GGL RESOURCES CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

August 31, 2015

(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, 2015	November 30, 2014
ASSETS		
Current		
Cash and cash equivalents (Notes 4, 7(d))	$ 34,791	$ 38,706
Amounts receivable (Note 5)	48,300	369,382
Prepaid expenses	7,245	15,182
Total Current Assets	90,336	423,270
Investment (Note 6)	25,000	25,000
Exploration and Evaluation Assets (Note 7)	1,985,732	2,158,233
Property and Equipment (Note 8)	54,966	73,202
	$ 2,156,034	$ 2,679,705
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 125,405	$ 263,809
Consulting fees payable (Note 11)	668,988	676,733
Loan payable	-	30,000
Total Liabilities	794,393	970,542
SHAREHOLDERS' EQUITY		
Share Capital (Note 9)	35,951,456	35,951,456
Subscription Advances (Note 9 (b))	12,500	-
Share-based Payments Reserve	4,217,619	4,217,619
Deficit	(38,819,934)	(38,459,912)
Total Shareholders' Equity	1,361,641	1,709,163
	$ 2,156,034	$ 2,679,705

Nature of Operations and Going Concern (Note 1)
Event After the Reporting Period (Note 16)

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 28, 2015

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	
	August 31, 2015	August 31, 2014	August 31, 2015	August 31, 2014
Expenses				
Consulting fees	$ 6,250	$ 6,250	$ 18,750	18,750
Depreciation	30	126	132	378
Exploration costs - general	5,779	5,788	15,733	21,227
Legal and audit	503	528	1,289	1,535
Licenses, taxes, insurance and fees	4,320	3,584	19,056	18,321
Office services and expenses	14,853	16,046	55,711	52,265
Shareholders' meetings and reports	80	368	544	1,743
Travel	50	-	627	397
Operating loss	(31,865)	(32,690)	(111,842)	(114,616)
Other income (loss)				
Interest income	124	132	358	504
Interest expense	(536)	(121)	(858)	(573)
Gain (loss) on sale of property and equipment	-	1,465	-	1,465
Impairment of exploration and evaluation assets	-	(648,423)	-	(648,423)
Write off of exploration and evaluation assets (Note 7 (d))	(44,440)	(7,299)	(239,120)	(38,017)
Write off of property and equipment	(1,252)	-	(8,560)	-
	(46,104)	(654,246)	(248,180)	(685,044)
Net loss and comprehensive loss for the period	(77,969)	(686,936)	(360,022)	(799,660)
Loss per share - basic and diluted	$ (0.002)	$ (0.020)	$ (0.010)	$ (0.025)
Weighted average number of common shares outstanding - basic and diluted	33,234,738	33,234,738	33,234,738	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		
	# of Shares	Amount ($)	Subscription Advances	Payments Reserve	Deficit	Shareholders' Equity
Balance November 30, 2014	**33,234,738**	**$ 35,951,456**	**$ -**	**$ 4,217,619**	**$(38,459,912)**	**$ 1,709,163**
Subscription Advances (Note 9(b))	-	-	12,500	-	-	12,500
Comprehensive loss	-	-	-	-	(360,022)	(360,022)
Balance August 31, 2015 (Notes 9, 16)	**33,234,738**	**$ 35,951,456**	**$ 12,500**	**$ 4,217,619**	**$ (38,819,934)**	**$ 1,361,641**
Balance November 30, 2013	**33,234,738**	**$ 35,951,456**	**$ -**	**$ 4,217,619**	**$(38,451,016)**	**$ 1,718,059**
Share issue costs	-	(3,827)	-	-	-	(3,827)
Comprehensive loss	-	-	-	-	(799,660)	(799,660)
Balance August 31, 2014	**33,234,738**	**$ 35,947,629**	**$ -**	**$ 4,217,619**	**$ (39,250,676)**	**$ 914,572**

GGL RESOURCES CORP.

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

	August 31, 2015	August 31, 2014
Cash flows from (used in) operating activities		
Net income (loss) for the period	$ (360,022)	$ (799,660)
Adjustment for items not involving cash:		
- depreciation of equipment	132	378
- depreciation of exploration equipment	9,544	13,347
- (gain) loss on sale of property and equipment	-	(1,465)
- impairment of exploration and evaluation assets	-	648,423
- write off of exploration and evaluation assets	239,120	38,017
- write off of property and equipment	8,560	-
	(102,666)	(100,960)
Change in non-cash working capital items:		
- amounts receivable	321,082	12,490
- prepaid expenses	7,937	7,382
- accounts payable and accrued liabilities	(82,600)	1,193
	143,753	(79,895)
Cash flows from (used in) financing activities		
Share issuance costs	-	(3,827)
Subscription Advances (Note 9(b))	12,500	-
	12,500	(3,827)
Cash flows from (used in) investing activities		
Exploration and evaluation asset (expenditures) recoveries	(160,168)	108,163
Proceeds from the sale of property and equipment	-	1,750
Shares received from sale of Diamond database	-	(25,000)
	(160,168)	84,913
(Decrease) increase in cash and cash equivalents	(3,915)	1,191
Cash and cash equivalents, beginning of period	38,706	70,152
Cash and cash equivalents, end of period (Notes 4, 7(d))	$ 34,791	$ 71,343

See Note 14 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 had to move out of its office space in Vancouver and is currently looking for a new location. The Company's 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 (formerly, Davis 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, 2015, the Company has a working capital deficiency of $704,057 (November 30, 2014 - $547,272) and a deficit of $38,819,934 (November 30, 2014- $38,459,912).

These consolidated interim 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 negative cash flows from operating activities, operating losses accrued in the past years and working capital deficiencies, 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. See Notes 9(b) and 16.

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 Accounting Standards ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in, and should be read in conjunction with, the Company's audited consolidated financial statements for the year ended November 30, 2014.

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, 2017, 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.

(Unaudited - Expressed in Canadian Dollars)

3. Significant Accounting Policies Not Yet Adopted, continued

(ii) IFRS *15 Revenue from contracts with customers:* IFRS 15 is effective for annual periods beginning on or after January 1, 2017. 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.

4. Cash and cash equivalents

	August 31, 2015	November 30, 2014
Cash	$ 17,032	$ 38,706
Cash reserved for exploration (Note 7 (d))	17,759	-
	$ 34,791	$ 38,706

5. Amounts Receivable

	August 31, 2015	November 30, 2014
Goods and Services/Harmonized sales tax receivable	$ 47,690	$ 43,096
De Beers Canada Inc.	-	300,000
Other	610	26,286
	$ 48,300	$ 369,382

6. 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. As partial consideration, the Company received 500,000 common shares (with an ascribed value of $0.05 per common share) of Proxima as partial consideration for this sale. These shares will represent an ownership interest in Proxima of approximately 1%. This transaction with Proxima remains subject to Proxima's receipt of regulatory approval.

(Unaudited - Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets

	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

*See Note 7(e)

	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

	Balance November 30, 2013	2014 Mineral Interests Additions	2014 Exploration Cost Additions (Recoveries)	2014 Written Off/ Impairments	Balance November 30, 2014
Doyle Lake	$ 158,477	$ -	$ (145,743)	$ (6,637)	$ 6,097
Fishback Lake	52,397	-	1,709	-	54,106
CH	553,436	-	(2,775)	-	550,661
Providence Greenstone	763,701	-	125,997	(29,347)	860,351
McConnell Creek	687,006	-	12	-	687,018
	$ 2,215,017	$ -	$ (20,800)	$ (35,984)	$ 2,158,233

	Balance November 30, 2013	2014 Net Additions	2014 Written Off/ Impairments	Balance November 30, 2014
Acquisition costs	$ 212,212	$ -	$ (35,118)	$ 177,094
Deferred exploration costs	2,002,805	(20,800)	(866)	1,981,139
	$ 2,215,017	$ (20,800)	$ (35,984)	$ 2,158,233

(Unaudited - Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets, continued

Included in exploration and evaluation assets are reclamation/land use permit bonds held in the name of the Ministry of Energy, Mines and Petroleum Resources of BC or the Government of the Northwest Territories in the amount of $76,400 (November 30, 2014 - $76,400).

Exploration costs incurred during the nine months ended:

	August 31, 2015	August 31, 2014
Licenses, recording fees and lease payments	$ 62,296	$ 43,741
Project supplies	493	929
Salaries and wages	290	-
Technical and professional services	3,540	(136,500)
	$ 66,619	**$ (91,830)**

(a) Doyle Lake, Northwest Territories, Canada

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.

GGL holds 100% interest in 4 claims and 2 fractional claims (4,184 hectares). All of these claims are mining leases.

(b) Fishback Lake, Northwest Territories, Canada

The Company owns one claim (684 hectares). This claim is a mining lease.

(c) CH, Northwest Territories, Canada

The Company owns 36 claims (28,439 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. 26 of these claims are leases and 10 claims were surveyed in 2014 and awaiting Mining Recorder approval.

(d) Providence Greenstone Belt, Northwest Territories, Canada

The Company owns 12 claims (8,209 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.

(Unaudited - Expressed in Canadian Dollars)

7. Exploration and Evaluation Assets, continued

(d) Providence Greenstone Belt, Northwest Territories, Canada, continued

The Company received a grant of $17,759 from the Government of the Northwest Territories' Mineral Incentive Program to spend on a pre-approved exploration program by March 31, 2016. The Company must finance a part of the program in order to keep the grant or the grant must be returned (Note 4).

During the period, six claims (6,198 hectares) were allowed to lapse and the related costs of $239,120 were written off.

(e) McConnell Creek, British Columbia, Canada

The Company owns 2 mineral claims (4,878 hectares) in the Omineca Mining Division of British Columbia. Included in the current exploration costs is a refund of $17 of BC Mineral Exploration Tax Credit for 2014.

8. Property and Equipment

		Office Furniture		Exploration Equipment		Total
Cost						
Balance as at November 30, 2013	$	58,953	$	451,632	$	510,585
Additions		-		-		-
Disposals		(850)		(1,000)		(1,850)
Balance as at November 30, 2014	$	58,103	$	450,632	$	508,735
Disposals		(40,224)		(59,787)		(100,011)
Balance as at August 31, 2015	$	17,879	$	390,845	$	408,724
Accumulated Depreciation						
Balance as at November 30, 2013	$	51,056	$	367,742	$	418,798
Depreciation		1,543		16,757		18,300
Disposals		(672)		(893)		(1,565)
Balance as at November 30, 2014	$	51,927	$	383,606	$	435,533
Depreciation		174		9,502		9,676
Disposals		(35,208)		(56,243)		(91,451)
Balance as at August 31, 2015	$	16,893	$	336,865	$	353,758

(Unaudited - Expressed in Canadian Dollars)

8. Property and Equipment, continued

Carrying Amounts		Office Furniture		Exploration Equipment		Total
At November 30, 2013	$	7,897	$	83,890	$	91,787
At November 30, 2014	$	6,176	$	67,026	$	73,202
At August 31, 2015	$	986	$	53,980	$	54,966

At August 31, 2015 depreciation is recorded on the Statement of Comprehensive Loss as $132 in depreciation and $9,544 is recorded as part of general exploration costs.

9. Share Capital

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

(b) On July 22, 2015 the Company announced that it will undertake a non-brokered private placement financing of up to 20.5 million units, at a price of $0.02 per unit, to raise gross proceeds of up to $410,000. Each unit comprises one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase an additional common share for a term of three years from the closing date at a price of $0.05 per share. Insiders will be participating in this financing. All securities issued will be subject to a four month hold from the date of closing. At August 31, 2015 the Company received $12,500 in share subscriptions. See Note 16.

(c) Warrants outstanding during the nine months ended:

	August 31, 2015		August 31, 2014	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning and ending of period	2,230,000	$0.50	2,550,000	$050

(Unaudited - Expressed in Canadian Dollars)

9. Share Capital, continued

(c) Warrants outstanding during the nine months ended, continued:

The Company has the following warrants outstanding and exercisable as at August 31, 2015:

Number of warrants	Exercise Price	Expiry Date
240,000	$0.50	Jan. 24, 2016
480,000	$0.50	Aug. 17, 2017
1,510,000	$0.50	May 8, 2018
2,230,000		

10. 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.

No options were granted during the period.

	# of Options Outstanding	Weighted Average Exercise Price
Options outstanding as at November 30, 2014	**151,000**	**$0.50**
Expired	(151,000)	$0.50
Options outstanding as at August 31, 2015	**-**	**-**

	August 31, 2015	August 31, 2014
Weighted average remaining contractual life	N/A	0.82 years
Weighted average fair value of options granted during the period	N/A	N/A

(Unaudited - Expressed in Canadian Dollars)

10. Stock Options, continued

There are no stock options outstanding as at August 31, 2015.

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.

11. 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.

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. The debt to related parties is a current liability and is past due. The debts are non-interest bearing.

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

August 31, 2014	Consulting Fees	Technical and professional services	Consulting Fees Payable
Management	$ 18,750	$ -	$ 488,668
Non-management	$ -	$ -	$ 146,725
Total	$ 18,750	$ -	$ 635,393

12. 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, 2015 and August 31, 2014

(Unaudited - Expressed in Canadian Dollars)

13. 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, 2015 and August 31, 2014 is summarized as follows:

	August 31, 2015		August 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
FVTPL				
Cash and cash equivalents (Notes 4, 7(d))	$ 34,791	$ 34,791	$ 71,343	$ 71,343
Loans and receivables				
Amounts receivable	$ 48,300	$ 48,300	$ 67,372	$ 67,372
Financial Liabilities				
Other Financial liabilities				
Accounts payable and accrued liabilities	$ 125,405	$ 125,405	$ 117,292	$ 117,292
Consulting fees payable*	$ 668,988	$ 668,988	$ 654,873	$ 654,873

*Consulting fees payable includes amounts owed to related parties. See Note 11.

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

13. Financial Instruments, continued

(a) **Fair Value**

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, cash equivalents, cash reserved for exploration 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)

14. Supplementary Cash Flow Information

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

	August 31, 2015	August 31, 2014
Operating activities		
Accounts payable for exploration and evaluation assets	$ 538,361	$ 509,018
Investing activities		
Additions to exploration and evaluation assets	$ (538,361)	$ (484,018)
Shares received from the sale of a portion of the Diamond database	-	(25,000)
	$ (538,361)	$ (509,018)
Other supplementary cash flow information:		
Cash paid for interest charges	$ 858	$ 573

15. 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, cash equivalents 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.

16. Event After the Reporting Period

After the end of the period, the Company issued news releases on September 2 and 29, 2015 announcing that the private placement will be continuing and that closing would not occur until closer to the end of October. In addition the Company received a further $17,500 in subscription advances (Note 9 (b)).