REPORT FOR THE SIX MONTHS ENDED
NOVEMBER 30, 2015
MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the six months ended November 30, 2015 contains forward-looking information including forward-looking information about Bonterra Resources Inc. (the "Company" or "Bonterra")'s operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management's Discussion and Analysis (MD&A) of the financial condition, results of operations and cash flows of the Company for the six months ended November 30, 2015 should be read in conjunction with the condensed consolidated interim financial statements as at November 30, 2015. This MD&A is effective January 29, 2016. Additional information relating to the Company is available on SEDAR at www.sedar.com. The Company has prepared its condensed consolidated interim financial statements for the six months ended November 30, 2015 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard 34 ("IAS 34"), as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on May 1, 2007. The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are 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 of the resource property and upon future profitable production or proceeds from the disposition thereof.

On September 2, 2014, the Company consolidated its common shares on a one new share for twenty old shares basis. All share and per share amounts have been revised to reflect the consolidation.

BOARD OF DIRECTORS

Nav Dhaliwal
Position: President & Chairman of the Board of Directors

Mr. Dhaliwal is a mining executive with several years experience at nurturing early stage companies through their critical phases of evolution, having founded a number of companies over his career. Mr. Dhaliwal is also experienced in corporate development, corporate communications and investor relations, bringing valuable business relationships with international analysts, brokers and investment bankers from Canada, the United States and Asia.

R. Dale Ginn, B.Sc., P.Geo.
Position: VP Exploration and Director

Mr. Ginn is an experienced mining executive and geologist of nearly 30 years. He is the founder of two exploration and mining companies and has led and participated in numerous gold and base metal discoveries, many of which are in production today. While specializing in complex, structurally-controlled deposits, he also has extensive mine-operations, development and startup experience. Mr. Ginn is recognized as an advocate of First Nations and local community participation in mining and exploration. Mr. Ginn is a registered professional geologist in Manitoba and Ontario and is a graduate of the University of Manitoba.

Jose Vizquerra-Benavides, M.Sc.
Position: Director

Mr. Vizquerra has been for over 4 years the President & CEO of Oban Mining Corporation (TSX:OBM). Mr. Vizquerra previously worked as Head of Business Development for Compania de Minas Buenaventura (BVN: NYSE), prior to which he worked as production and exploration geologist at the Red Lake gold mine. He is currently a board member of Timmins Gold. Mr Vizquerra holds a M.Sc. from Queens University in MINEX, and is a QP (AIPG-11679).

Richard Boulay, B.Sc.
Position: Director

Mr. Richard Boulay is a geologist with over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. During Mr. Boulay's project financing career he arranged the financing of numerous underground and open pit mining projects, hydro and diversion dams, nuclear reactors, pipelines and offshore oil exploration and production platforms. He has extensive experience in the management and financing of public companies in Canada and the United States. Mr. Boulay also brings extensive exploration experience that can be applied to BonTerra's current projects as a result of previously exploring for gold deposits in the greenstone belts of northwestern Quebec.

Robert Gagnon, P.Geo.
Position: Director

Mr. Gagnon earned a Mining Techniques Diploma from the Collège de la région de l'Amiante in 1995 and a Bachelor of Geology from the University of Quebec in Chicoutimi in 1999. He has been a member in good standing of the Ordre des géologues du Québec since 2002, a member of the Board of Directors of the Quebec Mineral Exploration Association since 2009, and President of the Association des prospecteurs du Nord du Québec since 2012.

P. Joseph Meagher, CA
Position: Chief Financial Officer and Director

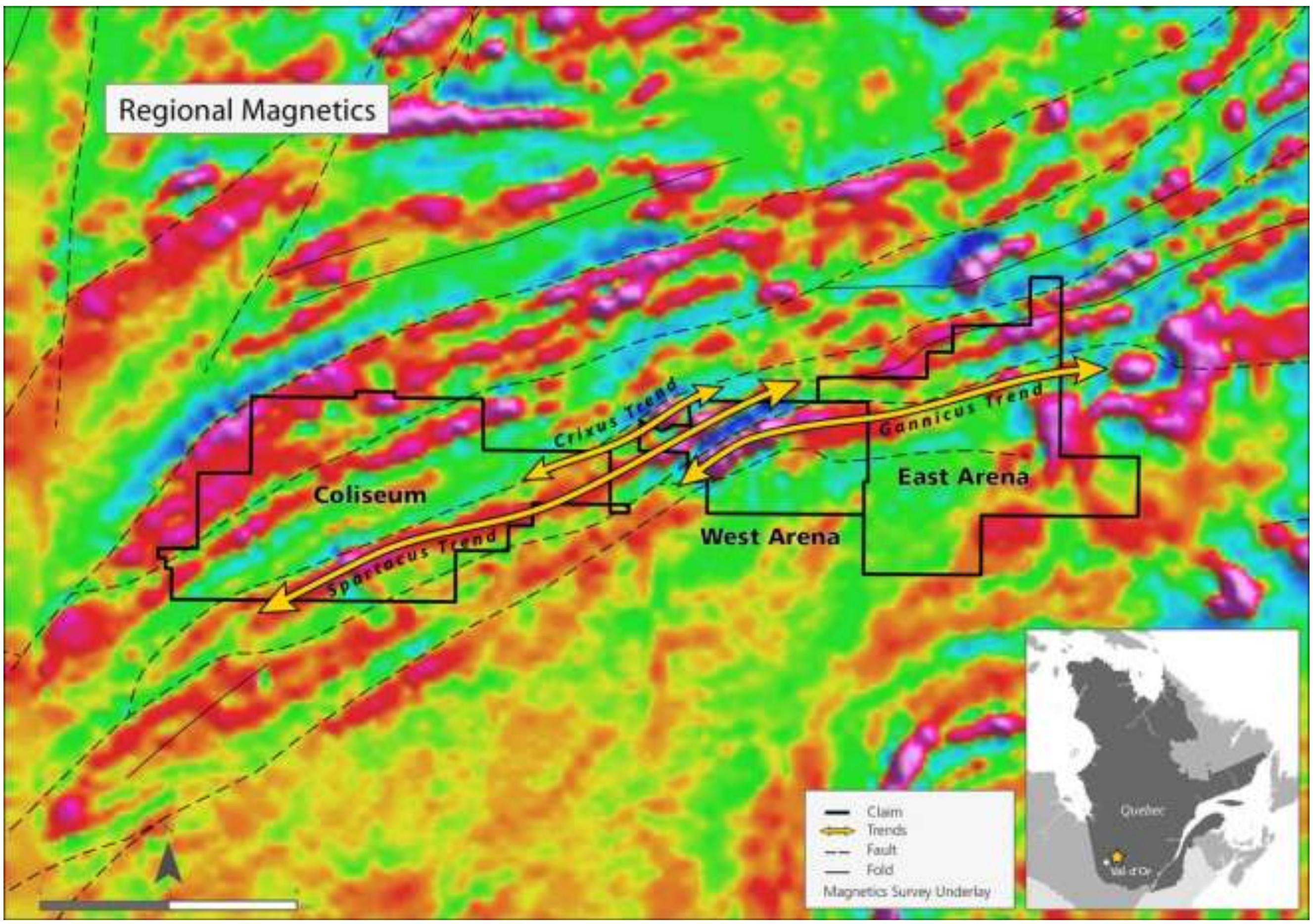
Mr. Meagher is a director at Triumvirate Consulting Corp., a financial consulting firm. He specializes in financial management, accounting and financial reporting under both IFRS and ASPE. Prior to joining Triumvirate, Mr. Meagher worked at Smythe Ratcliffe LLP as a manager focusing on publicly listed and private company audits as well as staff training and development. He was a member of Smythe Ratcliffe's IFRS conversion team as well as a technical reviewer for complex accounting topics. Mr. Meagher holds a CA designation and a Bachelor of Commerce.

On October 14, 2015, Mr. Jose Vizquerra-Benavides was appointed as a Director of the Company.

On December 9, 2015, Mr. Robert Bryce resigned as a Director of the Company and Mr. Richard Boulay was appointed as a Director of the Company.

EXPLORATION PROJECT – GLADIATOR PROJECT

The Company is focused on continuing to expand the drill defined gold zones on its Gladiator Project, part of the world famous Abitibi Greenstone Belt in mining friendly Quebec. Bonterra has a total of three gold properties in the Urban-Barry belt, the Coliseum, West Arena and East Arena properties which are located approximately 170 km NE of Val-d'Or and 125 km SW of Chibougamau in the Urban, Barry and Bailly townships in Québec.



(i) COLISEUM PROPERTY (formerly Urban Barry)

The Company acquired a 100% interest in 95 claim blocks in Quebec near Windfall Lake at a cost of $20,000 (paid), the issuance of 50,000 common shares to the vendors and 5,440 common shares to a finder (issued) and incurring $140,000 of exploration expenditures (incurred). The shares were valued at $155,232 based on the market value of the shares on share issue date. The property is subject to a 2% net smelter returns royalty of which 0.5% can be purchased by the Company for $1,000,000. Bonterra has filed assessment work and the claims are now all good until 2016.

In addition the Company purchased a 100% interest in 27 mineral claims located in the James Bay area in Quebec. The aggregate consideration is $3,900 (paid) and 100,000 common shares (issued). The fair value of the shares was $360,000 based on the market value of the shares on the share issue date. During the year ended May 31, 2013, the James Bay area claims were not renewed.

The Abitibi Greenstone Belt hosts significant gold mineralization in several parallel NE to SW trending zones. Gold in the Urban-Barry Township is primarily associated with quartz-carbonate veins mineralized with sulphides. The Coliseum property is situated between Metanor Resources' Barry Mine and Bonterra's flagship property, the West Arena. Bonterra has drilled three holes, conducted ground and airborne magnetic surveys as well as a prospecting program on the Coliseum property. Bonterra Resources plans on conducting an IP survey on the western portions of the property.

(ii) WEST ARENA PROPERTY (formerly Eastern Extension)

The Company entered into an option agreement on September 15, 2010, as amended on February 8, 2011 and March 19, 2012 to acquire 100% interest in 23 additional mineral claims adjacent to the Coliseum claims in Quebec for aggregate consideration of $10,000 cash (paid), 87,500 common shares (issued) and $750,000 in exploration expenditures (incurred). The Company has completed the acquisition and owns 100% subject to the NSR below.

The agreement is subject to a 2% NSR of which 1% can be purchased for $500,000. A finder's fee of 2,845 shares was paid in connection with this acquisition.

On October 25, 2013 the Company entered into an agreement to sell a 1% net smelter return interest in the West Arena property to Gold Royalties Corporation (TSX-V: GRO). The Company received 1,000,000 common shares of GRO on November 7, 2013. 500,000 of the common shares were held in trust until September 8, 2014. The Company recorded share consideration of $325,000 based on the trading price of the GRO shares on November 7, 2013 against the carrying amount of the exploration and evaluation assets.

Geological Characteristics of the Gold Bearing Veins on the West Arena Property

On July 27, 2012 the Company filed a technical report pursuant to National Instrument 43-101 ("NI 43-101") entitled "*Bonterra Resources Inc.: Eastern Extension Property Project No. V1216 NI43-101 Technical Report*" dated July 26, 2012 (the "Report") prepared by Abolfazl Ghayemghamian, MSc, P.Geo., APEGBC, Senior Consultant and Walter A. Dzick, B.Sc. (Geology), M.B.A, CPG #11458, MAusIMM, MAIPG, Principal Consultant with Snowden Mining Industry Consultants Inc. ("Snowden"). Both authors of the Report are independent of Bonterra and are Qualified Persons as defined by NI 43-101.

The purpose of the Report was to provide a resource estimate for the West Arena Property (the "Property") which is located approximately 170 kilometers northeast of Val d'Or, Quebec in the Urban-Barry belt, and to support Bonterra's news release dated June 13, 2012 which disclosed that, using a 1.0 g/t cut-off grade, the Property contains an inferred gold resource of 4,337,000 tonnes, grading 3.53 g/t for 492,000 ounces.

The Report includes all work Bonterra has completed on the Property up until the end of 2011. Of a total of 21,559.50 metres of drilling completed by Bonterra to date, only 15,642.60 metres of this is included in the resource estimate. This 15,642.60 metres was drilled on the Property in 2010 and 2011 in 49 drill holes which averaged 319 metres in length. In addition to this 15,642.60 metres of drilling, historical drilling by Xemac resources was also used. Xemac drilled 59 holes totaling 8,727 metres in 1997, 1998, 2000 and 2001. After hitting significant gold at depths of approximately 600 metres**,** management believes there is significant down-dip potential. This assertion is further strengthened by the fact that the veins are vertical to sub-vertically dipping.

In addition to Bonterra's inferred resource estimate on the Property, Eagle Hill Exploration Corporation ("Eagle Hill") has defined inferred mineral resources and indicated mineral resources on its Windfall Lake Property which is also in the Urban-Barry belt and is located approximately 8 kilometers north of the Property. Eagle Hill disclosed in its news release dated July 25, 2012 that, using a 3.0 g/t of gold cut-off grade, the Windfall Lake Property contains an indicated gold resource of 538,000 ounces (1,665,000 tonnes @ 10.05 g/t of gold) and an inferred resource of 822,000 ounces (2,906,000 tonnes @ 8.76 g/t). Eagle Hill's disclosure in its July 25, 2012 news release updates the disclosure in its November 2011 technical report which is referenced in the Report. Results obtained on the Windfall Lake Property are not necessarily indicative of results on the Property. Based on, among other things, the Report and the results reported in Eagle Hill's public disclosure, management believes that the Urban-Barry gold camp is an area of merit.

The inferred mineral resource at the Property that is disclosed in the Report was prepared using the following steps: compilation and verification of drillhole data, including independent data verification, and database verification (data validation was undertaken by Snowden); analysis of drillhole sample QAQC data; verification of Bonterra geology and mineralization models against drillhole information; coding of drillhole data within mineralized estimation domains; sample length compositing; analysis of extreme data values and application of top cuts, where necessary; exploratory analysis of gold grades within mineralized estimation domains; variogram analysis; creation of block models and application of density values; estimation of gold grades into blocks using ordinary kriging; validation of estimated block grades against input sample composite grades; confidence classification of estimates with respect to CIM guidelines; and resource tabulation and reporting.

A Vulcan block model with cell dimensions of 2 metres (X), 2 metres (Y), 2 metres (Z) was coded to reflect surface topography, syenite porphyry dykes, and the quartz vein domain solids.

Gold grades were estimated from 1 metre length weighted composites into the interpreted mineralized blocks by ordinary kriging using parameters established from analysis of the variography within each domain. Based on the variographic analysis, search ellipses were created to enable a three pass approach, to interpolate gold grades into the blocks. The minimum and maximum numbers of composites were set to 2 and 12 per block, respectively. A top cut of 58 g/t Au was applied. Discretization was set to 2 x 2 x 1. A density of 2.78 g/cc was assigned to the mineralized veins based on 10 measurements of specific gravity performed by Bonterra.

Visible gold in the drill core from the West Arena property.

Snowden has applied an inferred classification to all blocks in the mineral resource. Snowden has not classified any measured blocks after considering the relatively short ranges of gold grade continuity, the current drill hole spacing, the relatively high nugget environment, and use of assigned densities.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. Estimates are rounded since the figures are not precise calculations. Mineral resource estimates are reported for the Property above a range of Au cut-off grades (see Table 1-1 of the Report). To date, no analysis has been made to determine the economic cut-off grade that will ultimately be applied to any mineral resources. As stated in the Report, management is not aware of any legal, political, environmental, or other risks that could materially affect the potential development of the inferred mineral resource.

On September 27, 2012 the Company announced receiving gold assays for two holes, BA-12-12 ("Hole 12") and BA-12-14 ("Hole 14"), from the Rivage Zone on its West Arena property. Hole 12 was the highlight as this drill hole hit the target Rivage Vein as well as four additional veins. The best drill core sample of the Rivage Vein assayed 23.30 g/t over 1.0 metre. Bonterra discovered the Rivage in 2011. The Rivage is characterized by a series of parallel veins mineralized with sulphides and often visible gold.

Highlights of assay results for the Rivage Vein include 23.3 g/t over 1.0 metre at 50 metres vertical depth in Hole 12 as disclosed in this news release, 204.0 g/t in a surface chip sample taken from the discovery outcrop as previously disclosed in the Company's news release dated October 4th, 2011 and 220.0 g/t over 1.0 metre at 200 metres in vertical depth in BA-12-10 ("Hole 10") as previously disclosed in the Company's news release dated May 10th, 2012. When reviewing results for Hole 10 and Hole 12, gold grades seem to increase with depth. Bonterra intercepted the high grade Rivage Vein and four other parallel veins in Hole 12 which is encouraging for the Company. Significant drill results from Hole 12 are shown in Table 1 with the collar details shown in Table 2.

Table 1: Significant drill results (down hole depths)

Drill Hole Number	From (metres)	To (metres)	Length (metres)	Gold Grade (g/t)
BA-12-12	54.00	55.00	1.00	23.30
BA-12-12	176.00	177.00	1.00	2.42
BA-12-12	202.00	203.00	1.00	3.74
BA-12-12	277.00	278.00	1.00	2.16
BA-12-12	300.00	301.00	1.00	2.74
BA-12-14	No Significant Values			

On June 12, 2013 the Company announced it had submitted samples from three drill holes to ALS Laboratories ("ALS") in Val d'Or, Quebec from the Company's flagship West Arena Property (the "Property"). Two of these three holes were drilled into the Peninsula Zone to test continuity of veins hosting high grade nearby while the final hole was drilled at the Rivage Zone.

On February 9, 2015, the Company announced results from one of the three holes, BA12-07. Results for holes BA12-09 and BA12-11 are still pending as reassaying of its existing core is needed to comply with QA/QC protocols. The Company expects to receive the results soon and will issue a press release once it does. One of the key targets for both holes BA12-07 and BA12-09 is a high-grade quartz vein/structure. BA12-07 returned values of 3.07 g/t Au over 5.0 m (101.0 to 106.0 m), which included 10.75 g/t Au over 1.0 m. The hole intersected the main NE-SW gold bearing structure identified by Bonterra during previous drilling campaigns, as expected. This hole is 120.0 meters along strike from BA11-23 (42.60 g/t over 1.30 metres) and BA11-26 (10.19 g/t over 2.60 metres), which returned similar values. This intercept is associated with a sheared felsic intrusives with numerous quartz-pyrite-tourmaline veinlets.

The sample results disclosed above are taken from mineralized intervals of the drill holes. Depths and lengths are core lengths and are not true widths and possibly down dip at times or otherwise non perpendicular. Samples of these mineralized intervals were clearly marked, normally one metre in length. Assay samples are taken from drill core, sawed in half along the core axis. One half is sent to ALS and the other half retained by the Company for future reference. BonTerra retains coarse rejects and pulps in a secure facility. The Company applies a full quality assurance and quality control program (QAQC) system for every batch of samples submitted to the lab (gold standard, field sample duplicate and blank). Samples were sawed in the field at the Bonterra exploration camp, labeled and put in clearly marked sample bags. Once this was complete the samples were submitted to ALS for crushing, and pulverizing. ALS is independent of the Company and is certified by the Standards Council of Canada. The samples crushed to 70% passing 2 mm and split to 1 kg. The crushed sample is then pulverized to 85% passing 75 mm. Fifty gram samples are fire assayed with an AAS finish. All samples assaying greater than 10 g/t gold are then reassayed with a gravimetric finish and by metallic screen with a fire assay finish.

(iii) EAST ARENA PROPERTY (formerly Lavoie)

On December 30, 2010, the Company closed and received approval from the TSX Venture Exchange for a property purchase agreement entered into on December 10, 2010 to acquire 100% interest in 57 mineral claims east of the Urban-Barry Township in Quebec. Consideration paid was 100,000 common shares valued at $860,000 based on the market price of the shares on the share issue date, and cash payments of $35,000. The agreement is subject to a 2% NSR of which 1% may be purchased for $1,000,000.

The East Arena Property is contiguous and along strike with the West Arena property. This property was drilled in the past where gold bearing veins were intercepted. The Company has conducted the first phase of exploration on the property, a ground magnetic survey. An anomaly of interest runs NE-SW and warrants further investigation. Due to this fact, Bonterra conducted a large ground based magnetic survey on the East Arena property in March of 2011. It appears targets from the West Arena continue onto the East Arena property. This survey reinforced the historical data. The next step is to conduct a prospecting program followed up by localized IP surveys to further define drill targets on the property.

2015 Exploration Program

The 2015 Phase 1 drill program targeted the plunge and strike extensions the Company’s newly discovered Gladiator Zone located on the Spartacus Trend within the West Arena Property. To date, the deposit has been drilled over a 500-meter strike length from surface and consists of a number of parallel, anastomosing and intersecting steeply dipping shear zones. The Phase 1 drill program, essentially a reconnaissance effort using drills, met and exceeded expectations by localizing impressive gold bearing veins and also confirming the presence of a massive intrusive body, possibly porphyritic, defined by intercepts of up to 155 m with gold values between approximately 0.4 g/t and 0.9 g/t.

In the Archean-age Abitibi greenstone belts well known current and historic gold deposits contain similar vein/intrusive/volcanic associations. The nearby Windfall Deposit, located about 13 km northwest of our recent drilling, has a strong shear vein/intrusive relationship. A Preliminary Evaluation Assessment issued in 2015 attributes the bulk of the inferred Windfall gold resource to a clear causal and spatial relationship between the gold-bearing quartz stockwork host rock and quartz rich dykes which are in turn derived from the intrusion of the large, thick Red Dog quartz monzonite dyke that seems to have played a major role in the genesis of the Windfall Deposit. Typically, such as in the nearby Barry Deposit, about 20 km west of BonTerra’s Phase 1 drilling, the gold “halo” is actually of lower grade than the intrusive grades identified in BonTerra’s recent drill results reported here. At Barry, the economic gold is confined to a structurally controlled +2 g/t mineralization envelope dominated by a local anticlinal fold axis. BonTerra’s 2016 drill program will factor these structural considerations when planning drill hole locations.

The Spartacus Trend has been identified as a northeast trending shear zone primarily within mafic volcanic units that host local intrusions of syenite and gabbro. Gold mineralization is predominantly contained within quartz-carbonate veining and associated alteration related to shearing, faults, folds and other typical structural controls. The Main Zone is highly silicified and altered sheared contact between mafic volcanics and an altered and mineralized syenite, locally exhibiting quartz porphyritic textures. Smoky quartz veining also occurs locally both in the contact zones and the larger felsic intrusive syenite unit. These veins contain the bulk of the mineralization and free gold, as well as tourmaline and chlorite occupying fractures. A third upper or Footwall Zone occurs at the sheared contact between the mafic volcanics and a mafic intrusive sill or gabbro and displays similar mineralization and alteration as the Main Zone. Mineralization consists of minor (trace to 2%) pyrite, chalcopyrite and yellow sphalerite throughout, but mostly in and near the contacts with the quartz veining.

Within the West Arena Property, two additional parallel trends have been identified by geophysical signature and limited drilling, namely the Crixus to the north and the Gannicus to the south, each trend is separated by approximately 500 meters. The Coliseum Property is situated immediately to the west along strike from the Spartacus and Crixus trends. The Barry Deposit and open pit are located along strike immediately to the west of the Coliseum property.

All results from the 2015 Phase 1 Drill Program are tabled below:

Drill Hole	Length (m)	Zone	From (m)	To (m)	Width* (m)	Au (g/t)
BA-15-01A	378	Footwall Zone	62.5	66.0	3.5	9.1
		Main Zone	**210.6**	**217.2**	**6.6**	**14.0**
		Including	*215.9*	*216.7*	*0.8*	*104.5*
BA-15-02	501	Footwall Zone	107.6	110.2	2.6	4.7
		Gabbro	224.3	225.2	0.9	7.6
		Intrusive	320.5	476.0	155.5	0.5
		Main Zone	**476.0**	**483.7**	**7.7**	**7.2**
BA-15-03	**504**	**Footwall Zone**	**187.0**	**188.5**	**1.5**	**4.3**
		Gabbro	200.0	204.0	4.0	1.3
		Gabbro	219.0	220.0	1.0	3.8
		Intrusive	339.0	379.0	40.0	0.4
		Intrusive	392.8	397.0	4.2	1.6
		Intrusive	479.0	499.4	20.4	0.9
BA-15-04	324	Main Zone	224.0	235.4	11.4	1.5
		Including	***234.1***	***235.4***	***1.3***	***8.0***

The first hole, BA-15-01A, encountered the main zone at 175 meters below surface, intersecting 14.0 g/t gold over 6.6 meters. This included a high-grade section of 104.5 g/t over 0.8 meters where numerous flecks of visible gold were observed. The second hole, BA-15-02, intersected 7.2 g/t Au over 7.7 meters. Hole BA-15-03, located approximately 75 meters to the west of drill hole BA-15-02, encountered a number and range of gold intersections. High grade was discovered in the FW Zone, and broad lower gold grades were intersected within a mineralized felsic porphyritic intrusive in the lower half of the hole. Hole BA-15-04, which intersected 1.3 m of 8.0 g/t Au, was located approximately 50 meters to the east of drill hole BA-15-01, and even though the hole was placed much higher in the system and above plunge, it hit the Main Zone with similar higher-grade mineralization as seen in BA-15-01 and BA-15-02.

2016 Exploration Program

Based on results from the 2015 Phase 1 Drill Program and the recent successful financing in late 2015, the 2016 Exploration and Drill Program has been expanded to consist of up to 25,000 meters with a minimum of two drill rigs to extend and expand the known Gladiator zones. The Company will also explore the known and newly-discovered mineralized trends along strike, which have been further defined and extended by a recently completed ground geophysical program. The Program will focus on expanding the Main Zone and expand mineralization into the new strike extensions recently generated by ground geophysics. The geophysical strike extensions have shown new identical signatures as the Main Zone's approximately 5km along strike to the west into the Coliseum Property

SELECTED ANNUAL INFORMATION

	May 31, 2015	**May 31, 2014**	**May 31, 2013**
Revenue	$NIL	$NIL	$NIL
Net loss	(3,561,308)	(537,538)	(6,771,966)
Comprehensive loss	(3,534,063)	(564,783)	(6,771,966)
Basic and diluted loss per share	(0.35)	(0.11)	(1.54)
Total assets	6,281,971	6,083,013	6,540,853
Total current liabilities	625,923	1,094,846	1,192,688

SELECTED QUARTERLY INFORMATION

Results for the eight most recently completed quarters are summarized as follows:

For the Quarter Periods Ending on	November 30, 2015	August 31, 2015	May 31, 2015	February 28, 2015
Administration expense	$872,352	$654,431	$406,602	$405,494
Other (income) loss	(62,056)	(42,731)	132,163	2,053,201
Net loss before tax for the period	810,296	611,700	538,765	2,458,695
Net loss per share	0.02	0.02	0.03	0.35
Total assets	8,216,138	8,340,344	6,281,971	6,149,804
Total current liabilities	667,900	675,392	625,923	354,877

For the Quarter Periods Ending on	November 30, 2014	August 31, 2014	May 31, 2014	February 28, 2014
Administration expense	$323,648	$130,419	$50,686	$174,858
Other (income) loss	99,662	10,119	98,836	-
Net loss before tax for the period	423,310	140,538	149,522	174,858
Net loss per share	0.09	0.02	0.03	0.04
Total assets	6,108,999	6,096,696	6,083,013	6,244,903
Total current liabilities	1,282,606	1,199,322	1,094,846	1,094,904

OPERATIONS

During the three months ended November 30, 2015 the Company reported a net loss of $810,296 compared to a net loss for the three months ended November 30, 2014 of $423,310. Variations in expenses from the three months ended November 30, 2015 to the three months ended November 30, 2014 are as follows:

- Consulting fees of $227,740 (2014 - $98,490) increased as additional consultants were retained to assist the Company with financing;
- Management and director fees of $48,500 (2014 - $67,500) were higher in 2014 as the Company had both a President and a CEO in 2014, whereas there was just one position in 2015;
- Office and general increased from $5,040 in 2014 to $16,529, and travel increased from $1,722 in 2014 to $28,933 as a result of the Company being much more active in 2015;
- Professional fees increased to $51,735 from $25,640 due to CFO fees for the full quarter and legal fees incurred in 2015 not incurred in 2014;
- Rent deceased from $8,250 in 2014 to $5,212 as a result of moving offices;

- Share-based payments of $346,022 (2014 - $20,940) reflect more options granted in 2015 than in 2014;
- The Company incurred costs of $144,133 in shareholder communications and investor relations as compared to $91,926 in 2014. Activity has increased, and the Company has engaged consultants for shareholder and corporate communications;
- Transfer agent and filing fees of $2,827 (2014- $3,166) were consistent with the prior period;
- Other income of $62,056 (2014 - $nil) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The reduction was the result of qualified expenditures made by the Company during 2015; and
- Realized loss on marketable securities of $99,662 in 2014 was the result of selling GRO shares below the market price at the date the agreement with GRO was signed for the NSR sale.

For the Six Months Ended November 30, 2015

During the six months ended November 30, 2015 the Company reported a net loss of $1,421,996 compared to a net loss for the six months ended November 30, 2014 of $563,848. Variations in expenses from the six months ended November 30, 2015 to the six months ended November 30, 2014 are as follows:

- Consulting fees of $515,915 (2014 - $125,490) increased as additional consultants were retained to assist the Company with financing;
- Management and director fees of $93,500 (2014 - $130,500) were higher in 2014 as the Company had both a President and a CEO in 2014, whereas there was just one position in 2015;
- Office and general increased from $5,553 in 2014 to $40,933, and travel increased from $1,722 in 2014 to $34,130 as a result of the Company being much more active in 2015;
- Professional fees increased from $30,640 to $57,863 due to legal fees incurred in 2015 that were not incurred in 2014;
- Rent of $12,424 (2014 - $17,430) was lower as the Company moved to a new office;
- Share-based payments were $522,473 in 2015 (2014 - $20,940) as more options were granted in 2015 than in 2014;
- The Company incurred costs of $242,872 in shareholder communications and investor relations as compared to $110,001 in 2014. The Company began to restructure and pursue financing in 2014, while activities increased in this area and more consultants were engaged in 2015;
- Other income of $104,787 (2014 - $nil) related to the reduction of the other liability created by the issuance of flow-through shares at a premium. The reduction was the result of qualified expenditures made by the Company during 2015; and
- Realized loss on marketable securities of $109,781 in 2014 was the result of selling GRO shares below the market price at the date the agreement with GRO was signed for the NSR sale.

Additionally the company had other comprehensive income of $96,084 related to the fair value adjustment on the GRO shares at period-end and the transfer of other comprehensive losses previously recognized on the sale of GRO shares during the six months ended November 30, 2014.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at November 30, 2015 was $746,267 compared to $98,606 at May 31, 2015. The working capital was $383,158 at November 30, 2015 compared to a deficiency of $425,630 at May 31, 2015.

For the six months ended November 30, 2015 and to the reporting date

On July 6, 2015, the Company completed a non-brokered private placement for gross proceeds of $2,536,004 (of which $1,936,004 is for flow-through expenditures). The Company issued 6,527,274 flow-through shares at a price of $0.22 per share, 2,083,350 flow-through units at a price of $0.24 per unit and 3,000,000 non-flow-through units at a price of $0.20 per unit. Each flow-through unit consisted of one flow-through common share of the Company and one non-flow-through share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.35 per share for a period of two years. These warrants had a value of $241,634 using the pro rata method. Each non-flow-through unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.30 per share for a period of three years. These warrants had a value of $162,282 using the pro rata method.

The Company paid finder's fees of $158,020 and issued 25,000 finder's warrants valued at $3,371 with the same terms as the warrants in the non-flow-through units and 715,242 finder's warrants valued at $78,411 with the same terms as the warrants in the flow-through units. Other share issue costs of $15,059 were incurred.

During the six months ended November 30, 2015, the Company issued 1,930,000 common shares for proceeds of $347,400 on the exercise of 1,930,000 stock options. The fair-value of the stock options of $159,828 was transferred to share capital from share-based payments reserve upon exercise.

During the six months ended November 30, 2015, the Company issued 1,268,000 common shares for proceeds of $253,600 on the exercise of 1,268,000 share purchase warrants. The value of the warrants of $46,892 was transferred to share capital from share-based payments reserve upon exercise.

On December 23, 2015, the Company completed a non-brokered private placement for gross proceeds of $3,387,392 (of which $2,980,892 is for flow-through expenditures). The Company issued 13,549,509 flow-through shares at a price of $0.22 per share, 1,532,500 non-flow-through units at a price of $0.20 per unit and 555,555 non-flow-through shares at a price of $0.18 per share. Each non-flow-through unit consisted of one common share of the Company and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.30 per share for a period of two years.

The Company paid finder's fees of $210,912 and issued 977,127 finder's warrants. Each finder's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per share for a period of two years.

On January 20, 2016, the Company completed a non-brokered private placement for gross proceeds of $254,000. The Company issued 1,270,000 common shares.

At November 30, 2015, the Company had a remaining commitment to incur exploration expenditures in relation to its July 2015 flow-through share financing of $927,638. Subsequent to November 30, 2015, an additional $2,980,892 of flow-through share financing was raised.

In order to fund operations for the 2016 fiscal year and continue work on the Gladiator Project, the Company will need additional financing, including non-flow-through funds to finance general and administration costs. The Company continues to actively evaluate sources of financing, including additional private placements, but there is no guarantee that financings will be available.

For the year ended May 31, 2015

During the year ended May 31, 2015, the Company sold 587,000 common shares of GRO for proceeds of $119,813. The Company recorded a realized loss on sale of $35,857. The sale of GRO shares helped the Company maintain its day-to-day operations for the period.

During the year ended May 31, 2015, the Company did not meet the flow-through expenditure requirements. Included in accounts payable and accrued liabilities at May 31, 2015 is a provision for tax liabilities as a result of not meeting the flow-through expenditure requirements of $245,000 and a provision for Part XII.6 tax and penalties of $90,000. Of the $90,000, $39,577 was accrued in 2014.

On December 22, 2014, the Company completed a non-brokered private placement for gross proceeds of $617,500. The Company issued 6,175,000 units at a price of $0.10 per unit. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016. These warrants had a value of $228,356 using the pro rata method. The Company paid finder's fees and other costs in relation to the private placement of $8,687 and issued 25,000 agent's warrants with a value of $1,639. Each agent's warrant entitles the holder to acquire one common share of the Company at an exercise price of $0.20 per share on or before December 22, 2016.

On February 18, 2015, the Company issued 7,607,668 common shares with a value of $2,814,837 as part of a payables settlement agreement with a group of creditors. The amount of indebtedness that was settled with the transaction was $761,636.

During the year ended May 31, 2015, the Company issued 2,534,000 common shares for proceeds of $478,425 on the exercise of 2,534,000 stock options. The fair-value of the stock options of $213,489 was transferred to share capital from share-based payments reserve upon exercise.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The following expenses were incurred with directors and officers of the Company:

	Six Months Ended November 30, 2015	Six Months Ended November 30, 2014
Short-term compensation	$ 160,500	$ 97,500

During the six months ended November 30, 2015, short-term compensation to related parties consisted of $93,500 in management and director fees (2014 - $97,500), $55,000 in deferred exploration costs (2014 - $nil) and $12,000 in professional fees (2014 - $nil).

Short-term compensation was paid as follows:

- $90,000 to a private company controlled by the President & CEO (2014 - $67,500);
- $3,500 to a director of the Company for director fees (2014 - $nil);
- $12,000 to a private company in which the CFO is a director (2014 - $nil);
- $55,000 to a director of the Company for deferred exploration costs (2014 - $nil); and
- $nil to a Company controlled by the former CEO (2014 - $30,000).

During the six months ended November 30 2015, the Company paid $nil for rent expense to a company related by a common director (2014 - $7,530).

As at November 30, 2015, the Company had outstanding amounts payable to officers and directors of the Company of $16,700 (May 31, 2015 - $7,350) for outstanding fees. The amounts payable are non-interest-bearing, uncollateralized and are payable on demand.

At November 30, 2015, included in prepaid expenses was a $nil (May 31, 2015 - $100,000) retainer for exploration expenses paid to a company of which the principal was a significant shareholder of the Company and $127,600 (May 31, 2015 - $5,250) in prepaid management fees and expenses to an officer and director of the Company.

EVENTS OCCURRING AFTER THE REPORTING DATE

On December 8, 2015, the Company granted 400,000 stock options to a director of the Company with an exercise price of $0.22 and an expiry date of December 8, 2020.

The Company also granted 400,000 stock options to an investor relations consultant with an exercise price of $0.22 and an expiry date of December 8, 2020. The stock options granted to the investor relations consultant vest at 25% every three months from the date of grant. The stock options will be fully-vested on December 8, 2016.

On December 23, 2015, the Company completed a non-brokered private placement for gross proceeds of $3,387,392 (of which $2,980,892 is for flow-through expenditures). The Company issued 13,549,509 flow-through shares at a price of $0.22 per share, 1,532,500 non-flow-through units at a price of $0.20 per unit and 555,555 non-flow-through shares at a price of $0.18 per share (see Liquidity and Capital Resources for more details).

On January 20, 2016, the Company completed a non-brokered private placement for gross proceeds of $254,000. The Company issued 1,270,000 common shares.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company’s objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders’ equity.

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

The Company's overall strategy remains unchanged from the prior year.

FINANCIAL INSTRUMENTS AND RISKS

As at November 30, 2015, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and due to related parties. The carrying values of these financial instruments approximate their fair values.

Fair Value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
Level 3 - Inputs that are not based on observable market date

The following table sets for the Company's financial assets measured at fair value by level within the fair value hierarchy:

November 30, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 746,267	$ -	$ -	$ 746,267

May 31, 2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 98,606	$ -	$ -	$ 98,606

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions. The Company has minimal credit risk.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant market risk. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of November 30, 2015 equal $667,900 (May 31, 2015 - $625,923). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

The Company intends to address its working capital deficiency through a combination of debt settlement agreements and private placement financings.

CRITICAL ACCOUNTING ESTIMATES

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize it assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

- Debt instruments meeting both a "business model" test and a "cash flow characteristics" test are measured at amortized cost (the use of fair value is optional in some limited circumstances)
- Investments in equity instruments can be designated as "fair value through other comprehensive income" with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of "embedded derivatives" does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the above guidelines.

This standard is effective for annual periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments (2010)

This is a revised version incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing de-recognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

This standard is effective for annual periods beginning on or after January 1, 2018.

OTHER INFORMATION

As at January 29, 2016 the Company had the following securities issued and outstanding:

	January 29, 2016	November 30, 2015	May 31, 2015
Common Shares	52,906,255	35,998,691	21,190,067
Warrants	12,473,969	10,730,592	6,200,000
Stock Options	3,181,000	2,381,000	556,000
Fully Diluted Shares	68,561,224	49,110,283	27,946,067