TREVALI MINING CORPORATION

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Nine Months Ended September 30, 2016 and 2015

Corporate Head Office
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TREVALI MINING CORPORATION
(Expressed in Canadian Dollars)

September 30, 2016 and 2015

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TREVALI MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars)

	Notes	September 30, 2016	December 31, 2015
ASSETS			
Current			
Cash		$ 12,924	$ 6,336
Restricted cash	**20**	4,012	8,155
Accounts receivable	**5**	31,246	24,253
Investment	**6**	1,064	-
Prepaid expenses and other		2,766	3,396
Inventory	**7**	9,125	2,979
		61,137	45,119
Reclamation bonds	**8**	10,926	8,699
Non-current receivable		4,984	5,259
Exploration and evaluation assets	**9**	11,710	11,054
Property, plant and equipment	**10**	450,381	447,382
		$ 539,138	$ 517,513
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 20,086	$ 24,041
Flow-through share premium liability	**11**	712	804
Due to related parties	**17**	3,092	4,136
Derivative liability	**13**	-	2,125
Interest payable	**12, 13**	2,538	1,011
Current portion of finance leases	**12**	8,004	24
Current portion of long term debt	**13**	22,096	3,555
		56,528	35,696
Finance leases	**12**	22,260	31,464
Long-term debt	**13**	58,575	80,379
Provision for environmental rehabilitation	**14**	48,510	46,101
Deferred income tax liabilities		22,993	18,619
		208,866	212,259
Shareholders' equity			
Capital stock	**15**	352,752	328,402
Share-based payment reserve	**16**	22,567	19,325
Cumulative translation adjustment		22,926	28,387
Deficit		(67,973)	(70,860)
		330,272	305,254
		$ 539,138	$ 517,513

Commitments (Note 20)

On behalf of the Board:

"Mr. Anton Drescher" (signed) Director
Mr Anton Drescher

"Mr. David Korbin" (signed) Director
Mr David Korbin

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

TREVALI MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars, except for share and per share amounts)
THREE AND NINE MONTHS ENDED SEPTEMBER 30

		Three months ended September 30		Nine months ended September 30	
	Notes	**2016**	**2015**	**2016**	**2015**
REVENUES	**17, 18**	$ 57,462	$ 27,074	$ 113,360	$ 83,535
Mining operating expenses					
Production costs		20,036	9,782	38,844	31,515
Smelting, refining and freight		19,032	10,975	37,397	29,682
Royalty expense		1,038	851	1,945	1,838
Depreciation and amortization		6,714	4,010	15,133	11,449
		46,820	25,618	93,319	74,484
Income from mining operations		10,642	1,456	20,041	9,051
GENERAL AND ADMINISTRATION EXPENSES					
Consulting fees		717	634	1,913	2,169
Investor Relations		144	156	458	504
Office and miscellaneous		216	478	655	1,032
Professional fees		251	325	637	639
Regulatory		100	58	314	239
Travel and promotion		35	38	65	211
Income (loss) before other items		9,179	(233)	15,999	4,257
OTHER ITEMS					
Gain (loss) on foreign exchange		(614)	64	(449)	(771)
Loss on derivatives	**13**	(1,135)	-	(451)	-
Gain on disposal of mineral interests	**9**	619	-	619	-
Interest expense	**19**	(3,923)	(1,678)	(8,367)	(4,613)
Litigation settlement		-	-	-	(1,285)
Other income		26	106	169	370
Income (loss) before income taxes		4,152	(1,741)	7,520	(2,042)
Deferred income tax expense		(1,759)	(1,679)	(4,633)	(3,977)
Net income (loss) for the period		$ 2,393	$ (3,420)	$ 2,887	$ (6,019)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified subsequently to net income (loss)					
Translation Adjustment		1,550	7,005	(5,375)	13,854
Unrealized loss on Available for Sale investment	**6**	(86)	-	(86)	-
Comprehensive income (loss) for the period		$ 3,857	$ 5,302	$ (2,574)	$ 9,552
Basic and diluted income (loss) per share					
Basic		$ 0.01	$ (0.01)	$ 0.01	$ (0.02)
Diluted		0.01	(0.01)	0.01	(0.02)
Weighted average number of shares outstanding					
Basic		399,060,863	294,195,294	375,542,302	288,669,953
Diluted		403,323,580	294,195,294	378,211,638	288,669,953

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

TREVALI MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars)
NINE MONTHS ENDED SEPTEMBER 30

	Notes	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) for the period		$ 2,887	$ (6,019)
Items not affecting cash:			
Depreciation and amortization		15,133	11,449
Share-based payment expense		1,065	1,702
Unrealized loss on foreign exchange		175	3,047
Interest accretion and accrued on finance lease	**12**	4,018	2,602
Accretion of provision for environmental rehabilitation	**14**	715	720
Interest accretion and accrued on long-term debt	**13**	3,274	981
Interest accrued on reclamation bond		(20)	(38)
Deferred income tax expense		4,633	3,977
Gain on derivatives		451	-
Changes in non-cash working capital items:			
Accounts receivable		(12,589)	3,258
Prepaid expenses and other		479	143
Inventory		(6,201)	(3,380)
Accounts payable and accrued liabilities		12,261	1,457
Due to related parties		(672)	(4,523)
Gain on disposal of fixed asset		(619)	-
Net cash flows provided by operating activities		24,990	15,376
CASH FLOWS FROM FINANCING ACTIVITIES			
Share units settled in cash		(98)	-
Shares issued for cash, net of share issue costs		18,120	35,399
Proceeds from stock options exercised		176	-
Repayments of loans		(2,623)	(993)
Interest payments		(6,543)	(4,544)
Payments on finance lease		(4,653)	(4,072)
Additional finance lease		36	-
Net cash flows provided by financing activities		4,415	25,790
CASH FLOWS USED IN INVESTING ACTIVITIES			
Decrease (increase) in restricted cash		3,921	(6,805)
Decrease (increase) in input tax credit and IGV		1,293	(1,105)
Reclamation bond		(2,389)	(2,272)
Purchase of plant and equipment and evaluation assets		(25,643)	(47,800)
Net cash flows used in investing activities		(22,818)	(57,982)
Effect of foreign exchange on cash		1	117
Increase (decrease) in cash for the period		6,588	(16,699)
Cash, beginning of period		6,336	24,681
Cash, end of period		$ 12,924	$ 7,982

Supplemental cash flow information (Note 21)

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

TREVALI MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars, except for share amounts)
NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Notes	Number of shares	Issued Share Capital	Share-based payment reserve	Other Reserves	Deficit	Total Equity
Balance, December 31, 2015		327,493,077	328,402	19,325	28,387	(70,860)	305,254
Share-based payment		-	-	1,573	-	-	1,573
Private placements	**15**	59,349,450	19,450	-	-	-	19,450
Exercise of options		283,801	176	-	-	-	176
Share units issued		1,227,523	693	(693)	-	-	-
Share units settled in cash		-	-	(98)	-	-	(98)
Bonus shares issued		1,237,427	612	-	-	-	612
Share issue costs	**15**	-	(1,330)	-	-	-	(1,330)
Debt settlements		9,824,763	4,632	-	-	-	4,632
Reallocation of share-based payment on exercise of options		-	117	(117)	-	-	-
Reallocation of derivative liability		-	-	2,577	-	-	2,577
Net income for the period		-	-	-	-	2,887	2,887
Translation adjustment		-	-	-	(5,375)	-	(5,375)
Unrealized loss on AFS investment		-	-	-	(86)	-	(86)
Balance, September 30, 2016		399,416,041	$ 352, 752	$ 22,567	$ 22,926	$ (67,973)	$ 330,272

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

TREVALI MINING CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in thousands of Canadian Dollars, except for share amounts)
NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Notes	Number of shares	Issued Share Capital	Share-based payment reserve	Other Reserves	Deficit	Total Equity
Balance, December 31, 2014		281,462,855	287,006	19,026	11,465	(56,561)	260,936
Share-based payment		-	-	2,539	-	-	2,539
Private placement		34,436,957	35,436	-	-	-	35,436
Exercise of options		100,831	63	-	-	-	63
Exercise of warrants		1,500,000	1,575	-	-	-	1,575
Bonus share units issued		1,138,588	1,169	(382)	-	-	787
Share issue costs		-	(1,941)	-	-	-	(1,941)
Litigation settlement		1,000,000	1,060	148	-	-	1,208
Reallocation of share-based payment on exercise of warrants and options		-	298	(298)	-	-	-
Net loss for the period		-	-	-	-	(6,019)	(6,019)
Translation adjustment		-	-	-	13,574	-	13,574
Balance, September 30, 2015		319,639,231	$ 324,666	$ 21,033	$ 25,039	$ (62,580)	$ 308,158

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

1. NATURE OF BUSINESS

Trevali Mining Corporation (the "Company" or "Trevali") is incorporated under the laws of British Columbia, Canada. The Company is a natural resource company engaged in the acquisition, exploration, development and production from mineral properties. The Company currently holds four properties in Canada and an interest in one property in Peru with an option on a second Peruvian property.

The Company, through its wholly owned subsidiary Trevali Peru S.A.C. operates the Santander underground mine and metallurgical plant located in Peru. The Company entered the production phase at Santander on January 1, 2014 and is producing zinc and lead-silver concentrates.

In Canada, the Company owns through its wholly owned subsidiaries, the Caribou mine and mill, the Halfmile mine and the Stratmat polymetallic deposit all located in northern New Brunswick. On July 1, 2016 the Company entered the production phase at Caribou, and began producing zinc and lead-silver concentrates.

2. BASIS OF PREPARATON

Statement of compliance

These condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting.

The Company is following the same accounting policies and methods of computation in these condensed financial statements as it did in the audited financial statements for the year ended December 31, 2015.

Approval of the financial statements

The condensed consolidated financial statements of Trevali for the nine month period ended September 30, 2016 and 2015 were reviewed by the Audit Committee, approved and authorized for issue by the Board of Directors on November 10, 2016.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2015, except as addressed below.

Achievement of Production Phase

Once a mine reaches the operating levels intended by management, depreciation of capitalized costs begins. Significant judgment is required to determine when certain assets of the Company's reach this level. Management considers several factors including, completion of a reasonable period of commissioning, consistent operating results are being achieved at a pre-determined level of design capacity. Management have determined that effective July 1, 2016 the Caribou Mine has commenced operating in the manner intended by management.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

4. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value represents the price at which a financial instrument could be exchanged in an active market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The following provides a comparison of carrying and fair values of each classification of financial instrument as at September 30, 2016.

	September 30, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Loans and receivables				
Cash (b)	$ 12,924	$ 12,924	$ 6,336	$ 6,336
Restricted cash (b)	4,012	4,012	8,155	8,155
Accounts receivable (b)	31,246	31,246	24,253	24,253
Investment (e)	1,064	1,064	-	-
Total financial assets	**$ 49,246**	**$ 49,246**	**$ 38,744**	**$ 38,744**
Financial liabilities				
Fair value through profit or loss				
Derivatives (b)	$ -	$ -	$ 2,125	$ 2,125
Other financial liabilities				
Accounts payable and accrued liabilities (b)	20,086	20,086	24,041	24,041
Due to related parties (b)	3,092	3,092	4,136	4,136
Finance lease (d)	30,161	30,161	31,464	31,464
Santander's creditors obligation	2,833	2,833	2,990	2,990
Working capital facility (a)	20,989	20,989	25,165	25,165
Senior Secured Notes (c)	59,387	59,387	56,413	56,413
Total financial liabilities	**$ 136,548**	**$ 136,548**	**$ 146,334**	**$ 146,334**

(a) The fair value of the working capital facility approximates its carrying value due to the floating interest rate.

(b) The fair values for short term financial assets and liabilities, which include cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and derivative liability approximate carrying values due to the immediate or short-term maturities of these financial instruments.

(c) The fair value of the Senior Secured Notes approximates its carrying value plus accrued interest payable (Note 13).

(d) The fair value of the finance lease approximates its carrying value as it is calculated based on the present value of the future principal cash flows, discounted at the market rate of interest at the reporting dates. For the finance lease the market rate of interest is determined by reference to similar lease agreements. The payments were estimated based on future cash flow from production (Note 12).

(e) The fair value of investment approximates its carrying value as it is measured at quoted prices in active markets.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

5. ACCOUNTS RECEIVABLE

		September 30, 2016		December 31, 2015
Trade receivables[1]	$	22,846	$	11,586
IGV tax credits		8,252		11,172
GST/HST tax credits		139		1,373
Other		9		122
	$	31,246	$	24,253

[1] Trade receivables are from sales to Glencore (Note 17).

Included in input tax credits and IGV ("IGV") are amounts incurred by Trevali Peru in Peru and are recoverable from taxes collected from mine production revenues.

6. INVESTMENT

On July 26, 2016, 5,750,000 common shares of Prism Resources Inc. were received as a result of disposal of mineral interest in Huampar Property (Note 9). Shares received were fair valued at $1,150 using a price of $0.20 per share and classified as available-for-sale financial asset. During the period ended September 30, 2016, an unrealized loss of $86 was recognized in other comprehensive income.

	Number of Shares		Value
Balance, December 31, 2015	-	$	-
Acquired	5,750,000		1,150
Fair value adjustment	-		(86)
Balance, September 30, 2016	5,750,000	$	1,064

7. INVENTORY

		September 30, 2016		December 31, 2015
Mineralized stockpiles	$	2,679	$	345
Concentrates		4,144		1,080
Materials and supplies		2,302		1,554
	$	9,125	$	2,979

8. RECLAMATION BONDS

As of September 30, 2016, the Company has cash on deposit with the Province of New Brunswick as security for reclamation and environmental obligations associated with its Halfmile project for $640 (December 31, 2015 - $639) and its Caribou mine for $5,384 (December 31, 2015 - $4,864). The Company has a further $4,902 (December 31, 2015 - $3,196) cash on deposit with the Government of Peru as security for reclamation and environmental obligations associated with its Santander mine.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

9. EXPLORATION AND EVALUATION ASSETS

	Stratmat (Canada)	Huampar (Peru)	Ruttan Bill Copper (Canada)	Other (Canada)	Exploration and evaluation assets
Cost as at December 31, 2015	$ 9,273	$ 500	$ 1,237	$ 44	$ 11,054
Additions	1,151	-	2	3	1,156
Disposal	-	(443)	-	-	(443)
Reclassification	-	(35)	-	-	(35)
Translation adjustment	-	(22)	-	-	(22)
Net book value, September 30, 2016	$ 10,424	$ -	$ 1,239	$ 47	$ 11,710

	Stratmat (Canada)	Huampar (Peru)	Ruttan Bill Copper (Canada)	Other (Canada)	Exploration and evaluation assets
Cost as at December 31, 2014	$ 8,146	$ 1,969	$ 1,228	$ 15	$ 11,358
Additions	1,127	246	9	29	1,411
Write-down		(1,928)	-	-	(1,928)
Translation adjustment	-	213	-	-	213
Net book value, December 31, 2015	$ 9,273	$ 500	$ 1,237	$ 44	$ 11,054

Huampar Property, Peru

On July 26, 2016, the Company closed an assignment and assumption agreement with Prism Resources Inc. ("Prism") whereby the Company transferred 100% of the shares in Nueva Condor S.A. which holds the Huampar Property in exchange for 5,750,000 common shares in Prism (Note 6) and US $35 as consideration for additional mining rights. Additional fees of $88 were incurred in the transaction. As a result, a gain of $619 on disposal of mineral interest was recorded.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

10. PROPERTY, PLANT AND EQUIPMENT

	Mine development	Construction in progress	Buildings and infrastructure	Equipment and other	Assets under finance lease	Total
Cost as at December 31, 2015	$ 355,289	$ 7,000	$ 58,182	$ 28,495	$ 31,567	$ 480,533
Additions	37,512	215	12,544	68	29	50,368
Reclassification	-	(4,234)	(150)	4,234	150	-
Change in estimate on assets under finance lease	-	-	-	-	1,420	1,420
Capitalized borrowing costs (Note 13c)	4,533	-	-	-	-	4,533
Pre-production costs, net of revenues	(17,363)	-	(13,142)	-	-	(30,505)
Change in provision for environmental rehabilitation (Note 14)	2,462	-	-	-	-	2,462
Translation adjustment	(6,004)	-	(890)	(134)	(1,337)	(8,365)
As at September 30, 2016	376,429	2,981	56,544	32,663	31,829	500,446
Accumulated amortization as at December 31, 2015	(16,015)	-	(8,147)	(3,239)	(5,749)	(33,150)
Charge for the period	(9,578)	-	(3,050)	(1,203)	(3,084)	(16,915)
As at September 30, 2016	(25,593)	-	(11,197)	(4,442)	(8,833)	(50,065)
Net book value, September 30, 2016	$ 350,836	$ 2,981	$ 45,347	$ 28,221	$ 22,996	$ 450,381

	Mine development	Construction in progress	Buildings and infrastructure	Equipment and other	Assets under finance lease	Total
Cost as at December 31, 2014	$ 280,638	$ 3,573	$ 31,223	$ 27,073	$ 30,374	$ 372,881
Additions	47,804	3,427	24,999	902	125	77,311
Disposals	-	-	-	(28)	-	(28)
Reclassification	914	-	(1,071)	157	-	-
Change in estimate on assets under finance lease	-	-	-	-	(3,799)	(3,799)
Capitalized borrowing costs	7,505	-	-	-	-	7,505
Pre-production costs, net of revenues	-	-	-	-	-	-
Change in provision for environmental rehabilitation	798	-	-	-	-	798
Translation adjustment	17,629	-	3,031	391	4,814	25,865
As at December 31, 2015	355,289	7,000	58,182	28,495	31.567	480,533
Accumulated amortization as at December 31, 2014	(7,005)	-	(5,125)	(2,189)	(1,982)	(16,301)
Charge for the period	(9,010)	-	(3,022)	(1,050)	(3,767)	(16,849)
As at December 31, 2015	(16,015)	-	(8,147)	(3,239)	(5,749)	(33,150)
Net book value, December 31, 2015	$ 339,273	$ 7,000	$ 50,035	$ 25,256	$ 25,818	$ 447,382

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through share liability includes the liability portion (the premium) of the flow-through shares issued but for which the qualifying exploration expenditures have yet to be incurred. The following is a continuity schedule of the liability portion of the flow-through share issuances.

	Issued on February 27, 2015	Issued on November 2, 2015	Total
Balance at December 31, 2015	$ 142	$ 662	$ 804
Reduction of flow-through share liability on incurring qualifying expenditures	(92)	-	(92)
Balance at September 30, 2016	$50	$662	$712

	Issued on February 27, 2015	Issued on November 2, 2015	Issued on November 6, 2015	Total
Balance at December 31, 2014	$ -	$ -	$ -	$ -
Premium liability incurred on flow-through shares issued	266	662	45	973
Reduction of flow-through share liability on incurring qualifying expenditures	(124)	-	(45)	(169)
Balance at December 31, 2015	$ 142	$ 662	$ -	$ 804

12. FINANCE LEASES

	Concentration Plant (a)	Caterpillar Lease	Total
Balance at December 31, 2015	**$ 31,401**	**$ 87**	**$ 31,488**
Inception of lease	-	36	36
Interest accretion during the period	2,894	-	2,894
Change in estimate	2,143	-	2,143
Payments of the lease during the period	(4,634)	(20)	(4,654)
Translation adjustment	(1,643)	-	(1,643)
	$ 30,161	$ 103	$ 30,264
Less current portion	(7,980)	(24)	(8,004)
Balance at September 30, 2016	$ 22,181	$ 79	$ 22,260

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

12. FINANCE LEASE (cont'd…)

Fair value, which is estimated for disclosure purposes, is calculated based on the present value of future principal cash flows, discounted at the market rate of interest at the reporting date. For the finance lease the market rate of interest is determined by reference to similar lease agreements. The payments were estimated based on future cash flow from production using an annual effective interest rate of 11.28%.

On October 30, 2015 the Company arranged a payment grace period with Glencore with regards to payments on the finance lease and working capital facility (Note 13b). Under the grace period, repayment obligations were suspended starting October 30, 2015 and ending the earlier of: (i) October 31, 2016 and (ii) the last day of the month that comes before any month in which the price of Zinc reaches at least US$1,990 per tonne as an average for ten consecutive quotation days. The outstanding payment obligations continued to accrue interest along with an additional compensatory interest on the finance lease that will accrue without interest; provided however, compensatory interest accrued on the full amount owing at a rate equivalent to LIBOR (one month) plus five percent during the grace period. During the month of June 2016, the zinc price reached US$1,990 per tonne on 10 consecutive days ending the grace period, payments recommenced in July 2016. At September 30, 2016 the company has repaid the full amount of accrued interest of $2,894 (December 31, 2015 –$377).

The plant was recorded in property plant and equipment as assets under finance lease at its inception date fair value of US$25,608 (Note 10). The Company has provided Glencore with security on the finance lease in the form of a charge on the Plant.

13. LONG-TERM DEBT

	Santander's creditors obligation (a)	Working capital facility (b)	Senior Secured Notes (c)	Total
Balance at December 31, 2015	$ 2,990	$ 25,165	$ 56,413	$ 84,568
Accretion and accrual of interest and transaction costs	-	1,029	6,780	7,809
Loss on foreign exchange translation	(157)	(1,331)	-	(1,488)
Loan and interest payments	-	(3,874)	(3,806)	(7,680)
	2,833	20,989	59,387	83,209
Less interest payable	-	-	(2,538)	(2,538)
Less current portion	(2,833)	(4,263)	(15,000)	(22,096)
Balance at September 30, 2016	$ -	$ 16,726	$ 41,849	$ 58,575

(a) Third party Santander creditor obligation

On September 29, 2009, Santander became a special purpose entity controlled by the Company by virtue of Santander's Creditors Committee approval of the mineral concession purchase option granted to the Company, and 75% voting right held on the Company's creditor's claims, together with other Company obligations relating thereto. The Company recorded the present value of the obligation to those third party creditors of US$2,160, of which the calculated present value is $2,833 (December 31, 2015 - $2,990) due on or before December 31, 2016 (being the estimated date of repayment by Trevali), at a discount rate of 15%.

13. LONG-TERM DEBT (cont'd…)

(b) Working capital facility

On November 6, 2012, the Company closed a US$20,000 working capital facility from development partner, Glencore. The secured working capital facility bears interest at LIBOR + 5%. The loan is repayable on a monthly basis over a five year repayment term based on a formula, which allocates the repayments between the US$20,000 working capital facility and the finance lease (Note 12), based upon a sliding scale, which takes into account the price of zinc and the number of tonnes treated at the Santander mine. Any unpaid balance at the end of the term will be due on this date. It may be pre-paid at any stage without penalty. The Company has provided Glencore with security on the working capital facility in the form of a charge covering substantially all of the Company's Peruvian assets.

On October 30, 2015 the Company arranged a payment grace period with Glencore with regards to payments on the working capital facility. Under the grace period, repayment obligations have been suspended starting from October 30, 2015 and ending the earlier of: (i) October 31, 2016 and (ii) the last day of the month that comes before any month in which the price of Zinc reaches at least US$1,990 per tonne as an average for ten consecutive quotation days. The outstanding payment obligations will continue to accrue interest. During the month of June 2016, the zinc price reached US$1,990 per tonne on 10 consecutive days ending the grace period, payments has recommenced in July 2016.

(c) Senior Secured Notes

On May 30, 2014, the Company closed its offering of 52,500 units ("Unit") consisting of 12.5% Senior Secured Notes due May 30, 2019 and Common Share purchase warrants at a price of $980 per Unit, for aggregate proceeds of $51,450. Each Unit consists of $1 principal amount of Notes and 123.2 warrants. Each whole warrant shall entitle the holder thereof, subject to certain conditions, to purchase one Common Share at an exercise price of $1.26. The warrants expire on May 30, 2019 (Note 16).

On December 31, 2015, the Company announced that it had amended, by way of entering into a supplemental indenture, its original note indenture with its senior secured holders ("Noteholders") of its $52.5 million 12.5% senior secured notes (each a "Note" and collectively the "Notes") originally placed on May 30, 2014 (the "May 2014 Offering") to extend and expand the debt facility. Under the amended agreement, the Company issued an additional $8.4 million in new Notes ("New Notes") and received a waiver for the Corporation's $7.5 million payment scheduled to be made on August 30, 2016 – which has now been deferred until August 30, 2017. In relation to these amendments and issuance of the New Notes, the 6,468,000 5 year warrants issued in connection with the May 2014 Offering were repriced downward from $1.26 to $0.475 and the term of such warrants were extended to a new five-year term. In addition, in connection with the New Notes issued, an additional 1,034,880 5 year warrants were issued having an exercise price of $0.475.

In connection with these amendments, the Corporation also agreed to adjust the exercise price of the warrants if and whenever, at any time on or after December 30, 2015 and on or prior to June 30, 2016, the Company issued Common Shares, or securities convertible into or exchangeable for Common Shares, at a price lower than $0.413 – the effect of such adjustment mechanism being that the Warrants will be repriced to a 115% or, in some cases, a 110% premium to the subsequent equity issuance price in question. The option was terminated on June 30, 2016 and therefore, the warrants are reclassified from liability to equity on July 1, 2016 at a fair value of $2,577.

On March 16, 2016, the Company closed its offering, pursuant to a short form prospectus, of 46,718,750 Common Shares at a price of $0.32 per Share for aggregate gross proceeds of $14,950. As a result of this offering, the exercise price of 7,502,880 warrants previously issued with May 31, 2014 offering and December 31, 2015 supplemental indenture were re-priced from an exercise price of $0.475 to $0.368. No other shares were issued below $0.32 per share during the six month period ending June 30, 2016.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

13. LONG-TERM DEBT (cont'd…)

(c) Senior Secured Notes (cont'd…)

Up to June 30, 2016, the warrants were classified as a derivative liability based on the evaluation of the warrants' being carried at fair value and changes of $684 in fair value of the liability was recorded as gain on derivative liability in net income (loss). On July 1, 2016, the liability was revalued at fair value and reclassified as equity and resulted in a loss on derivative liability of $1,135. At September 30, 2016, carrying value of the original 6,468,000 warrants and additional 1,034,880 warrants, which represent transaction costs related to the offering, were estimated at $2,577 using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.57%
Expected life of warrants	4.42 years
Annualized volatility	65.17%
Dividend rate	0.00%

The Company has provided security on the loan facility in the form of a charge over substantially all of the Company's Canadian assets and has received a waiver for the $7.5-million amortization payment scheduled to be made on August 30, 2016, which will now be deferred until August 30, 2017. The Senior Secured Notes bear annual compounded interest at a rate of 12.5% and must now be repaid in installments between the third and fourth anniversaries of the closing date. The Company paid $3,806 as part of its 2016 interest payment schedule on May 30, 2016. For the nine months ended September 30, 2016, $4,533 (September 30, 2015 - $5,828) of interest and transaction fees has been capitalized to mine development as capitalized borrowing costs under the Caribou project and $2,274 (September 30, 2015 - $0) of interests and transaction fees has been expensed.

Payment Schedule		
Fiscal Year	Interest Payments	Principal Payments
2016	7,527	$-
2017	6,675	15,000
2018	5,269	7,500
2019	2,400	38,400
Total	**$21,871**	**$60,900**

14. PROVISION FOR ENVIRONMENTAL REHABILITATION

The Company's provision for environmental rehabilitation consists of costs accrued based on the current best estimate of mine closure and reclamation activities that will be required at the three mine sites upon completion of mining activity. These activities include costs for earthworks, including land re-contouring and re-vegetation, water treatment and demolition. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date, known legal requirements and estimates prepared by internal and third party specialists.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

14. PROVISION FOR ENVIRONMENTAL REHABILITATION (cont'd…)

The assumptions used in the estimation of the provision are as follows:

	Undiscounted liability for closure	Life of mine	Reclamation period (years)	Pre-tax discount rate	Inflation factor	PV of Cash flow required on closure
Santander[1]	14,027	15	6	1.80%	2.00%	15,208
Halfmile	625	20	1	1.64%	2.00%	763
Caribou	31,256	10	50	0.98-1.64%	2.00%	32,539

[1]Santander liability will be settled in US dollars. The USD equivalent of the discounted obligation is $11,594.

The following is a continuity schedule of the Company's estimated provisions:

Balance at December 31, 2015	**$**	**46,101**
Accretion		715
Change in discount rate		1,596
Change in estimate		865
Change in foreign exchange rate		(767)
Balance at September 30, 2016	**$**	**48,510**

15. CAPITAL STOCK

Authorized:
Unlimited number of common shares without par value.

During the period ended September 30, 2016, the Company:

(a) On January 15, 2016, settled $56 in debt outstanding by issuing 156,600 common shares at a price of $0.36.

(b) On February 29, 2016, closed a flow-through private placement financing, issuing 4,410,700 common shares on a "flow-through" basis under the Income Tax Act (Canada) ("Flow-through Shares") at a price of $0.34 per Flow-through Share for aggregate gross proceeds of $1,500.

(c) On March 16, 2016, closed a "best efforts" marketed offering of 46,718,750 common shares of the Company at a price of $0.32 per share for aggregate gross proceeds of $14,950 and incurred share issue costs of $1,043.

(d) On April 7, 2016, settled $1,400 in debt outstanding by issuing 4,117,647 common shares at a price of $0.34 per share.

(e) On April 26, 2016, closed a flow-through private placement financing, issuing 8,220,000 common shares on a "flow-through" basis under the Income Tax Act (Canada) ("Flow-through Shares") at a price of $0.365 per Flow-through Share for aggregate gross proceeds of $3,000.

(f) On June 6, 2016, issued 4,237,288 common shares at a price of $0.59 per share in consideration for services to be provided in the amount of $2,500.

(g) On June 10, 2016, settled $675 in debt outstanding by issuing 1,313,228 common shares at a price of $0.514 per share.

(h) During the period, the Company issued 283,801 shares from stock option exercised for aggregate gross proceed of $176.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

16. SHARE-BASED PAYMENT RESERVE

Stock options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the approximate market price of the Company's stock on the date of grant. The options can be granted for a maximum term of ten years and vesting periods are determined by the Board of Directors.

As at September 30, 2016 and December 31, 2015 the Company had outstanding stock options enabling the holders to acquire common shares as follows:

	September 30, 2016			December 31, 2015		
Expiry Date	Exercise Price	Number of Options	Exercisable	Exercise Price	Number of Options	Exercisable
January 17, 2016	-	-	-	$1.95	10,000	10,000
February 1, 2016	-	-	-	$2.00	60,000	60,000
May 1, 2018	$0.77	855,000	855,000	$0.77	855,000	570,000
May 31, 2018	$0.62	643,335	643,335	$0.62	927,136	618,091
August 30, 2018	$0.72	66,650	66,650	$0.72	66,650	44,433
June 24, 2019	$1.01	1,187,700	791,800	$1.01	1,187,700	395,900
August 15, 2019	$1.29	248,500	165,667	$1.29	277,500	92,500
January 30, 2020	$1.03	2,951,460	983,820	$1.03	2,966,890	-
June 1, 2021	$0.45	3,816,000	-	-	-	-
	$0.76	9,768,645	3,506,272	$0.94	6,350,876	1,790,924

At September 30, 2016, the weighted average remaining contractual life of the stock options was 3.50 years (December 31, 2015 – 3.41 years).

Stock option transactions are as follows:

	September 30, 2016		December 31, 2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of the period	6,350,876	$0.95	3,857,301	$1.03
Granted	3,857,800	$0.45	3,222,000	$1.03
Exercised	(283,801)	$0.62	(100,831)	$0.62
Forfeited	(71,421)	$0.64	(155,820)	$0.94
Cancelled	-	-	(157,150)	$1.03
Expired	(84,809)	$1.85	(314,624)	$0.71
Balance, end of the period	9,768,645	$0.76	6,350,876	$0.95

Share-based compensation

During the period ended September 30, 2016, the Company recorded $658 in total share-based compensation expense, of which $106 was capitalized to property, plant and equipment and $47 to exploration and evaluation assets.

Option pricing models require the input of subjective assumptions including the expected volatility. The expected volatility is based on the historical volatility of the Company’s common shares.

Changes in the subjective input assumptions can materially affect the fair value estimate.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

16. SHARE-BASED PAYMENT RESERVE (cont'd…)

Share-based compensation (cont'd)

The fair value of stock options granted was estimated using the Black-Scholes option pricing model with the following weighted average calculations for the period ended September 30, 2016 and December 31, 2015:

	2016	2015
Risk-free interest rate	0.72%	0.61%
Expected life of options	5 years	5 years
Annualized volatility	64.90%	55.97%
Dividend rate	0.00%	0.00%
Forfeiture rate	2.97%	2.97%
Grant date fair value	$0.48	$0.98

Warrants

At September 30, 2016 and December 31, 2015 warrants were outstanding as follows:

	September 30, 2016		December 31, 2015	
Expiry Date	Exercise Price	Number of Warrants	Exercise Price	Number of Warrants
April 9, 2017	$1.04	500,000	$1.04	500,000
December 31, 2020	$0.368	6,468,000	$0.475	6,468,000
December 31, 2020	$0.368	1,034,880	$0.475	1,034,880
	$0.41	8,002,880	$0.51	8,002,880

Bonus Shares, RSU's and DSU's

In May 2013, the Company initiated a long-term incentive plan which provides for the grant of bonus shares, RSU's and DSU's in such amounts as approved by the Corporation's Board of Directors. Bonus shares are granted to directors, executives and key employees, RSU's are granted to executives and key employees, and DSU's are granted to directors.

The Incentive Plan for the grant of the bonus shares is considered an equity-settled share-based compensation arrangement. Each unit entitles the participant to receive one common share of the Company subject to vesting criteria. Bonus share grants vest one third per year over a three year period.

RSU's and DSU's can be settled in either cash or equity at the option of the Company. RSU grants vest 100% on the third anniversary of the date of grant and DSU grants vest 100% on the first anniversary of the date of the grant. Bonus shares, RSU's and DSU's expected to be settled in common shares are measured at fair value based on the Company's share price on date of grant.

During the nine month period ended September 30, 2016, the Company granted 1,550,300 bonus shares, 1,328,900 RSU's and 746,824 DSU's. The Company recorded $917 in share-based compensation expense, of which $84 was capitalized to property, plant and equipment and $64 to exploration and evaluation assets.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

16. SHARE-BASED PAYMENT RESERVE (cont'd)

Bonus Shares, RSU's and DSU's (cont'd)

At September 30, 2016 and December 31, 2015 share units were outstanding as follows:

Bonus Shares:

	September 30, 2016		**December 31, 2015**	
	Number of units	Weighted average fair value	Number of units	Weighted average fair value
Balance, beginning of the period	1,117,577	$0.92	931,597	$0.91
Issued	1,550,300	$0.48	1,415,174	$1.01
Forfeited	(13,160)	$(0.68)	(90,606)	$(0.93)
Redeemed	(542,717)	$(0.45)	(1,138,588)	$(1.03)
Balance, end of the period	2,112,000	$0.72	1,117,577	$0.92

RSU's:

	September 30, 2016		**December 31, 2015**	
	Number of units	Weighted average fair value	Number of units	Weighted average fair value
Balance, beginning of the period	2,871,000	$0.98	2,628,350	$0.98
Issued	1,328,900	$0.48	435,500	$0.98
Forfeited	(24,730)	$(0.90)	(192,850)	$(0.92)
Redeemed	(440,200)	$(0.49)	-	-
Balance, end of the period	3,734,970	$0.86	2,871,000	$0.98

DSU's:

	September 30, 2016		**December 31, 2015**	
	Number of units	Weighted average fair value	Number of units	Weighted average fair value
Balance, beginning of the period	697,060	$0.98	298,300	$0.97
Issued	746,824	$0.48	398,760	$0.99
Redeemed	(447,431)	$(0.75)	-	-
Balance, end of the period	996,453	$1.38	697,060	$0.98

17. RELATED PARTY TRANSACTIONS AND BALANCES

During the period ended September 30, 2016, the Company entered into the following transactions with related parties:

Management compensation

(a) Paid or accrued consulting fees of $566 (2015 - $812) to companies related to officers of which $31 (2015 - $384) was capitalized to property, plant and equipment and $90 (2015-$nil) to exploration and evaluation assets.

(b) Paid or accrued consulting and directors' fees of $728 (2015 - $946) to directors and officers. The Company recorded share-based compensation expense related to the vesting of issued stock options and share units of $1,067 (2015 - $1,310) included in consulting fees, $257 (2015 - $498) capitalized to property, plant and equipment, $123 (2015-$nil) capitalized to exploration and evaluation assets, $156 (2015 - $152) included in investor relations, $10 (2015 - $9) included in office and miscellaneous, $138 (2015 - $nil) in production costs and $nil included in prepaid expenses (2015 - $17).

Other transactions

The Company also incurred the following transactions during the nine months ended September 30, 2016 and 2015 with Glencore:

(a) Paid $4,634 (2015 - $4,072) in principal on the finance lease (Note 12).

(b) Paid $3,874 (2015 - $2,256) in principal and interest on the working capital facility (Note 13).

(c) Earned revenue of $113,360 (2015 - $83,535) on concentrate sales (Note 18).

(d) Paid or accrued production expenses of $20,462 (2015 – $24,294) and mine development expenses of $8,005 (2015 – $10,654) capitalized to property, plant and equipment.

Amounts due to related parties is comprised of $19 (December 31, 2015 - $85) due to directors and officers and $71 (December 31, 2015 - $64) due to companies related to officers for consulting fees, and $3,002 (December 31, 2015 - $3,987) bearing approximately 8% interest due to Glencore for mine development and operation expenses.

The amounts due to directors are unsecured, bear no interest and are payable on demand.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

18. REVENUES

		Zinc		Lead		Total
Three months ended September 30, 2016						
Revenues before settlement adjustment	$	36,687	$	19,765	$	56,452
Settlement adjustments:						
Commodities		537		350		887
Foreign Exchange		118		5		123
Revenues	$	37,342	$	20,120	$	57,462

		Zinc		Lead		Total
Three months ended September 30, 2015						
Revenues before settlement adjustment	$	15,575	$	13,622	$	29,197
Settlement adjustments:						
Commodities		(1,906)		(334)		(2,240)
Foreign Exchange		75		42		117
Revenues	$	13,744	$	13,330	$	27,074

		Zinc	Lead	Total
Nine months ended September 30, 2016				
Revenues before settlement adjustment	$	67,881	41,924	109,805
Settlement adjustments:				
Commodities		3,168	176	3,344
Foreign Exchange		174	37	211
Revenues	$	71,223	42,137	113,360

		Zinc		Lead		Total
Nine months ended September 30, 2015						
Revenues before settlement adjustment	$	44,694	$	40,554	$	85,248
Settlement adjustments:						
Commodities		(1,639)		(213)		(1,852)
Foreign exchange		85		54		139
Revenues	$	43,140	$	40,395	$	83,535

During the nine months ended September 30, 2016 the Company delivered all of its concentrate to one customer, Glencore, under the terms of the off-take agreement for $113,360 (2015 - $83,535). Glencore is a related party of the Company.

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

19. INTEREST EXPENSE

	Note	Three months ended September 30 2016	Three months ended September 30 2015	Nine months ended September 30 2016	Nine months ended September 30 2015
Interest accretion on finance lease	**12**	$ 959	$ 986	$ 2,894	$ 2,602
Interest accretion on provision for environmental rehabilitation	**14**	244	247	715	720
Interest expense on long term debt	**13**	2,617	338	3,312	981
Interest expense on finance lease		-	-	1,124	-
Interest expense on trade payables		103	107	322	310
		$ 3,923	$ 1,678	$ 8,367	$ 4,613

All borrowing costs incurred before production phase are capitalized to the relevant projects.

20. COMMITMENTS AND RESTRICTED CASH

The Company receives IGV from its sales of concentrate. 10% (2015-10%) of the amount received is deposited directly by the vendor in a restricted account. The Company is allowed to apply every quarter to Peruvian tax authority ("SUNAT") to release the IGV from the restricted account. As of September 30, 2016, the balance held in the IGV restricted account was $3,972 (December 31, 2015 - $4,015).

The net proceeds of secured note issuance of $4,100 was held in escrow and transferred to unrestricted cash at January 15, 2016. Current restricted cash in Canada includes miscellaneous deposits of $40 (December 31, 2015 - $4,140).

21. SEGMENTED INFORMATION

The Company's executive management team manages its business, including the allocation of resources on a project by project basis, except where the Company's projects are substantially connected and share resources and administrative functions. The Company's two operating segments are its Canadian development projects, comprised of the Halfmile/Stratmat, and Caribou projects, and the operating Santander mine in Peru. Corporate includes the Company's executive head office and general corporate administration and activity.

For three month period ended September 30, 2016 and 2015 segmented information is as follows:

	Three month period ended September 30, 2016			
	Caribou Mine	Santander Mine	Corporate and others	Total
Revenues	$ 25,477	$ 31,985	$ -	$ 57,462
Mining operation expenses	(22,252)	(24,568)	-	(46,820)
Income from operation	3,225	7,417	-	10,642
General and administration	(68)	(77)	(1,318)	(1,463)
Other items				
Foreign exchange	(16)	(659)	61	(614)
Interest expense	(2,429)	(1,490)	(4)	(3,923)
Derivative loss	-	-	(1,135)	(1,135)
Gain on disposal mineral interests	-	-	619	619
Other income	9	2	15	26
Income (loss) before income tax	$ 721	$ 5,193	$ (1,762)	$ 4,152

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

21. SEGMENTED INFORMATION (cont'd)

	Three month period ended September 30, 2015			
	Projects in Canada	Projects in Peru	Corporate Canada	Total
Revenues	$ -	$ 27,074	$ -	$ 27,074
Mining operation expenses	-	(25,618)	-	(25,618)
Income from operations	-	1,456	-	1,456
General and administration	(16)	(388)	(1,285)	(1,689)
Other items				
Foreign exchange	(3)	72	(5)	64
Interest expense	(167)	(1,511)	-	(1,678)
Other income	9	63	34	106
Income (loss) before income tax	$ (177)	$ (308)	$ (1,256)	$ (1,741)

	Nine month period ended September 30, 2016			
	Caribou Mine	Santander Mine	Corporate and others	Total
Revenues	$ 25,477	$ 87,883	$ -	$ 113,360
Mining operation expenses	(22,252)	(71,067)	-	(93,319)
Income from operation	3,225	16,816	-	20,041
General and administration	(103)	(236)	(3,703)	(4,042)
Other items				
Foreign exchange	(328)	115	(236)	(449)
Interest expense	(2,723)	(5,633)	(11)	(8,367)
Derivative loss	-	-	(451)	(451)
Gain on disposal mineral interests	-	-	619	619
Other income	24	99	46	169
Income (loss) before income tax	$ 95	$ 11,161	$ (3,736)	$ 7,520

	Nine month period ended September 30, 2015			
	Projects in Canada	Projects in Peru	Corporate Canada	Total
Revenues	$ -	$ 83,535	$ -	$ 83,535
Mining operation expenses	-	(74,484)	-	(74,484)
Income from operations	-	9,051	-	9,051
General and administration	(111)	(565)	(4,118)	(4,794)
Other items				
Foreign exchange	1	(688)	(84)	(771)
Interest expense	(493)	(4,120)	-	(4,613)
Litigation settlement	(9)	-	(1,276)	(1,285)
Other income	44	211	115	370
Income (loss) before income tax	$ (568)	$ 3,889	$ (5,363)	$ (2,042)

(Expressed in thousands of Canadian Dollars, except for share and per share amounts)

21. SEGMENTED INFORMATION (cont'd)

	September 30, 2016			
	Caribou Mine	Santander Mine	Corporate and others	Total
Cash	3,545	2,178	7,201	12,924
Restricted cash	-	3,972	40	4,012
Accounts receivable	10,062	21,036	148	31,246
Investment	-	-	1,064	1,064
Inventory	7,302	1,746	77	9,125
Reclamation bonds	5,384	4,902	640	10,926
Non-current receivable	-	-	4,984	4,984
Exploration and evaluation assets	-	-	11,710	11,710
Property, plant and equipment	141,971	153,399	155,011	450,381
Other assets	280	1,991	495	2,766
Total assets	168,544	189,224	181,370	539,138

	December 31, 2015			
	Projects in Canada	Santander Mine	Corporate	Total
Cash	$ 3,672	$ 1,051	$ 1,613	$ 6,336
Restricted cash	20	4,015	4,120	8,155
Accounts receivable	7,014	17,195	44	24,253
Inventory	2,058	921	-	2,979
Reclamation bonds	5,503	3,196	-	8,699
Non-current receivable	5,259			5,259
Exploration and evaluation assets	10,554	500	-	11,054
Property, plant and equipment	274,032	173,339	11	447,382
Other assets	653	2,669	74	3,396
Total assets	$ 308,765	$ 202,886	$ 5,862	$ 517,513

22. SUPPLEMENTAL CASH FLOWS INFORMATION

Non-cash investing and financing transactions for the nine month period ended September 30 consist of the following:

	2016	2015
Due to related parties included in property, plant and equipment	$ 896	$ 837
Accounts payable and accrued liabilities included in property, plant and equipment	$ 3,001	$ 11,889
Accounts receivable related to pre-production phase revenues credited against property, plant and equipment	$ 1,600	$ -
Share-based payment included in property, plant and equipment	$ 301	$ 820

23. SUBSEQUENT EVENT

(a) Subsequent to the quarter's end, the Company closed a flow-through private placement financing and issued 2,000,000 common shares on a "flow-through" basis under the Income Tax Act (Canada) at a price of $1.00 per Flow-through Share for aggregate gross proceeds of $2,000.