TINTINA RESOURCES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

SEPTEMBER 30, 2015 AND 2014

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Tintina Resources Inc.

We have audited the accompanying consolidated financial statements of **Tintina Resources Inc.**, which comprise the consolidated statements of financial position as at September 30, 2015 and 2014, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Tintina Resources Inc.** as at September 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ernst & Young LLP

Vancouver, Canada
December 16, 2015

Chartered Professional Accountants

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2015 AND 2014

(Expressed in Canadian Dollars)

		2015		2014
ASSETS				
Current				
Cash and cash equivalents	$	8,721,266	$	17,639,546
Amounts receivable		48,216		19,405
Prepaid expenses and other assets		136,018		83,780
		8,905,500		17,742,731
Non-current				
Property, plant and equipment (Note 6)		13,483		24,549
Resource properties (Note 7)		2,881,723		1,664,241
		2,895,206		1,688,790
Total assets	$	11,800,706	$	19,431,521
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8)	$	1,130,844	$	404,712
		1,130,844		404,712
SHAREHOLDERS' EQUITY				
Share capital (Note 9)		68,439,819		68,439,819
Warrants Reserve (Note 9)		5,600,000		5,600,000
Share-based payment reserve		7,868,909		7,723,442
Foreign currency reserve		381,581		(982,934)
Accumulated deficit		(71,620,447)		(61,753,518)
		10,669,862		19,026,809
Total equity and liabilities	$	11,800,706	$	19,431,521

COMMITMENTS (Note 14)
SUBSEQUENT EVENTS (Note 17)

Approved by the Board on December 16, 2015

"Bruce Hooper"	*"Eric Vincent"*
Director	Director

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Canadian Dollars)

	2015	2014
EXPENSES		
Advertising, promotion and investor relations	$ 122,369	$ 135,395
Director and management fees	540,567	652,084
Depreciation	8,497	12,278
Salary and wages	349,237	371,084
Exploration and evaluation costs (Note 7)	7,828,866	3,230,811
Foreign exchange loss (gain)	1,361,868	(15,281)
Office, administration and miscellaneous	415,247	395,884
Professional fees	206,137	244,262
Share-based payments (Note 10)	145,467	627,594
Loss from operations	(10,978,255)	(5,654,111)
OTHER ITEMS		
Interest income	92,144	31,379
Other income	43,104	98,917
Loss on disposal of assets	(4,872)	(473)
Loss before income tax	(10,847,879)	(5,524,288)
Deferred income tax recovery	980,950	495,950
Net loss for the year	(9,866,929)	(5,028,338)
Other comprehensive income		
Currency translation adjustment	2,345,465	196,162
Deferred income tax (expense)	(980,950)	(495,950)
Net other comprehensive income (loss)	1,364,515	(299,788)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	$ (8,502,414)	$ (5,328,126)
BASIC AND DILUTED LOSS PER SHARE	$ (0.04)	$ (0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	222,492,510	146,183,412

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Canadian Dollars)

	Common Shares						
	Number of Shares	Amount $	Warrants Reserve $	Share-based Payment Reserve $	Foreign Currency Reserve $	Accumulated Deficit $	Total $
Balance at October 1, 2013	142,139,580	58,124,240	-	7,095,848	(683,146)	(56,725,180)	7,811,762
Loss for the year	-	-	-	-	-	(5,028,338)	(5,028,338)
Other comprehensive loss	-	-	-	-	(299,788)	-	(299,788)
Units issued on private placement, net	80,000,000	10,250,287	5,600,000	-	-	-	15,850,287
Shares issued on acquisition of additional mining claims	352,930	65,292	-	-	-	-	65,292
Share-based payments	-	-	-	627,594	-	-	627,594
Balance at September 30, 2014	222,492,510	68,439,819	5,600,000	7,723,442	(982,934)	(61,753,518)	19,026,809
Balance at October 1, 2014	222,492,510	68,439,819	5,600,000	7,723,442	(982,934)	(61,753,518)	19,026,809
Loss for the year	-	-	-	-	-	(9,866,929)	(9,866,929)
Other comprehensive loss	-	-	-	-	1,364,515	-	1,364,515
Share-based payments	-	-	-	145,467	-	-	145,467
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

TINTINA RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

(Expressed in Canadian Dollars)

		2015		**2014**
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Loss for the year	$	(9,866,929)	$	(5,028,338)
Items not involving cash				
Deferred income tax (recovery)		(980,950)		(495,950)
Depreciation		8,497		12,278
Disposal of fixed assets		4,872		1,582
Interest income		(92,144)		(31,379)
Share-based payments		145,467		627,594
		(10,781,187)		(4,914,213)
Working capital adjustments:				
Amounts receivable		(28,811)		17,526
Prepaid expenses and other assets		(52,238)		62,901
Accounts payable and accrued liabilities		726,132		82,488
Interest received		92,144		31,440
Cash provided by (used in) operating activities		(10,043,960)		(4,719,858)
INVESTING ACTIVITIES				
Purchase of equipment, net		(2,303)		(1,651)
Acquisition of resource properties		(840,676)		(474,952)
Cash provided by (used in) investing activities		(842,979)		(476,603)
FINANCING ACTIVITIES				
Proceeds from private placement, net		-		15,850,287
Cash provided by (used in) financing activities		-		15,850,287
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(10,886,939)		10,653,826
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		1,968,659		81,515
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		17,639,546		6,904,205
CASH AND CASH EQUIVALENTS, END OF YEAR	$	8,721,266	$	17,639,546

1. NATURE OF OPERATIONS AND GOING CONCERN

Tintina Resources Inc. (the "Company") was incorporated (TSX.V TAU.V) 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 exploring 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, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

Management has determined that the Company will be able to continue as a going concern for a reasonable period of time and realize its assets and discharge its liabilities and commitments in the normal course of business, and therefore, these financial statements are prepared on a going concern basis and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). 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"). The Company has consistently applied the same accounting policies throughout all periods presented.

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

b) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) 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") – formerly Tintina Alaska Exploration Inc.	USA	100%
Tintina Alaska Mining Inc. ("TAMI")	USA	100%
Tintina American Inc. ("TAI")	USA	100%

d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts, bankers' acceptances and in government treasury bills which are available on demand by the Company for its programs, and are not invested in any asset backed deposits/investments.

e) Resource properties and exploration and evaluation costs

Resource properties consist of payments to acquire property rights and leases. Property acquisition costs are capitalized. Exploration and evaluation costs are expensed to the statement of comprehensive loss in the periods incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent costs are capitalized into development assets.

Development costs incurred on a mineral property are deferred once management has determined, based on a feasibility study, that, a property is capable of economical commercial production as a result of having established proven and probable reserves. Development costs are carried at cost less accumulated depletion and accumulated impairment charges. Exploration and evaluation costs incurred prior to determining that a property has economically recoverable resources are expensed as incurred.

Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Resource properties and exploration and evaluation costs (continued)

The Company reviews the carrying values of development costs regularly with a view to assessing whether there has been any impairment in value, or whenever events or changes in circumstances that indicate the carrying value may not be recoverable. In the event the estimated discounted cash flows expected from its use or eventual disposition is determined to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount.

Once a mine has achieved commercial production, mineral properties and development costs are depleted on a units-of-production basis over the life of the mine.

f) Property, plant, and equipment

Property, plant, and equipment ("PPE") is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recorded over the estimated useful lives of the assets on the declining balance basis at the following annual rates:

Office equipment	14%
Furniture and fixtures	18%
Computer equipment	40%
Computer software	40%

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

g) Foreign currency translation

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and subsidiaries at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Foreign currency translation (continued)

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statement of comprehensive loss except for monetary items that are designated as part of the company's net investment of a foreign operation. These are recognized in other comprehensive income until the net investment is disposed, at which time the accumulated amount is reclassified to the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

ii) The Company and subsidiaries

On consolidation the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statement of comprehensive loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive loss.

h) Decommissioning, restoration and similar liabilities ("Asset retirement obligation")

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made.

The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The associated restoration costs are amortized over the expected useful life of the assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss.

There was no asset retirement obligation recorded at September 30, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Decommissioning, restoration and similar liabilities ("Asset retirement obligation") (continued)

Other provisions

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

The Company had no other provisions as at September 30, 2015 and September 30, 2014.

i) Share-based payments

Employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is recognized, together with a corresponding increase in the share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in statement of comprehensive loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in the employee benefits expense.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions, for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Warrants are classified as equity instrument because the warrants include no contractual obligation and a fixed amount of cash is exchanged for a fixed amount of equity. Warrants issued as part of a financial instrument are valued using the residual method whereby the excess of the fair value of the shares at the date of issue is allocated to the warrants. Warrants classified as equity instruments are not subsequently re-measured.

j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Income taxes

i) Current income tax

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the statement of financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

Deferred tax is not recognised for all temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company’s cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company’s amounts receivable are classified as loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Financial assets (continued)

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. At September 30, 2015, the Company has not classified any financial assets as available for sale.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

m) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

n) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Operating lease payments are recognized as an operating expense in the statement of comprehensive loss on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements involve the use of judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods affected are addressed below:

Impairment

Resource exploration involves a high degree of risk and there is no certainty that the expenditures made by the Company in the exploration of its property interests will result in discoveries of commercially viable quantities of minerals. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property to a commercial production stage. Resource properties are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is measured at fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payments transactions are disclosed in Note 10.

4. NEW AND AMENDED ACCOUNTING STANDARDS

The Company has adopted the following changes to the IFRS and IFRIC, effective October 1, 2014.

IAS 32 – *Financial Instruments: Presentation*

In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7. The adoption of IAS 32 did not impact the Company’s financial statements.

4. NEW AND AMENDED ACCOUNTING STANDARDS (continued)

IAS 36 – *Impairment of Assets*

In May 2013, the IASB, as a consequential amendment to IFRS 13 *Fair Value Measurement*, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal. The adoption of IAS 36 did not impact the Company's financial statements as the Company did not have any impairment of assets during the year ended September 30, 2015.

IAS 39 – *Financial Instruments: Recognition and Measurement*

In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met. The adoption of IAS 39 did not impact the Company's financial statements as the Company does not currently engage in any hedging activity.

IFRIC 21 – *Levies*

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The adoption of IFRIC 21 did not impact the Company's financial statements.

5. ACCOUNTING STANDARDS ISSUED BUT 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.

New accounting standards effective for annual periods on or after October 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.

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.

(Expressed in Canadian Dollars)

5. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

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 October 1, 2017:

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 standards effective for annual periods on or after October 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.

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.

6. PROPERTY, PLANT AND EQUIPMENT

Cost	Computer Equipment	Computer Software	Total
As at October 1, 2013	$ 90,819	$ 72,349	$ 163,168
Additions	1,651	-	1,651
Disposals	(2,760)	-	(2,760)
As at September 30, 2014	$ 89,710	$ 72,349	$ 162,059
Additions	2,303	-	2,303
Disposals	(50,390)	-	(50,390)
As at September 30, 2015	$ 41,623	$ 72,349	$ 113,972

(Expressed in Canadian Dollars)

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Accumulated Depreciation	Computer Equipment	Computer Software	Total
As at October 1, 2013	$ 66,885	$ 59,525	$ 126,410
Depreciation	7,992	4,286	12,278
Disposals	(1,178)	-	(1,178)
As at September 30, 2014	$ 73,699	$ 63,811	$ 137,510
Depreciation	5,643	2,854	8,497
Disposals	(45,518)	-	(45,518)
As at September 30, 2015	$ 33,824	$ 66,665	$ 100,489

Net book value	Computer Equipment	Computer Software	Total
As at September 30, 2014	$ 16,011	$ 8,538	$ 24,549
As at September 30, 2015	$ 7,799	$ 5,684	$ 13,483

7. RESOURCE PROPERTIES

Expenditures as at September 30, 2015 and September 30, 2014:

Resource properties	October 1, 2014	Acquisition costs for the year	Currency translation	September 30, 2015
Black Butte Copper	$ 1,664,241	$ 840,676	$ 376,806	$ 2,881,723
Total	$ 1,664,241	$ 840,676	$ 376,806	$ 2,881,723

Resource properties	October 1, 2013	Acquisition costs for the year	Currency translation	September 30, 2014
Black Butte Copper	$ 1,009,411	$ 540,244	$ 114,586	$ 1,664,241
Total	$ 1,009,411	$ 540,244	$ 114,586	$ 1,664,241

	Exploration and evaluation costs for the year ended	
Exploration and evaluation costs	September 30, 2015	September 30, 2014
Black Butte Copper	$ 7,828,558	$ 3,227,804
Other	308	3,007
Total	$ 7,828,866	$ 3,230,811

(Expressed in Canadian Dollars)

7. RESOURCE PROPERTIES (continued)

Black Butte Copper

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary, Tintina Montana Inc. (formerly Tintina Alaska Exploration Inc.), 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.

The following is an updated schedule of payments, translated to Canadian dollars, as at September 30, 2015:

Payments 1

$	1,525,280	Total paid from May 2, 2010 to May 2, 2015
	14,667,100	$586,684 annually on May 2 from 2016 to 2040
$	16,192,380	Total lease payments, excluding buydown of NSR royalty of 5%

ii) Black Butte Copper 2011 Leases

During the year ended September 30, 2011, the Company, through its subsidiary, staked additional 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.

(Expressed in Canadian Dollars)

7. RESOURCE PROPERTIES (continued)

Black Butte Copper (continued)

ii) Black Butte Copper 2011 Leases (continued)

The following is a schedule of payments, translated to Canadian dollars, as at September 30, 2015:

Payments 2

$ 118,987	Total paid from June 10, 2011 to June 10, 2015
33,364	On June 10, 2016
120,111	On June 10, 2017, on June 10, 2018, and on June 10, 2019 ($40,037 each year)
140,130	On June 10, 2020, on June 10, 2021, and on June 10, 2022 ($46,710 each year)
160,149	On June 10, 2023, on June 10, 2024, and on June 10, 2025 ($53,383 each year)
1,067,664	$66,729 annually on June 10 from 2026 to 2041
$ 1,640,405	Total lease payments, excluding buydown of NSR royalty of 5%

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2015	September 30, 2014
Trade payables	792,121	204,179
Accrued liabilities and other	338,723	200,533
	1,130,844	404,712

9. 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, 2014 – 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.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

Warrants

Exercise Price	Balance at October 1, 2014	Issued	Exercised	Expired	Balance at September 30, 2015	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

Exercise Price	Balance at October 1, 2013	Issued	Exercised	Expired	Balance at September 30, 2014	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
$0.65	12,500,000	-	-	(12,500,000)	-	February 2, 2014
	12,500,000	80,000,000	-	(12,500,000)	80,000,000	

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

10. 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 December 20, 2013, the Company granted to directors, officers, employees and consultants a total of 1,005,000 stock options under the Company’s Stock Option Plan. The options are exercisable at a price of $0.17 per share for a period of 5 years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years. The Company’s closing share price on December 20, 2013 was $0.17.

On January 13, 2014, the Company granted to a consultant a total of 30,000 stock options under the Company’s Stock Option Plan. The options are exercisable at a price of $0.17 per share for a period of five years, and vest 1/3 on grant, 1/3 after one year and the remaining 1/3 after two years. The Company’s closing share price on January 13, 2014 was $0.16.

(Expressed in Canadian Dollars)

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

On September 12, 2014, the Company granted the President and Chief Executive Officer and director 4,000,000 stock options under the Company's Stock Option Plan. The options are exercisable immediately and have a five year term, with 2,000,000 options exercisable at a price of $0.165 per share and 2,000,000 options exercisable at a price of $0.22 per share. The Company's closing share price on September 12, 2014 was $0.13.

On December 15, 2014, the Company granted to directors, officers, and employees a total of 2,760,000 stock options under the Company's Stock Option Plan. The options have a five year term and are exercisable at a price of $0.15 per share, and vest 1/3 one year after date of grant, 1/3 two years after date of grant and the remaining 1/3 three years after date of grant. The Company's closing share price on December 15, 2014 was $0.095.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, October 1, 2013	13,198,960	$0.51
Granted	5,035,000	$0.19
Forfeited	(8,334)	$0.30
Cancelled	(96,335)	$0.36
Expired	(2,688,959)	$0.57
Balance, September 30, 2014	15,440,332	$0.40
Granted	2,760,000	$0.15
Cancelled	(6,666)	$0.17
Expired	(1,866,667)	$0.51
Balance, September 30, 2015	16,326,999	$0.35

The following table summarizes stock options outstanding and exercisable at September 30, 2015:

	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 $
0.15	2,760,000	4.21	0.15	-	-
0.165	2,000,000	3.95	0.165	2,000,000	0.165
0.17	1,015,000	3.22	0.17	676,663	0.17
0.22	2,000,000	3.95	0.22	2,000,000	0.22
0.30	4,792,000	2.07	0.30	4,792,000	0.30
0.50	1,420,000	1.38	0.50	1,420,000	0.50
0.61	150,000	0.88	0.61	150,000	0.61
0.90	2,139,999	0.38	0.90	2,139,999	0.90
1.04	50,000	0.41	1.04	50,000	1.04
	16,326,999	2.67	0.35	13,228,662	0.39

(Expressed in Canadian Dollars)

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

The fair value of stock options granted during the year ended September 30, 2015 has been estimated using the Black Scholes model. For purposes of the calculation, the following assumptions were used under the Black Scholes option pricing model:

	September 30, 2015	**September 30, 2014**
Risk free interest rate	1.34%	1.73%
Expected dividend yield	0%	0%
Expected stock price volatility	116%	113%
Expected life of options	5 years	5 years

For the purpose of recognizing share-based payment expense, the Company estimates forfeiture rate of 2.98% based on prior experience (September 30, 2014 – 3.36%). The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Stock options outstanding at September 30, 2015 will expire between February 14, 2016 and December 15, 2019.

11. RELATED PARTY TRANSACTIONS AND BALANCES

As at September 30, 2015, 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:

		2015		**2014**
Short-term benefits	$	1,178,471	$	1,210,593
Share-based payments		90,714		630,945
Total remuneration	$	1,269,185	$	1,841,538

(Expressed in Canadian Dollars)

12. INCOME TAXES

a) Income tax

Income tax differs from the amount that would result from applying the combined Canadian federal and provincial income tax rates due to the following:

		2015		2014
Loss before income tax	$	(10,847,879)	$	(5,524,288)
Canadian statutory income tax rate		26.00%		26.00%
Income tax recovery at statutory rate	$	(2,820,449)	$	(1,436,315)
Effect of income taxes of:				
Permanent differences		29,729		168,383
Changes in tax rate and different foreign statutory tax rates		(1,380,936)		(519,330)
Benefit of previously unrecognized tax loss		(856,876)		(495,950)
Tax effect of tax losses and temporary differences not recognized		4,019,005		1,929,087
Change in estimate and others		28,577		(141,825)
Deferred income tax recovery	$	(980,950)	$	(495,950)

b) Deferred income tax assets/liabilities have been recognized in respect of the following items:

	2014	Recognized in Comprehensive loss	Recognized in Accumulated Other Comprehensive Income	2015
Non-capital losses	265,820	1,243,565	-	1,243,565
Foreign exchange	(495,950)	-	(1,476,900)	(1,476,900)
Net capital losses	230,130	233,335	-	233,335
Deferred income tax assets/(liabilities)	-	1,476,900	(1,476,900)	-

c) Unrecognized deductible temporary differences

As at September 30, 2015, the Company had the following deductible temporary differences for which deferred tax assets have not been recognized, because it is not probable that future profit will be available against which these temporary differences may be applied.

		2015		2014
Non-capital loss carry-forwards	$	19,393,760	$	22,394,229
Resource property		45,886,594		31,498,761
Share issuance costs		89,827		136,894
Other		671,799		416,921
Total unrecognized deferred tax assets	$	66,041,980	$	54,446,805

(Expressed in Canadian Dollars)

12. INCOME TAXES (continued)

As at September 30, 2015, the Company and its subsidiaries have non-capital losses carried forward of approximately $24,176,000 (2014: 23,142,000) available to reduce taxable income in future years, expiring as follows:

Expiry of Tax Losses	US	Canada	2015
2026	$ -	$ 427,000	427,000
2027	-	482,000	482,000
2028	-	702,000	702,000
2029	-	1,081,000	1,081,000
2030	3,803,000	1,224,000	5,027,000
2031	51,000	1,830,000	1,881,000
2032	154,000	1,945,000	2,099,000
2033	3,387,000	1,776,000	5,163,000
2034	5,029,000	1,047,000	6,076,000
2035	740,000	498,000	1,238,000
Non-capital losses	$ 13,164,000	$ 11,012,000	$ 24,176,000

The Company also has certain allowances in respect of resource development and exploration costs, which subject to certain restrictions, are available to be offset against future taxable income.

13. 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, 2015

	Canada	United States	Total
Other Assets	$ 968,509	$ 7,950,474	$ 8,918,984
Resource properties	-	2,881,723	2,881,722
Total Assets	$ 968,509	$ 10,832,197	$ 11,800,706
Total Liabilities	$ 152,540	$ 978,304	$ 1,130,844

As at September 30, 2014

	Canada	United States	Total
Other Assets	$ 14,788,572	$ 2,978,708	$ 17,767,280
Resource properties	-	1,664,241	1,664,241
Total Assets	$ 14,788,572	$ 4,642,949	$ 19,431,521
Total Liabilities	$ 164,609	$ 240,103	$ 404,712

	Canada	United States	Total
Loss before income tax for the year ended September 30, 2015	$ (1,567,239)	$ (9,280,640)	$ (10,847,879)
Loss before income tax for the year ended September 30, 2014	$ (1,644,360)	$ (3,879,928)	$ (5,524,288)

14. COMMITMENTS

a) In August 2015, the Company entered into a sublease agreement for office premises at a rate of $1,400 per month for a six-month term expiring on February 29, 2016. As at September 30, 2015, future payments committed are $7,000.

b) The Company has commitments to incur exploration and evaluation costs as disclosed in Note 7. As described in Note 17, after year-end, the Company also entered into a Lease and Water Use Agreement to pay US $20,000 per year for 30 years. Upon actual mining and production of minerals at the Black Butte Copper property, the annual payment shall be increased to US $100,000.

15. 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, 2015, the Company had capital resources consisting of cash 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 dispose of assets 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.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating year.

16. 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, 2015, 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.

16. FINANCIAL INSTRUMENTS (continued)

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 is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned $92,144 in interest income during the year ended September 30, 2015.

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.

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 the year ended September 30, 2015.

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

	September 30, 2015	September 30, 2014
Cash and cash equivalent	$ 4,854,147	$ 3,269,336
Accounts payable and accrued liabilities	(721,896)	(243,935)
Total	$4,132,251	$ 3,025,401

Based on the above net exposure as at September 30, 2015, a 10% change in U.S. dollar against Canadian dollar would result in a $0.4 million (September 30, 2014 - $0.3 million) decrease or increase in the Company's net earnings.

17. SUBSEQUENT EVENTS

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

On November 18, 2015, Sandfire Resources NL ("Sandfire") announced that Sandfire has agreed to purchase, through its wholly-owned subsidiary Sandfire BC Holdings Inc., 47,244,095 common shares of the Company from Quantum Partners LP, a current significant shareholder of the Company, at a price per share of $0.0831. These shares represent 21.2% of the Company's currently outstanding common shares. The purchase of the shares was completed on November 20, 2015. Sandfire now beneficially owns and controls 127,244,095 common shares (57.2% of the issued and outstanding common shares) and warrants to purchase an additional 80,000,000 common shares, which warrants, if exercised, represent an additional approximately 26.4% of the Company's then issued and outstanding common shares on a partially diluted basis. If such warrants were exercised in full, Sandfire would have beneficial ownership and control over 68.5% (207,244,095) of the Company's then issued and outstanding common shares calculated on a partially diluted basis and based on the Company's currently outstanding common shares.

On December 16, 2015, the Company announced its submission of the MOP application for the Johnny Lee copper deposit at its Black Butte Copper Project to the MT DEQ. The application is a comprehensive document detailing the development plan for this project.