TINTINA RESOURCES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2016

(UNAUDITED – PREPARED BY MANAGEMENT)

TINTINA RESOURCES INC.

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 interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company.

November 14, 2016

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2016 AND JUNE 30, 2016

(Unaudited - Expressed in Canadian Dollars)

		September 30, 2016		June 30, 2016
ASSETS				
Current				
Cash and cash equivalents	$	1,040,877	$	2,790,829
Amounts receivable		38,612		63,187
Prepaid expenses and other assets		289,016		113,643
		1,368,505		2,967,659
Non-current				
Property, plant and equipment (Note 3)		8,918		11,355
Resource properties (Note 4)		3,601,307		3,414,981
Deferred income tax asset		41,741		41,741
		3,651,966		3,468,077
Total assets	$	5,020,471	$	6,435,736
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 5)	$	532,330	$	621,378
Current income tax payable		41,741		41,741
		574,071		663,119
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		68,439,819		68,439,819
Warrants Reserve (Note 6)		5,597,400		5,600,000
Share-based payment reserve (Note 7)		7,970,097		7,933,441
Foreign currency reserve		232,119		124,700
Accumulated deficit		(77,793,035)		(76,325,343)
		4,446,400		5,772,617
Total equity and liabilities	$	5,020,471	$	6,435,736

SUBSEQUENT EVENT (Note 13)

Approved by the Board on November 14, 2016

"John Shanahan"
Director

"Eric Vincent"
Director

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

	September 30, 2016	September 30, 2015
EXPENSES		
Advertising, promotion and investor relations	$ 44,235	$ 30,712
Director and management fees	17,083	138,750
Depreciation (Note 3)	955	1,965
Salary and wages	50,921	41,880
Exploration and evaluation costs (Note 4)	1,201,412	2,284,537
Foreign exchange loss (gain)	19,735	377,948
Office, administration and miscellaneous	48,962	107,014
Professional fees	50,124	36,366
Share-based payments (Note 7)	36,656	36,795
Loss from operations	(1,470,083)	(3,055,967)
OTHER ITEMS		
Interest income	273	6,977
Other income	-	2,000
Loss on disposal of assets	(482)	(4,872)
Loss before income tax	(1,470,292)	(3,051,862)
Income tax recovery (Note 6)	2,600	980,950
Net loss for the period	(1,467,692)	(2,070,912)
Other comprehensive income		
Currency translation adjustment	107,419	864,267
Deferred income tax (expense)	-	(980,950)
Net other comprehensive income (loss)	107,419	(116,683)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	$ (1,360,273)	$ (2,187,595)
BASIC AND DILUTED LOSS PER SHARE	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	222,492,510	222,492,510

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

	Common Shares						
	Number of Shares	Amount $	Warrants Reserve $	Share-based Payment Reserve $	Foreign Currency Reserve $	Accumulated Deficit $	Total $
Balance at July 1, 2015	222,492,510	68,439,819	5,600,000	7,832,114	498,264	(69,549,535)	12,820,662
Loss for the year	-	-	-	-	-	(2,070,912)	(2,070,912)
Other comprehensive loss	-	-	-	-	(116,683)	-	(116,683)
Share-based payments	-	-	-	36,795	-	-	36,795
Balance at September 30, 2015	222,492,510	68,439,819	5,600,000	7,868,909	381,581	(71,620,447)	10,669,862
Balance at July 1, 2016	222,492,510	68,439,819	5,600,000	7,933,441	124,700	(76,325,343)	5,772,617
Loss for the three months	-	-	-	-	-	(1,467,692)	(1,467,692)
Other comprehensive loss	-	-	-	-	107,419	-	107,419
Tax charge on expiry of warrants			(2,600)				(2,600)
Share-based payments	-	-	-	36,656	-	-	36,656
Balance at September 30, 2016	222,492,510	68,439,819	5,597,400	7,970,097	232,119	(77,793,035)	4,446,400

TINTINA RESOURCES INC.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

(Unaudited - Expressed in Canadian Dollars)

		September 30, 2016		September 30, 2015
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the period	$	(1,467,692)	$	(2,070,912)
Items not involving cash				
Deferred income tax recovery		(2,600)		(980,950)
Depreciation		955		1,965
Disposal of fixed assets		482		4,872
Interest income		-		(92,144)
Share-based payments		36,656		36,795
		(1,432,199)		(3,100,374)
Working capital adjustments:				
Amounts receivable		24,302		97,247
Prepaid expenses and other assets		(175,373)		86,153
Accounts payable and accrued liabilities		(89,048)		203,914
Interest received		273		6,977
Cash provided by (used in) operating activities		(1,672,045)		(2,706,083)
INVESTING ACTIVITIES				
Proceeds from sale of computer equipment		1,000		-
Acquisition of resource properties		(186,326)		(139,394)
Cash provided by (used in) investing activities		(185,326)		(139,394)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		(1,857,371)		(2,845,477)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		107,419		688,418
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		2,790,829		10,878,325
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	1,040,877	$	8,721,266

1. NATURE OF OPERATIONS AND GOING CONCERN

Tintina Resources Inc. (the "Company") (TSX.V TAU.V) was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The address of the Company's corporate office is Suite 1110, 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3, Canada.

The Company is in the process of evaluating and permitting its resource property and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related exploration and evaluation costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

During the three months ended September 30, 2016, the Company incurred a net loss of $1,467,692 (Three months ended September 30, 2015: $2,070,912), the Company's cash and cash equivalents was $1,040,877 (June 30, 2016: $2,790,829) and working capital was $794,434 (June 30, 2016: $2,304,540). The Company is currently completing approvals processes for the development of the Black Butte Copper Project and as a result is yet to achieve profitability and experiences operating losses and significant negative cash flow. The Company has concluded that the working capital as held at September 30, 2016 is insufficient to fund planned expenditures for at least the next twelve months. Unless additional funds are raised, the Company will have insufficient funds to realize its assets and discharge its liabilities in the normal course of business.

The conditions described above indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The Company plans to address this uncertainty by raising additional funds in the capital markets in fiscal year 2017. Many factors influence the Company's ability to raise funds, and there is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

Refer to Note 13 subsequent event regarding the completion of Rights Offering after September 30, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These interim condensed consolidated financial statements are unaudited and have been prepared in compliance with International Financial Reporting Standards ("IFRS"), including IAS 34 - Interim Financial Reporting ("IAS 34"). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These interim condensed consolidated financial statements do not contain all of the information required for full annual financial statements and should be read in conjunction with the Company's consolidated financial statements for the nine months ended June 30, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Change in fiscal year end

The Company changed its fiscal year end from September 30 to June 30, effective June 30, 2016 in order to coincide the Company's annual reporting as a public company with its majority corporate shareholder. Accordingly, the current consolidated financial statements are prepared for three months from July 1, 2016 to September 30, 2016. As a result, the figures stated in the consolidated statements of loss and comprehensive loss, change in equity, cash flows and the related notes are restated and compared to the consolidated financial statements for the three months ended September 30, 2015. The consolidated statements of financial position are as at September 30, 2016 and June 30, 2016.

The significant accounting policies used in the preparation of these consolidated financial statements are described below.

c) Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis, with the exception of financial instruments which are measured at fair value, as explained in the accounting policies set out below. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

d) Basis of consolidation

Subsidiaries

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiaries. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

The consolidated financial statements of the Company include the following subsidiaries:

Name of subsidiary	Place of incorporation	Percentage ownership
Tintina Montana Inc. ("TMI")	USA	100%
Tintina Alaska Mining Inc. ("TAMI")	USA	100%
Tintina American Inc. ("TAI")	USA	100%

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) New and amended accounting standards

The Company has adopted the following changes to the IFRS and IFRIC, effective July 1, 2016:

IAS 1 – *Presentation of Financial Statements*

In December 2014, amendments to IAS 1 were issued to address perceived impediments to preparers exercising their judgement in presenting their financial statements. The amendments clarify the definition of materiality, the presentation of items on the statement of financial position and statement of profit or loss and other comprehensive income, and ordering of notes in the financial statements.

The adoption of this standard did not have a material impact on the interim condensed consolidated financial statements.

IFRS 10 – *Consolidated Financial Statements*

In September 2014, amendments to IFRS 10 were issued to provide guidance on recognising gains and losses from the loss in control of a subsidiary in the parent's profit or loss. In December 2014, further amendments to IFRS 10 were issued to address issues that have arisen in the context of applying the consolidation exception for investment entities.

The adoption of this standard did not have a material impact on the interim condensed consolidated financial statements

f) Accounting standards issued not yet effective

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

IFRS 11 – *Joint Arrangements*

In May 2014, an amendment to IFRS 11 was issued addressing guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendment now specifies the appropriate accounting treatment for such acquisitions and requires applying the principles in IFRS 3 – *Business Combinations,* when acquiring an interest in a joint operation that constitutes a business.

New accounting standards effective for annual periods on or after July 1, 2017:

IAS 7 – *Statement of Cash Flows*

In January 2016, amendments to IAS 7 were issued to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Accounting standards issued not yet effective (continued)

IAS 12 – *Income Taxes*

In January 2016, amendments to IAS 12 were issued to clarify the recognition of deferred tax assets for unrealized losses. The amendments address aspects related to the deductible temporary differences, future taxable profits, and deferred tax asset.

New accounting standards effective for annual periods on or after July 1, 2018:

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued and replaces IAS 11 – *Construction Contracts*, IAS 18 – *Revenue*, IFRIC 13 – *Customer Loyalty Programmes*, IFRIC 15 – *Agreements for the Construction of Real Estate*, IFRIC 18 – *Transfers of Assets from Customers* and SIC-31 – *Revenue – Barter Transactions Involving Advertising Services.* IFRS 15 establishes a single five –step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

New accounting standard effective for annual periods on or after July 1, 2019:

IFRS 16 – *Leases*

The new standard will replace IAS 17 Leases and eliminates the classification of leases as either operating or finance leases by the lessee. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Classification of leases by the lessor under IFRS 16 continues as either an operating or a finance lease, as was the treatment under IAS 17 Leases.

The Company is currently still assessing the impact of the new standards. Therefore, the extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Computer Software	Total
As at July 1, 2015	$ 92,013	$ 72,349	$ 164,362
Additions	1,651	-	1,651
Disposals	(50,390)	-	(50,390)
As at June 30, 2016	$ 43,274	$ 72,349	$ 115,623
Disposals	(2,303)	-	(2,303)
As at September 30, 2016	$ 40,971	$ 72,349	$ 113,320

Accumulated Depreciation	Computer Equipment	Computer Software	Total
As at July 1, 2015	$ 77,986	$ 66,056	$ 144,042
Depreciation	3,640	2,104	5,744
Disposals	(45,518)	-	(45,518)
As at June 30, 2016	$ 36,108	$ 68,160	$ 104,268
Depreciation	550	405	955
Disposals	(821)	-	(821)
As at September 30, 2016	35,837	68,565	104,402

Net book value	Computer Equipment	Computer Software	Total
As at June 30, 2016	$ 7,166	$ 4,189	$ 11,355
As at September 30, 2016	$ 5,134	$ 3,784	$ 8,918

4. RESOURCE PROPERTIES

Expenditures as at September 30, 2016 and June 30, 2016:

Resource properties	July 1, 2016	Acquisition costs for the year	Currency translation	September 30, 2016
Black Butte Copper	$ 3,414,981	$ 133,471	$ 52,855	$ 3,601,307
Total	$ 3,414,981	$ 133,471	$ 52,855	$ 3,601,307

Resource properties	July 1, 2015	Acquisition costs for the year	Currency translation	June 30, 2016
Black Butte Copper	$ 2,566,480	$ 767,185	$ 81,316	$ 3,414,981
Total	$ 2,566,480	$ 767,185	$ 81,316	$ 3,414,981

Exploration and evaluation costs	Exploration and evaluation costs for three months ended September 30, 2016	September 30, 2015
Black Butte Copper	$ 1,201,412	$ 2,284,537
Other	-	-
Total	$ 1,201,412	$ 2,284,537

Black Butte Copper

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary, TMI, entered into mining lease agreements and a surface use agreement (collectively, the "Black Butte Agreements") with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States. This portion of the Black Butte property consists of approximately 7,684 acres of fee-simple lands and 4,541 acres in 239 Federal unpatented lode mining claims in central Montana.

The Black Butte Agreements provide the Company, through TMI, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and advance minimum royalty payments to be paid to the lessors, in total of US$12,200,000 in cash (schedule Payments 1), and a Net Smelter Returns ("NSR") royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$10,000,000.

On December 19, 2014, the Company, through TMI, entered into a mining lease agreement with one of the lessors of the Black Butte Copper property to supplant in part and continue in part the Black Butte Agreements. An annual surface rent payment of US$10,000 in cash is payable to the lessor on or before May 2, 2015 to May 2, 2040 (schedule Payments 1).

4. RESOURCE PROPERTIES (continued)

The following is an updated schedule of payments, translated to Canadian dollars, as at September 30, 2016:

Payments 1

$	2,097,380	Total paid from May 2, 2010 to May 2, 2016
	13,838,472	$576,603 annually on May 2 from 2017 to 2040
$	15,935,852	Total lease payments, excluding buydown of NSR royalty of 5%

Black Butte Copper 2011 Leases

During the year ended September 30, 2011, the Company, through its subsidiary, staked additional 286 claims on federal lands and entered into mining lease agreements.

The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of US$1,250,000 in cash (schedule Payments 2), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of US$5,000,000.

The following is a schedule of payments, translated to Canadian dollars, as at September 30, 2016:

Payments 2

$	151,283	Total paid from June 10, 2011 to June 10, 2016
	118,047	On June 10, 2017, on June 10, 2018, and on June 10, 2019 ($39,349 each year)
	137,724	On June 10, 2020, on June 10, 2021, and on June 10, 2022 ($45,908 each year)
	157,398	On June 10, 2023, on June 10, 2024, and on June 10, 2025 ($52,466 each year)
	1,049,312	$65,582 annually on June 10 from 2026 to 2041
$	1,613,764	Total lease payments, excluding buydown of NSR royalty of 5%

iii) Lease and Water Use Agreement

On October 15, 2015, the Company, through TMI, entered into a Lease and Water Use Agreement to lease the water rights to certain locations in Meagher County, Montana for a term of 30 years. The Company shall pay the owner the sum of US$20,000 per year, increasing to US$100,000 year upon actual mining and production of minerals at the Black Butte Copper property.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2016	June 30, 2016
Trade payables	319,711	231,590
Accrued liabilities and other	212,619	389,788
	532,330	621,378

6. SHARE CAPITAL

a) Authorized: The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding 222,492,510 (September 30, 2015 – 222,492,510) common shares. See Consolidated Statements of Changes in Equity for details.

On September 12, 2014, the Company completed a non-brokered private placement. The Company sold 80 million units at a price of $0.20 per unit, for gross proceeds of $16 million. Each unit comprised of one common share of the Company and one common share purchase warrant (Class A Warrants, Class B Warrants and Class C Warrants), as presented below. In connection with the private placement, the Company incurred share issuance costs of $149,713, resulting in the net proceeds of $15.85 million, of which $10.3 million is allocated to the value of the common shares and $5.6 million is allocated to the value of the warrants. The warrants may be subject to early expiry if, over twenty consecutive days in the last three months prior to the natural expiry date of each class of warrants, the Volume Weighted Average Price of the Company's shares on the TSX.V is at least 120% of the exercise price and the investor does not exercise the relevant class of warrants in full. Early expiry of any class of warrants causes all subsequent warrants to also expire. All shares are subject to a four month hold period, which expired on January 13, 2015.

Warrants

Exercise Price	Balance at July 1, 2016	Issued	Exercised	Expired	Balance at September 30, 2016	Expiry Date
$0.28[1]	20,000,000	-	-	(20,000,000)	-	September 12, 2016
$0.32[2]	20,000,000	-	-	-	20,000,000	September 12, 2017
$0.40[3]	40,000,000	-	-	-	40,000,000	September 12, 2019
	80,000,000	-	-	(20,000,000)	60,000,000	

[1] Class A Warrants
[2] Class B Warrants
[3] Class C Warrants

Exercise Price	Balance at July 1, 2015	Issued	Exercised	Expired	Balance at June 30, 2016	Expiry Date
$0.28[1]	20,000,000	-	-	-	20,000,000	September 12, 2016
$0.32[2]	20,000,000	-	-	-	20,000,000	September 12, 2017
$0.40[3]	40,000,000	-	-	-	40,000,000	September 12, 2019
	80,000,000	-	-	-	80,000,000	

[1] Class A Warrants
[2] Class B Warrants
[3] Class C Warrants

6. SHARE CAPITAL (continued)

Warrants (continued)

On September 12, 2016, 20,000,000 Class A warrants expired unexercised. The expiry of these warrants generated a capital gain and the Company recorded a $2,600 tax charge in equity which has been offset by a deferred tax recovery in the consolidated statement of loss and other comprehensive loss.

7. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company adopted a rolling stock option plan (the "Plan") to grant options to directors, senior officers, employees, independent contractors and consultants of the Company. The Plan reserves for issuance up to 10% of the issued and outstanding share capital of the Company from time to time, and provides that it is solely within the discretion of the Board or, if the Board so elects, by a committee consisting of not less than two of its members appointed by the Board, to determine who should receive options and in what amounts. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant and are exercisable at a price not less than the discounted market price (which is the market price less a discount of 25% for a closing price of up to $0.50, a discount of 20% for a closing price of $0.51 to $2.00, and a discount of 15% for a closing price above $2.00, subject to a minimum of $0.10).

On June 14, 2016, the Company granted to the new President and Chief Executive Officer a total of 1,000,000 stock options under the Company's Stock Option Plan. The options have a five year term and are exercisable at a price of $0.08 per share with the first 333,000 options vesting six months after the date of grant; 333,000 options vesting eighteen months after the date of grant; and the remaining 334,000 options vesting thirty months after the date of grant. The Company's closing share price on June 14, 2016 was $0.10.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, July 1, 2015	16,350,332	$0.34
Granted	1,000,000	$0.08
Forfeited	(26,667)	$0.15
Expired	(2,213,332)	$0.90
Balance, June 30, 2016	15,110,333	$0.24
Expired	(187,333)	$0.53
Balance, September 30, 2016	14,923,000	$0.24

7. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (continued)

The following table summarizes stock options outstanding and exercisable at September 30, 2016:

	Options Outstanding			Options Exercisable	
Exercise Price $	Number of Options	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price $	Number Exercisable	Weighted Average Exercise Price $
0.08	1,000,000	4.70	0.08	-	-
0.15	2,720,000	3.21	0.15	906,663	0.15
0.165	2,000,000	2.95	0.165	2,000,000	0.165
0.17	1,000,000	2.22	0.17	1,000,000	0.17
0.22	2,000,000	2.95	0.22	2,000,000	0.22
0.30	4,788,000	1.07	0.30	4,788,000	0.30
0.50	1,415,000	0.38	0.50	1,415,000	0.50
	14,923,000	2.22	0.24	12,109,663	0.27

Stock options outstanding at September 30, 2016 will expire between February 15, 2017 and June 14, 2021.

8. RELATED PARTY TRANSACTIONS AND BALANCES

As at September 30, 2016, the Company did not have any related party transactions other than remuneration of key management personnel.

Key management personnel compensation:

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

	Three months ended	
	September 30, 2016	**September 30, 2015**
Short-term benefits	292,177	$ 392,330
Share-based payments	30,814	25,256
Total remuneration	322,991	$ 417,586

9. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of resource properties. The resource properties are located in the State of Montana in the United States.

As at September 30, 2016

	Canada	United States	Total
Other Assets	$ 853,609	$ 565,555	$ 1,419,164
Resource properties	-	3,601,307	3,601,307
Total Assets	$ 853,609	$ 4,166,862	$ 5,020,471
Total Liabilities	$ 189,875	$ 384,196	$ 574,071

As at June 30, 2016

	Canada	United States	Total
Other Assets	$ 751,288	$ 2,269,467	$ 3,020,755
Resource properties	-	3,414,981	3,414,981
Total Assets	$ 751,288	$ 5,684,448	$ 6,435,736
Total Liabilities	$ 147,343	$ 515,776	$ 663,119

	Canada	United States	Total
Loss before income tax for three month ended September 30, 2016	$ 52,268	$ (1,522,560)	$ (1,470,292)
Loss before income tax for three months ended September 30, 2015	$ (1,104,711)	$ (1,947,151)	$ (3,051,862)

10. COMMITMENTS

a) In August 2015, the Company entered into a sublease agreement for office premises at a rate of $1,400 per month. The agreement expired on August 31, 2016 and was renewed on a month-to-month basis. As at September 30, 2016, no future payments are committed.

b) The Company has commitments to incur resources property payments as disclosed in Note 4.

11. MANAGEMENT OF CAPITAL

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 sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to.

As at September 30, 2016, the Company had capital resources consisting of cash and cash equivalents and amounts receivable. 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 the capital structure, the Company may attempt to issue new shares or adjust the amount of cash.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations.

Refer to Note 1 going concern disclosure and Note 13 subsequent event.

12. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - 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 are for the asset or liabilities that are not based on observable market data (unobservable inputs).

As at September 30, 2016, the carrying value of cash and cash equivalents, amounts receivable and accounts payable approximates their fair value due to their short terms to maturity. The Company's financial assets and liabilities are classified as Level 1.

Liquidity Risk

The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

Interest Rate Risk

The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy for cash and cash equivalents is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned $273 in interest income during three months ended September 30, 2016.

Credit Risk

The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

12. FINANCIAL INSTRUMENTS (continued)

Commodity Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities.

Foreign Currency Risk

As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash and cash equivalents, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above mentioned risks and there has been no significant change in the Company's exposure to each risk during three months ended September 30, 2016.

The Company is exposed to currency risk through following assets and liabilities denominated in U.S. dollars:

	September 30, 2016	June 30, 2016
Cash and cash equivalent	$ 848,256	$ 2,093,310
Accounts payable and accrued liabilities and Current income tax payable	(390,695)	(494,946)
Total	$ 457,561	$1,598,364

Based on the above net exposure as at September 30, 2016, a 10% change in U.S. dollar against Canadian dollar would result in a $0.05 million (June 30, 2016 - $0.2 million) decrease or increase in the Company's net loss.

13. SUBSEQUENT EVENT

On October 19, 2016, the Company announced that it has completed its previously announced rights offering, which expired on October 18, 2016. The rights offering issued 101,045,832 common shares for gross proceeds of approximately $6,062,750. Nine (9) rights entitled the holder to subscribe for one (1) common share of the Company upon payment of the subscription price of $0.06 per share. No fractional shares will be issued. The Company intends to use the funds to continue permitting and development efforts on the Black Butte Copper Project and general and administrative expenses.

The Company's two largest shareholders, Sandfire BC Holdings Inc. ("Sandfire") and Electrum Global Holdings L.P ("Electrum" and together with Sandfire, the "Purchasers"), together with certain of their affiliates, fully exercised their respective basic subscription privileges to purchase their pro rata share of the common shares offered in the rights offering, being an aggregate of 90,202,799 common shares. 96,943,835 of the shares issued in the rights offering were distributed under basic subscription privileges (of which 94,303,594 were issued to insiders, including the Purchasers). 4,101,997 of the shares issued in the rights offering were distributed under additional subscription privileges (all of which were issued to non-insiders). To the knowledge of the Company, no person became an insider as a result of the rights offering.

After the completion of the rights offering, the total number of issued and outstanding shares of the Company was 323,538,342. The Company did not pay any fees or commissions in connection with the distribution of securities in the rights offering.