of 1 year.

6. EQUIPMENT

	Cost	**Accumulated Amortization**	**February 28, 2017 Net Book Value**	**November 30, 2016 Net Book Value**
	$	**$**	**$**	**$**
Vehicles	**10,031**	**8,692**	1,339	1,444

(Expressed in Canadian Dollars) February 28, 2017 and 2016

7. Evaluation and Exploration Assets

The following is a continuity schedule of the capitalized expenditures allocated to individual major properties and summarized for minor properties:

	Total	Non Capitalised Expenditures	Total Capitalised Expenditures	Gold Rock Group	Alberts Lake Group	Morgan Group	Otter/ TwinLakes	Pikoo	Others
Balance, November 30, 2015			**9,030,611**	**1,526,487**	**566,787**	**343,135**	**259,967**	**228,538**	**6,105,701**
Claim acquisition & holding	3,079	1,911	1,168	–	–	–	39	–	1,129
Assay	13,752	50	13,702	–	–	–	–	13,702	–
Geological	2,000	–	2,000	–	–	–	–	2,000	–
Field labour costs	44,748	11,736	33,013	–	15,625	–	–	17,388	–
Other fields costs	11,395	3,919	7,475	–	7,193	–	–	283	–
Total exploration for period	74,974	17,616	57,358	–	22,818	–	39	33,373	1,129
Balance, February 29, 2016			**9,087,970**	**1,526,485**	**589,603**	**343,135**	**260,006**	**261,911**	**6,106,830**
Claim acquisition & holding	11,335	6,786	6,460	1,200	5,775	104	53	0	-672
Assay	7,633	1,317	6,367	2,787	3,580	0	0	0	0
Geological	2,392	250	2,142	1,122	120	0	0	900	0
Field labour costs	104,704	44,478	71,962	33,763	33,438	0	0	4,761	0
Other fields costs	29,229	15,579	17,568	5,221	12,347	0	0	0	0
Drilling	66,640	0	66,640	0	43,822	0	-39	0	
Total 2016 expenditures	296,907	68,410	171,139	44,093	121,900	104	53	5,661	-672
Subtotal - November 30, 2016			**9,259,108**	**1,570,579**	**711,505**	**343,241**	**260,059**	**267,572**	**6,106,160**
MEAP Rebates			(57,059)	–	-57,059	–	–	–	–
Disposition and write downs of properties			(344,216)	–	–	(343,241)	–	–	(975)
Balance, November 30, 2016			**8,857,834**	**1,570,579**	**654,446**	**0**	**260,059**	**267,572**	**6,105,185**
Claim acquisition & holding	**3,712**	**1,717**	**799**	**0**	**799**	**0**			
Assay	**182**	**182**	**0**	**0**	**0**	**0**			
Field labour costs	**22,639**	**10,401**	**12,238**	**12,238**	**0**	**0**			
Other fields costs	**4,524**	**3,841**	**683**	**683**	**0**	**0**			
Total Q1 2017 expenditures	**31,056**	**16,141**	**13,719**	**12,921**	**799**	**0**	**0**	**0**	**0**
Balance, February 28, 2017			**8,871,553**	**1,583,500**	**655,245**	**0**	**260,059**	**267,572**	**6,105,185**

(Expressed in Canadian Dollars) February 28, 2017 and 2016

7. EVALUATION AND EXPLORATION ASSETS (CONT'D)

1. PROPERTIES INCLUDED IN THE PRECEDING TABLE

Gold Rock Group, Manitoba

The Gold Rock Group includes the Gold Rock, North Star and Star mineral properties, the North Star mining lease and the Gold Rock mining lease. The North Star mineral property and mining lease are subject to 2% Net Smelter Returns royalty (NSR).

The Gold Rock Mining Lease is 100% owned by the Company, subject to a 2% NSR. In addition, the NSR holder retains a 25% Net Profits Interest (NPI) in the first 25 feet below surface of vein material as currently documented.

Also included in the Gold Rock Group is the Murr claim, also owned 100% by the Company, subject to a 1% NSR.

Alberts Lake Group, Manitoba

The Alberts Lake Group includes the Alberts Lake, Lew, Amulet, Mike, Mur and Hanna mineral properties. With the exception of the Mike 1 (15% NPI) and Mur 6 (2% NSR), all claims are 100% owned by the Company.

Morgan Group, Manitoba

The Morgan Group includes the Morgan, Bruce Morgan, Woo and Woosey mineral properties. The Morgan claims are 100% owned, subject to a 10% NPI with an advance royalty payment of $150,000 upon the making of a Bruce Morgan Property production decision by the Company. The Woo and Woosey claims are 100% owned with no underlying royalties or charges.

On October 24, 2016, the Company sold by way of a Vending Property Agreement, the Morgan Group Claims together with the Cooke Lake Claims and a small group of claims referred to as the Copper Reef Claims, to Rockcliff Copper Corp (TSXV – RCU). Terms of sale are:

	Shares	**Price on Agreement Date**	
Cash paid on close			$ 100,000
Shares of RCU paid on close	200,000	$0.12	24,000
Cash Due April 24, 2017 (i)			50,000
RCU Shares due April 24, 2017	400,000	0.12	48,000
RCU Shares due October 24, 2017	1,000,000	0.12	120,000
Total Sale Proceeds			$ 342,000
Capitalized value of property at Closing			(343,231)
Loss on Disposition of Property			**$ (1,231)**

(i) Amount paid February 23, 2017

None of the Cooke Lake claims or the Copper Reef Claims had any carrying value at close. All costs had been previously expensed.

7. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Otter/Twin Lakes Group, Manitoba

The Company holds a 100% interest in the Otter Group claims, comprised of the Otter Lake and Twin Lakes mineral claims. The vendor retained a 1% NSR on the Otter Lake claims. The Twin Lakes property is owned 100% by the Company.

Pikoo, Saskatchewan

On January 23, 2014, the Company acquired a 100% interest in two claims located in Saskatchewan from CanAlaska Uranium Ltd. subject to a 2% Net Smelter Returns royalty. All terms and conditions of the purchase have been fulfilled.

On April 22, 2015, the Company entered a second property purchase agreement with CanAlask Uranium Ltd. for the acquisition of two additional Pikoo claim blocks referred to as "*C2*" and "*C3*". Terms of acquisition were the issuance of 1,000,000 shares to CanAlaska Uranium Ltd. and completion of two years assessment work or the issuance of a further 1,000,000 shares of the Company.

On May 11, 2015, the Company issued the initial 1,000,000 shares at a deemed value of $0.04/share to complete the acquisition.

The Agreement is subject to a 2.5% Net Smelter Returns Royalty ("NSR") to CanAlaska Uranium Ltd.

2. OTHER CLAIMS

Mink Narrows Group, Manitoba

The Mink Narrows Group includes the Mink Narrows, Mystic and Payuk mineral properties. The claims are 100% owned by the Company.

Smelter Property, Manitoba

The Smelter Property is comprised of three contiguous claims, which are 100% owned by the Company.

Hanson Lake, Saskatchewan

The Hanson Lake Property consists of a single claim located in the Hanson Lake area of Saskatchewan.

Kiss/Kississing

The Kississing/Kiss Group includes the Kississing and Kiss mineral properties. The claims are 100% owned by the Company.

Lucille

The Lucille Lake property includes three, unpatented mineral claims all of which are owned 100% by the Company, with no underlying agreements or royalties.

Fort LaCorme

The Fort LaCorme claims consist of seven widely scattered claim blocks located in the Fort La Corme area of Northern Saskatchewan, acquired from 49 North Resources Inc. Terms of the acquisition were the issuance of 2,000,000 shares of the Company. On May 12, 2015, the Company issued the 2,000,000 shares to complete the acquisition. The Company now holds a 100% interest in the claims subject to a 3.0% NSR to 49 North Resources Inc.

(Expressed in Canadian Dollars) February 28, 2017 and 2016

7. EVALUATION AND EXPLORATION ASSETS (CONT'D)

Burn, Manitoba

The Burn property is 100% owned by the Company.

Small Balances

During the year November 30, 2016, the Company expensed $975 of small residual balances on claims in this category. The Company expenses all other work on exploration properties.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	February 28, 2017 $	November 30, 2016 $
Trade payables and accrued liabilities	**147,720**	115,642
Due to related parties (Note 10~~1~~)	**163,720**	230,995
Total	**311,440**	346,637

9. SHARE CAPITAL

a) AUTHORIZED SHARE CAPITAL

Unlimited number of common shares without par value

b) ISSUED SHARE CAPITAL

As at February 28, 2017, the Company had 127,531,300 issued and fully paid common shares (November 30, 2016 – 120,761,300).

i) On December 31, 2014, the Company closed a non-brokered private placement of 800,000 flow-through units at a price of $0.05 per unit for gross proceeds of $40,000. Each unit consists of one flow through common share and one warrant. Each warrant can be exercised to purchase one common share of the Company at an exercise price of $0.10 for a two-year term, expiring December 30, 2016.

A director and officer of the Company subscribed for 300,000 of these units. An officer of the Company subscribed for 200,000 of these units.

ii) On February 3, 2015, pursuant to a property purchase agreement with CanAlaska described in Note 7, the Company issued 500,000 common shares at an estimated fair value of $0.03 per share, based on the quoted fair market price of the Company's shares as at February 3, 2015.

iii) On May 11, 2015, pursuant to a property purchase agreement with CanAlaska described in Note 7, the Company issued 1,000,000 common shares at an estimated fair value of $0.04 per share, based on the quoted fair market price of the Company's shares as at May 11, 2015.

iv) On May 12, 2015, pursuant to a property purchase agreement with 49 North Resources Inc., described in Note 7, the Company issued 2,000,000 common shares at an estimated fair value of $0.04 per share, based on the quoted fair market price of the Company's shares as at May 12, 2015.

v) On September 25, 2015, the Company completed a non-brokered private placement of 1,180,000 flow-through units at $0.05 per unit for gross proceeds of $59,000. Each unit consisted of one flow-through share and one ordinary share purchase warrant. Each warrant can be exercised to purchase one common share of the Company at an exercise price of $0.10 for a two-year term, expiring September 24, 2017.

A director and officer of the Company subscribed for 800,000 of these units. An officer of the Company subscribed for 200,000 of these units.

9 (b) SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

vi) On March 10, 2016, the Company closed a private placement which raised an aggregate of $100,000 from the sale of 860,000 flow-through and 2,280,000 non-flow-through units. Details are as follows:

i. 860,000 flow-through units at a price of $0.05 per unit, comprised of 860,000 flow-through shares and 860,000 warrants. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants are exercisable for twenty-four months and have an expiry date of March 9, 2018. A fair value of $19,600 was ascribed to these warrants.

Directors and officers of the Company subscribed for 400,000 of these units for total proceeds of $20,000.

ii. 2,280,000 non flow-through units at a price of $0.025 per unit, comprised of 2,280,000 common shares and 4,560,000 warrants. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants are exercisable for twelve months and have an expiry date of March 9, 2017. A fair value of $27,700 was ascribed to the warrants.

Directors and officer of the Company subscribed for 400,000 of these units for total proceeds of $10,000.

vii) On May 12, 2016, the Company closed a private placement which raised an aggregate of $57,000 from the sale of 250,000 flow-through and 1,780,000 non-flow-through units. Details are as follows:

i. The flow-through units were issued at $0.05, with each unit consisting of one common share and one share purchase warrant, exercisable at $0.05 and expire on May 11, 2018. A fair value of $2,800 was ascribed to the warrants;

Directors and officers of the Company subscribed for 150,000 of these units for total proceeds of $7,500.

ii. The non-flow through units at $0.025; each unit consists of one common share and two share purchase warrants exercisable at $0.05 until May 11, 2017. A fair value of $21,200 was ascribed to the warrants

An officer of the Company subscribed for 200,000 of these units for total proceeds of $5,000.

viii) On August 18, 2016, the Company closed a private placement which raised an aggregate of $50,000 from the sale of 400,000 flow-through and 1,200,000 non-flow-through units. Details are as follows:

i. The flow through Units were issued at $0.05, with each unit consisting of one common share and one share purchase warrant, exercisable at $0.05 and expire on August 17, 2018. A fair value of $9,800 was ascribed to the warrants;

Directors and officers of the Company subscribed for 100,000 of these units for total proceeds of $5,000.

(Expressed in Canadian Dollars) February 28, 2017 and 2016

9 (b) SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

ii. The non-flow-through Units were issued at $0.025; each unit consists of one common share and two share purchase warrants exercisable at $0.05 until August 17, 2017. A Fair value of $19,100 was ascribed to the warrants

Directors and officers of the Company subscribed for 300,000 of these units for total proceeds of $7,500.

c) INCENTIVE STOCK OPTIONS

Pursuant to the Company's stock option plan (the "Plan"), the Company may grant to its employees, officers, directors and consultants, options to purchase common shares of the Company at a fixed price as determined by the board of directors. The options vest in accordance with the terms of their granting and have a maximum term of five years. The common shares reserved for issuance under the Plan will not exceed, in aggregate, 10% of the Company's common shares issued and outstanding at the time of grant.

No stock options were granted during the years ended November 30, 2015 and 2016.

The following tables summarize the Company's stock option transactions during the years ended November 30, 2016, and 2015:

Grant Date	Number of Options	Weighted Average Exercise Price $	Estimated Grant Date Fair Value $
Balance, November 30, 2014	**8,070,000**	**0.10**	**472,637**
Expired, May 24, 2015	(3,020,000)	0.10	(187,737)
Balance, November 30, 2015	5,050,000	0.10	284,900
Expired – December 31, 2015	(1,000,000)	0.10	(30,000)
Expired – April 27, 2016	(200,000)	0.10	(17,000)
Expired – June 15, 2016	(1,575,000)	0.10	(128,700)
Expired – June 20, 2016	(2,275,000)	0.10	(109,200)
Balance, November 30, 2016 & February 28, 2017	**–**		**–**

During the year ended November 30, 2016 all outstanding options either expired or were cancelled. As at February 28, 2017, there were no options outstanding.

(Expressed in Canadian Dollars) February 28, 2017 and 2016

9 SHARE CAPITAL – ISSUED SHARE CAPITAL (CONT'D)

d) WARRANTS

The following table summarizes a continuity of outstanding warrants:

	Issued	Expiry Date	Exercise Price $'s	Remaining Contractual Life (years)	Estimated Grant Date Fair Value $
Balance November 30, 2014	**1,000,000**		**0.10**	1.15	**16,000**
Issued December 31, 2014	800,000	Dec. 31, 2015	0.10	1.09	12,000
Issued September 25, 2015	1,180,000	Sept. 24, 2017	0.10	0.57	29,500
Balance November 30, 2015	**2,980,000**		**0.10**		**57,500**
Expired Dec. 31, 2015	(800,000)				(12,000)
Expired, January 23, 2016	(1,000,000)				(16,000)
Issued March 10, 2016	860,000	March 9, 2018	0.05	1.02	19,600
Issued March 10, 2016	4,560,000	March 9, 2017	0.05	0.02	27,700
Issued May 12, 2016	250,000	May 11, 2018	0.05	1.20	2,800
Issued May 12, 2016	3,560,000	May 11, 2017	0.05	0.20	21,200
Issued August 18, 2016	400,000	August 17, 2018	0.05	1.47	9,800
Issued August 18, 2016	2,400,000	August 17, 2017	0.05	0.47	19,100
Balance November 30, 2016 & February 28, 2017	**13,210,000**		**0.05**	**0.58**	**129,700**

The weighted average grant date fair value of the warrants issued during the year ended November 30, 2016 of $0.008 (2015 - $0.025) was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2016	2015
Expected dividend yield	0%	0%
Expected volatility	255%	155%
Risk free interest rate	0.56%	0.72%
Life (years)	2.0	2.0

(Expressed in Canadian Dollars) February 28, 2017 and 2016

10. RELATED PARTY TRANSACTIONS AND BALANCES

a) RELATED PARTY BALANCES

		February 28, 2017		November 30, 2016	
		Amounts charged during the period	**Amounts payable or accrued at period-end**	Amount Charged during the year	Amounts payable or accrued at year-end
Related party	**Purpose**	**$**	**$**	$	$
Corporation controlled by an officer	Filing fees	**–**	**9,300**	12,747	10,425
Accounting firm of which an officer of the Company is a partner	Professional fees	**–**	**23,500**	29,992	46,050
Corporation controlled by a director and significant shareholder	Management fees, Director	**20,014**	**60,000**	76,459	26,123
	Exploration	**25,431**	**22,898**	157,785	78,786
	Office, rent and general expenses	**24,619**	**48,022**	116,841	69,611
Totals		**70,064**	**163,720**	393,824	230,995

During the period ended February 28, 2017, the Company recorded director's fees of $nil (2016 - $nil).

The accounts payable and accrued liabilities to related parties are unsecured and non-interest bearing with no fixed terms of repayment (Note 8).

(Expressed in Canadian Dollars) February 28, 2017 and 2016

Key Management personnel compensation

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

	February 28	
	2017	2016
	$	$
Short term employee benefits	**20,014**	15,000
Totals	**20,014**	15,000

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. The remuneration of directors and key executives is determined by the compensation committee having regard to the performance of individuals and market trends.

b) SHARE SUBSCRIPTIONS

See Note 9(b) for descriptions of related party share subscriptions.

11. COMMITMENTS AND CONTINGENCIES

a) COMMITMENTS

Consulting Agreement

The Company entered into an exploration management services agreement dated December 31, 2010 with M’Ore and the President and significant shareholder of M’Ore, who is an officer, director and shareholder of the Company. Pursuant to the agreement, M’Ore provides consulting and management services to the Company and incurs various administrative expenses, including administrative salaries and office and vehicle rentals on behalf of the Company. The term of the agreement is for a period of two years ended December 31, 2012 and can be renewed thereafter at the end of every 12 months. On February 28, 2017, the Company has extended the term of the agreement for a further term to December 31, 2017.

This would result in management fees and salaries incurred by M’Ore being capped at $200,000 per annum. Additional charges to the Company in prior years consisted of a lease with M'Ore whereby the Company would pay $30,000, plus operating expenses, per annum for rental of office and storage space. The lease also specifies rates to be charged for the use of various items of equipment if and when utilized by the Company.

b) CONTINGENCIES

The Company’s exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

c) FLOW-THROUGH EXPENDITURES

During the year ended November 30, 2016, the Company renounced Canadian exploration expenditures in the aggregate amount of $75,500 (2015 -$99,000) related to proceeds from the issuance of flow-through shares pursuant to the financings described in Note 9(b) and had incurred these qualifying Canadian exploration expenditures as at November 30, 2016. If the Company did not incur the required qualifying expenditures, it would be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

12. SEGMENTED INFORMATION

All of the Company's assets, liabilities and operations are domiciled in Canada.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties 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 share capital as well as cash. There were no changes to the Company policy for capital management during the quarters ended February 28, 2017 and 2016. 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 issue new shares, acquire or dispose of assets, or adjust the amount of cash and marketable securities. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations. The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months. However, additional funding will be required to meet any new operational commitments if further drilling programs are to be carried out.

(Expressed in Canadian Dollars) February 28, 2017 and 2016

14. FINANCIAL INSTRUMENTS

a) FAIR VALUE

The carrying values of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

As at February 29, 2016	Loans and receivables and other liabilities $	Assets at fair value through profit and loss $	Total $
Cash	16,624	–	16,624
Marketable securities	–	20,896	20,896
Amounts receivable	–	6,605	6,605
Accounts payable and accrued liabilities	206,694	–	206,694
As at February 28, 2017			
Cash	43,811	–	43,811
Marketable securities	–	20,500	20,500
Amounts receivable	–	138,001	138,001
Accounts payable and accrued liabilities	311,440	–	311,440

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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 as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at February 28, 2017 and 2016, the financial instruments recorded at fair value on the statement of financial position are marketable securities which are measured using Level 1 of the fair value hierarchy and marketable securities receivable which are Level 2.

b) FINANCIAL RISK MANAGEMENT

Credit Risk

The Company is exposed to credit risk with respect to its cash and amounts receivable. Cash has been placed on deposit with major Canadian financial institutions.

Amounts receivable consist of amounts due from Rockcliff Copper Corporation Management believes that the credit risk concentration with respect to these financial instruments is minimal.

The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash, by purchasing term deposits held at a major Canadian financial institution. Concentration of credit risk exists with respect to the Company's cash as the majority of the amounts are held at a single Canadian financial institution.

The credit risk associated with cash is minimized by ensuring the majority of these financial assets are held with major Canadian financial institutions with strong investment-grade ratings by a primary rating agency.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company's expected source of cash flow for the upcoming year ended November 30, 2016 will be through equity financings.

The Company maintained cash at February 28, 2017 in the amount of $43,811 (2016 – $16,624), in order to meet short-term business requirements. At February 28, 2017, the Company had accounts payable and accrued liabilities of $311,440 (2016 – $206,094). All accounts payable and accrued liabilities are current.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and commodity price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company also holds a portion of cash in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of November 30, 2016.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. A 1% change in interest rates on cash outstanding at November 30, 2016 would not have a significant impact on the Company's net loss for the year ended November 30, 2016.

b) Financial Risk Management

Currency risk

The Company is not exposed to any material currency risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, financial market risk, or currency risk. The Company is not exposed to significant other price risk.

Marketable securities

Risk to the Company from its marketable securities is derived from two factors:

- The ability of the issuer to sustain itself financially; and
- The ability to monetize the securities of the issuer.

The Company's marketable securities as at February 28, 2017 consist of 20,000 shares of Jaxon Minerals Inc. (2016 - 20,000 shares) with a quoted market value at February 28, 2017 of $1,500 (2016 – $600) and 200,000 shares of Rockcliff Copper Corporation with a quoted market value at February 28, 2017 of $19,000 (2016 –$22,000).

During the year ended November 30, 2016, the 948,700 shares of Foran Mining Corporation held at November 30, 2015 with a then market value of $99,614, were sold for gross proceeds of $69,209 and a realized loss of $32,095

A 10% change in the quoted market value at February 28, 2017 of $23,200 (201~~5~~6 - $100,514) would have resulted in a $2,320 change to the Company's net loss for the 3-months ended February 28, 2017 (201~~5~~6 - $2,090).

Commodity risk

The Company is exposed to price risk with respect to commodity prices, specifically precious and non-precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for these commodities, the level of interest rates, the rate of inflation, investment decision by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in investment patterns and monetary systems and political developments. As the Company does not have production assets, management believes this risk is minimal.

15. SUBSEQUENT EVENTS

1. FEBRUARY 13, 2017,

The Company announced a private placement of up to $400,000 comprised of the following:

a) Non-flow-through units will be sold at a price of $0.05 per unit, with each unit comprised of 1 common share and 1 warrant per unit. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants will be exercisable for twelve months;

b) Flow-through units will be sold at a price of $0.05 per unit, with each unit comprised of 1 flow-through share and 1 warrant . Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant. The warrants are exercisable for twelve months

2. FEBRUARY 28, 2017,

The Company has extended the term of the agreement with M'ore for a further term to December 31, 2017.

3. ON MARCH 9, 2017,

4,560,000 warrants with an exercise price of $0.05/warrant expired.

4. APRIL 5, 2017

The Company announced the closing of $250,000 First Tranche of the private placement dated February 13, 2017.

Details are as follows:

a) 8,200,000 Non-flow-through units were issued at a price of $0.05 per unit for aggregate proceeds of $205,000. Each unit is comprised of 1 common share and 2 warrant per unit. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.05 per warrant with an expiry date of April 4, 2018;

b) 900,000 Flow-through units were issued at a price of $0.05 per unit for aggregate proceeds of $45,000. Each unit is comprised of 1 flow-through share and 1 warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.05 per warrant with an expiry date of April 4, 2019.