(An exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED NOVEMBER 30, 2015 and 2014

(Expressed in Canadian Dollars unless otherwise stated)

Independent auditors' report

To the Shareholders of
Brazil Resources Inc.

We have audited the accompanying consolidated financial statements of **Brazil Resources Inc.**, which comprise the consolidated statements of financial position as at November 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

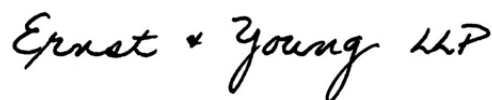
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain 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 **Brazil Resources Inc.** as at November 30, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Vancouver, Canada
March 29, 2016

Chartered Professional Accountants

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars unless otherwise stated)

	Notes	As at November 30, 2015 ($)	As at November 30, 2014 ($)
Assets			
Current assets			
Cash	7	1,445,056	798,512
Other receivables	8	67,055	61,246
Prepaid expenses and deposits		76,653	109,592
Available-for-sale securities	9	5,000	15,000
		1,593,764	984,350
Non-current assets			
Property and equipment	4	1,057,596	94,189
Exploration and evaluation assets	5	18,714,650	23,221,268
Investment in joint venture	6	1,350,434	1,723,004
		22,716,444	26,022,811
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	1,439,860	1,107,652
Provisions	11	-	337,055
Due to related parties	17	3,633	24,518
Current portion of long-term obligations	12	277,468	-
		1,720,961	1,469,225
Non-current liabilities			
Long-term obligations	12	-	252,244
Rehabilitation provisions	5	307,928	-
		2,028,889	1,721,469
Equity			
Issued capital	13	38,334,494	34,126,149
Share issuance obligations	13	6,932,520	6,978,960
Reserves	13	5,790,267	3,569,760
Accumulated deficit		(23,150,987)	(18,935,480)
Accumulated other comprehensive loss		(7,218,739)	(1,438,047)
		20,687,555	24,301,342
		22,716,444	26,022,811

Commitments (Note 19)
Subsequent events (Note 20)

Approved and authorized for issue by the Board of Directors on March 29, 2016.

/s/ "David Kong"
David Kong
Director

/s/ "Pat Obara"
Pat Obara
Chief Financial Officer & Director

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars unless otherwise stated)

	Notes	For the year ended November 30, 2015 ($)	2014 ($)
Expenses			
Consulting fees		336,710	322,950
Depreciation	4	108,487	62,512
Directors' fees, salaries and benefits	17	727,532	742,909
Exploration expenses	5	1,328,141	1,912,590
General and administrative		700,616	1,417,581
Professional fees		228,391	270,678
Project evaluation costs		30,968	184,913
Share-based compensation	13	496,324	(2,112)
Share of loss on investment in joint venture	6	124,013	126,261
Write-off exploration and evaluation assets	5	262,152	260,247
		4,343,334	5,298,529
Operating loss		(4,343,334)	(5,298,529)
Other items			
Interest income		24,080	27,969
Accretion of rehabilitation provisions	5	(2,189)	-
Loss on disposition of assets		-	(417)
Gain on settlement of accounts payable		105,936	-
Gain on settlement of provisions		-	221,935
Net loss for the year		(4,215,507)	(5,049,042)
Other comprehensive loss			
Item that may subsequently be reclassified to net income or loss:			
Available-for-sale financial assets	9	(10,000)	(5,000)
Foreign currency translation adjustments		(5,770,692)	(592,935)
Total comprehensive loss for the year		(9,996,199)	(5,646,977)
Net loss per share, basic and diluted		(0.05)	(0.07)
Weighted average number of shares outstanding, basic and diluted	13	80,931,563	71,472,649

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars unless otherwise stated)

	Notes	Number of Shares	Issued Capital ($)	Share Issuance Obligations ($)	Reserves ($)	Deficit ($)	Accumulated Other Comprehensive Income ($)	Total ($)
Balance at November 30, 2013		60,528,829	30,175,354	7,201,061	1,191,336	(13,886,438)	(840,112)	23,841,201
Private placement containing:								
Cash		11,650,620	4,027,305	-	-	-	-	4,027,305
Share issuance costs		-	(190,371)	-	-	-	-	(190,371)
Warrant issuance costs		-	(121,990)	-	-	-	-	(121,990)
Warrants issued for private placement		-	-	-	2,380,536	-	-	2,380,536
Shares issued on exercise of share options		12,500	13,750	-	-	-	-	13,750
Issued capital pursuant to acquisition of:								
Exploration and evaluation assets		308,474	222,101	(222,101)	-	-	-	-
Share-based compensation		-	-	-	(2,112)	-	-	(2,112)
Foreign currency translation adjustments		-	-	-	-	-	(592,935)	(592,935)
Unrealized loss on available-for-sale securities		-	-	-	-	-	(5,000)	(5,000)
Net loss for the year		-	-	-	-	(5,049,042)	-	(5,049,042)
Balance at November 30, 2014		72,500,423	34,126,149	6,978,960	3,569,760	(18,935,480)	(1,438,047)	24,301,342
Private placement containing:								
Cash	13	8,103,506	2,732,745	-	-	-	-	2,732,745
Share issuance costs	13	-	(107,902)	-	-	-	-	(107,902)
Warrant issuance costs	13	-	(72,938)	-	-	-	-	(72,938)
Warrants issued for private placement	13	-	-	-	1,724,183	-	-	1,724,183
Issued capital pursuant to acquisition of:								
Exploration and evaluation assets		3,564,500	1,656,440	(46,440)	-	-	-	1,610,000
Share-based compensation		-	-	-	496,324	-	-	496,324
Foreign currency translation adjustments		-	-	-	-	-	(5,770,692)	(5,770,692)
Unrealized loss on available-for-sale securities		-	-	-	-	-	(10,000)	(10,000)
Net loss for the year		-	-	-	-	(4,215,507)	-	(4,215,507)
Balance at November 30, 2015		84,168,429	38,334,494	6,932,520	5,790,267	(23,150,987)	(7,218,739)	20,687,555

The accompanying notes are an integral part of these Consolidated Financial Statements

Brazil Resources Inc.
(An exploration stage company)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars unless otherwise stated)

	For the year ended November 30, 2015 ($)	2014 ($)
Operating activities		
Net loss for the year	(4,215,507)	(5,049,042)
Adjustments for items not involving cash:		
Depreciation	108,487	62,512
Accretion	2,189	-
Equity losses of joint venture	124,013	126,261
Share-based compensation	496,324	(2,112)
Write-off exploration and evaluation assets	262,152	260,247
Loss on disposition of assets	-	417
Gain on settlement of accounts payable	(105,936)	-
Gain on settlement of provisions	-	(221,935)
Net changes in non-cash working capital items:		
Other receivables	18,271	68,357
Prepaid expenses and deposits	32,939	(30,729)
Accounts payable and accrued liabilities	438,144	(43,847)
Provision payable	(337,055)	-
Interest income	(24,080)	(27,969)
Interest expense	-	(6,000)
Cash used in operating activities	(3,200,059)	(4,863,840)
Investing activities		
Investment in exploration and evaluation assets	(147,408)	(145,617)
Investment in joint venture	(180,443)	(193,650)
Purchase of property and equipment	(2,762)	-
Proceeds from disposition of assets	-	800
Settlement of long-term obligations	-	(300,000)
Cash used in investing activities	(330,613)	(638,467)
Financing activities		
Proceeds from shares and warrants issued, net of issuance costs	4,276,088	6,109,230
Advances from related parties	(20,885)	19,229
Cash generated from financing activities	4,255,203	6,128,459
Effect of exchange rate changes on cash	(77,987)	(53,467)
Net increase (decrease) in cash	646,544	572,685
Cash		
Beginning of year	798,512	225,827
End of year	1,445,056	798,512

The accompanying notes are an integral part of these Consolidated Financial Statements

1. Corporate Information

Brazil Resources Inc. is a corporation organized under the laws of British Columbia and was incorporated in the Province of British Columbia, Canada, on September 9, 2009, and domiciled in Canada. Together with its subsidiaries (collectively, the "Company" or "Brazil Resources"), the Company is a public mineral exploration company with a focus on the acquisition, exploration and development of projects in Brazil, United States, Canada and other regions of the Americas.

Brazil Resources Inc.'s common shares (the "BRI Shares") are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "BRI" and are traded on the OTCQX International Market under the symbol "BRIZF" and on the Frankfurt Stock Exchange under the symbol "BSR". As at November 30, 2015, the head office and principal address of the Company was located at Suite 320, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3, Canada.

2. Basis of Preparation

2.1 Statement of compliance

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and were authorised for issue by the Company's board of directors on March 29, 2016.

2.2 Basis of presentation

The Company's consolidated financial statements have been prepared on a historical cost basis. The Company's financial statements and those of its wholly owned and controlled subsidiaries are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. Certain line items of the comparative figures have been reclassified to conform to the current periods' presentation format.

3. Significant Accounting Policies

3.1 Basis of consolidation

The consolidated financial statements include the financial statements of Brazil Resources Inc. and its wholly controlled subsidiaries. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-company transactions, balances, income and expenses are eliminated through the consolidation process.

Subsidiaries

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The Company's principal operating subsidiaries are as follows:

Name	Place of Incorporation	Ownership Percentage (%)
1818403 Alberta Ltd.	Alberta, Canada	100
Brasil Desenvolvimentos Minerais Ltda.	Brazil	100
Brazilian Gold Corporation	British Columbia, Canada	100
Brazilian Resources Mineração Ltda.	Brazil	100
BRI Alaska Corp.	United States	100
BRI Mineração Ltda.	Brazil	100
BRI Paraguay S.A.	Paraguay	95
Mineração Regent Brasil Ltda.	Brazil	100

3.2 Foreign currencies

The reporting currency of the Company and its subsidiaries is the Canadian dollar ("$" or "dollars"). The functional currency of the Company and its subsidiaries in Canada is the Canadian dollar and the functional currency of its subsidiaries in Brazil is the Brazilian Real ("R$") and its subsidiaries in the United States and Paraguay is the United States dollar ("US$"). Foreign operations are translated into Canadian dollars using period end exchange rates as to assets and liabilities and average exchange rates as to income and expenses. All resulting exchange differences are recognized in other comprehensive income.

3.3 Investment in joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of comprehensive loss reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the joint venture, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company's share of profit or loss of a joint venture is shown on the face of the statement of comprehensive loss outside operating profit and represents profit or loss after tax and non-controlling interests in the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

3.4 Mineral exploration, evaluation and development expenditures

All direct costs related to the acquisition of exploration rights are capitalized on a property-by-property basis. The Company assesses the carrying costs for impairment when indicators of impairment exist. Exploration and

evaluation expenditures are charged to operations incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and evaluation costs and the costs incurred to develop a property are capitalized into mineral properties. On the commencement of commercial production, depletion of each mineral property will be provided on a unit-of-production basis using estimated reserves as the depletion base.

3.5 Mineral property option agreements

When the Company acts as the farmee in a farm-in mineral property option agreement, the direct costs to enter into the agreement are capitalized to exploration and evaluation assets. All exploration and evaluation expenditures incurred by the Company in fulfilling the terms of the agreement are expensed as incurred, until such time as the option is exercised or lapses.

When the Company acts as the farmor in an agreement, it does not record any expenditures made by the farmee. It does not recognize any gain or loss on its exploration and evaluation farm out mineral property option agreements, and instead records any proceeds received as a credit to the amounts previously capitalized as mineral property acquisition costs. Any amounts received in excess of amounts capitalized are taken as a gain to the consolidated statement of comprehensive loss.

3.6 Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences, at the end of each reporting period, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where 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.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in

the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.7 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 profit and loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost using the effective interest method less any allowance for impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. The Company has classified other receivables as loans and receivables.

A financial asset is classified as available-for-sale when: (i) it is not classified as held to maturity, loans and receivables or as at FVTPL; or (ii) it is designated as available-for-sale on initial recognition. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary or a significant or prolonged decline in the fair value of that investment below its cost.

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.

The Company has not designated any financial assets, upon initial recognition, as at fair value through profit or loss.

3.8 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 method. The effective interest 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 exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company has classified accounts payables and accrued liabilities, due to related parties and current and long-term obligations 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 unless they are designated as effective hedging instruments. Transaction costs on financial liabilities classified as FVTPL are expensed as incurred. Fair value changes on financial liabilities classified as FVTPL are recognized through the consolidated statement of comprehensive loss.

At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognized directly in profit or loss in the period in which they arise. The net gain or loss recognized in profit or loss excludes any interest paid on the financial liabilities.

The Company has not designated any financial liabilities, upon initial recognition, as at fair value through profit or loss.

3.9 Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the

consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.12 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date are determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 15.

3.13 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of comprehensive loss.

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

3.14 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some

or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation will be incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/ construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

3.15 Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property and equipment, when those obligations result from the acquisition, construction, development or normal operation of the asset. Rehabilitation provisions are measured at the present value of the expected expenditures required to settle the obligation using a discount rate reflecting the time value of money and risks specific to the liability. Upon initial recognition of the liability, the present value of the estimated cost is capitalized by increasing the carrying amount of the related assets. Over time, the discounted liability is increased based on the unwind of the discount rate. The periodic unwinding of the discount is recognized in profit or loss as a finance cost.

3.16 Cash

Cash is comprised of cash at banks and on hand.

3.17 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.18 Net loss per share

Basic net loss per share includes no potential dilution and is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period.

The basic and diluted net loss per share are the same as there are no instruments that have a dilutive effect on earnings.

3.19 Property and equipment

Property and equipment are recorded at cost and are depreciated using the straight-line method over their estimated useful lives. Property and equipment are depreciated over an estimated useful life ranging from two to ten years.

When an item of property and equipment has different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of comprehensive loss as incurred.

Depreciation methods and useful lives are reviewed at each reporting date and adjusted as required.

3.20 Leases

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

3.21 Share-based payment

The Company grants share options to certain directors, employees, and consultants of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value of share-based awards.

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes, provides services that could be provided by a direct employee, or has authority and responsibility for planning, directing and controlling the activities of the Company, including non-executive directors. The fair value is measured at grant date and recognized over the period during which the options vest.

For consultants, the fair value of the award is recorded in income over the term of the service provided, and the fair value of the unvested amounts are revalued at each reporting period over the service period.

Consideration received on the exercise of share options is recorded as issued capital and the related share-based compensation reserve is transferred to issued capital.

3.22 Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, income and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3.2 – determination of functional currency; and
- Note 6 – classification of joint arrangement.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended November 30, 2015 is included in the following notes:

- Note 5 – impairment testing: key assumptions underlying the recoverable amounts;
- Note 5 – recognition and measurement of rehabilitation provisions: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 11 – recognition and measurement of provisions and contingencies;
- Note 13 – valuation input and forfeiture rates used in calculation of share-based compensation; and
- Note 16 – recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.

3.23 Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new accounting standards that the Company adopted effective December 1, 2014.

Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities

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 this amendment did not have a material impact on the consolidated financial statements.

Amendment to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial 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 this amendment did not have a material impact on the consolidated financial statements.

Amendment to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

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 this amendment did not have an impact on the consolidated financial statements as the Company does not currently engage in any hedging activity.

IFRIC 21 Levies

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The adoption of this standard did not have a material impact on the consolidated financial statements.

Annual Improvements 2010-2012 Cycle

These improvements are effective from July 1, 2014. The Company has applied these improvements for these consolidated financial statements.

IFRS 2 Share-based Payments

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- a performance condition must contain a service condition;

- a performance target must be met while the counterparty is rendering service;
- a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group;
- a performance condition may be a market or non-market condition; and
- if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

3.24 Standards issued but not yet effective

At the date of approval of the consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective. The standards, amendments and interpretations issued, which the Company reasonably expects to be applicable at a future date, are listed below. The Company intends to adopt those standards, amendments and interpretations when they become effective. The Company expects no material impact from the adoption of these standards, amendments and interpretations on its financial position or performance.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not

compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 Leases

In January 2016, the IASB published a news standard, IFRS 16. The new standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the least term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 18 and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted.

Amendments to IAS 1 – Disclosure Initiative

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.

BRAZIL RESOURCES INC

4. Property and Equipment

	Camp Structures ($)	Computer Equipment ($)	Exploration Equipment ($)	Furniture and Fixtures ($)	Leasehold Improvement ($)	Vehicles ($)	Total ($)
Cost							
Balance at November 30, 2013	-	88,402	52,451	56,247	1,447	28,802	227,349
Disposals	-	(417)	-	(800)	-	-	(1,217)
Balance at November 30, 2014	-	87,985	52,451	55,447	1,447	28,802	226,132
Additions	572,032	1,635	201,600	1,127	-	295,500	1,071,894
Balance at November 30, 2015	572,032	89,620	254,051	56,574	1,447	324,302	1,298,026
Accumulated Depreciation							
Balance at November 30, 2013	-	42,924	6,941	13,036	1,447	5,083	69,431
Depreciation	-	29,779	12,407	13,630	-	6,696	62,512
Balance at November 30, 2014	-	72,703	19,348	26,666	1,447	11,779	131,943
Depreciation	28,073	14,704	25,846	13,468	-	26,396	108,487
Balance at November 30, 2015	28,073	87,407	45,194	40,134	1,447	38,175	240,430
Net Book Value							
At November 30, 2014	-	15,282	33,103	28,781	-	17,023	94,189
At November 30, 2015	543,959	2,213	208,857	16,440	-	286,127	1,057,596

5. Exploration and Evaluation Assets

	For the year ended November 30, 2015 ($)	2014 ($)
Balance at the beginning of year	23,221,268	23,807,802
Mineral properties acquired	1,001,554	129,971
Mineral property option payment	13,778	38,577
	24,236,600	23,976,350
Foreign currency translation adjustments	(5,259,798)	(494,835)
Write-off of exploration and evaluation assets	(262,152)	(260,247)
Balance at the end of year	18,714,650	23,221,268

During the year ended November 30, 2015, the Company abandoned a mineral property located in Paraguay with acquisition costs of $28,147 and two mineral properties located in Brazil with acquisition costs of $234,005. As a result, a write-off of exploration and evaluation assets of $262,152 (2014: $260,247) was recorded in the consolidated statement of comprehensive loss of the Company.

Exploration and evaluation assets on a project basis are as follows:

	November 30, 2015 ($)	November 30, 2014 ($)
Cachoeira	8,028,300	10,400,999
São Jorge	6,782,190	8,811,545
Surubim	2,350,330	3,038,045
Whistler	979,225	-
Batistão	304,692	395,861
Montes Áureos and Trinta	232,279	301,782
Rea	27,678	27,678
Other Exploration and Evaluation Assets	9,956	245,358
Total	18,714,650	23,221,268

The Company's exploration and evaluation assets are detailed below:

Cachoeira

On September 24, 2012 (the "Cachoeira Closing Date"), the Company acquired a 100% interest in the Cachoeira gold project in Pará State, Brazil (the "Cachoeira Project") from Luna Gold Corp. ("Luna"). The transaction was completed under the terms of a share purchase agreement dated July 10, 2012 between Brazil Resources and Luna, as amended effective September 24, 2013 (the "Cachoeira Agreement"), pursuant to which Brazil Resources acquired all of the issued and outstanding shares of BRI International Corp. (formerly Luna Gold (International) Corp.).

The Company paid $500,000 cash and issued 1,428,000 BRI Shares (with fair value of $1,685,040) to Luna at the Cachoeira Closing Date (the "1st Payment"). On September 23, 2013, the Company issued additional 1,214,000 BRI Shares (with fair value of $1,432,520) to Luna (the "2nd Payment"). On January 10, 2014, the Company paid $306,000 cash, including interest, to Luna (the "3rd Payment"). Pursuant to the Cachoeira Agreement (as amended), the following additional cash and share payments are to be made by the Company to Luna:

- $300,000 cash and 1,214,000 BRI Shares within 30 days of receipt of approval of a mine development plan by the Brazilian National Department of Mining Production ("DNPM") and the environmental preliminary licenses for a gold mining operation relating to the Cachoeira Project (the "4th Payment");
- $2,500,000, payable in cash or BRI Shares, at the Company's sole discretion, upon commencing mine construction at the Cachoeira Project, consisting of completion of $500,000 of expenditures towards such construction (the "5th Payment"); and
- $3,000,000, payable in cash or BRI Shares, at the Company's sole discretion, one year after achieving commercial production at the Cachoeira Project (the "6th Payment").

Notwithstanding the foregoing milestones, all of the payments from the Company to Luna will become due and payable on September 24, 2016. These obligations are secured by, among other things, a promissory note issued by the Company and a pledge of the shares of the subsidiaries of the Company that hold the Cachoeira Project. Any discretionary share-based payments will be valued based on the volume weighted average trading price of the BRI Shares for the 10 days prior to such payment.

In addition, the Cachoeira Project is subject to a 4.0% net smelter return royalty payable to third parties by the Company's subsidiary on future production. A minimum payment of US$300,000 per year in lieu of the royalty is payable in the event that production was not achieved by October 3, 2014. The Company has not made such payment for the year ended November 30, 2015 and is currently negotiating with the parties to defer the payment

until all permits and licenses have been received and production is achieved. While the royalty holders previously granted similar extensions to the prior operator, there can be no assurance that the Company will be able to obtain the same on acceptable terms or at all.

Pursuant to the mining licenses underlying the Cachoeira Project, the Company was required to commence mining operations at the property by April 2014. Prior to this date, the Company submitted an application to the DNPM requesting an extension of two years. While the DNPM previously provided extensions to the prior operators of the Cachoeira Project, there can be no assurance that such extension will be granted in this case. The Company believes that work conducted to date will provide sufficient support in order for the DNPM to grant the extension.

São Jorge

On November 22, 2013, the Company acquired all of the issued and outstanding shares of Brazilian Gold Corporation ("BGC") under the terms of an arrangement agreement (the "BGC Arrangement") dated September 29, 2013 between Brazil Resources and BGC.

On June 14, 2010, BGC signed an Option Agreement (the "São Jorge Agreement") to acquire a 100% interest in the São Jorge gold project (the "São Jorge Project") from Talon Metals Corp. ("Talon"). BGC completed all the required payments under the terms of the São Jorge Agreement. On November 22, 2013, Brazil Resources acquired a 100% interest in the São Jorge Project pursuant to the BGC Arrangement.

Under the terms of the São Jorge Agreement, Talon was granted a 1.0% net smelter return royalty from production on any of the eleven exploration concessions. On August 17, 2015, Talon sold its 1.0% net smelter return royalty to Orion Mine Finance ("Orion"). A net smelter return royalty to the original title holders of 1.0% of the proven mineable reserves as demonstrated by a feasibility study relating to the São Jorge deposit (no reserves have been defined) on certain concessions is payable and can be purchased by the Company for US$2,500,000. Additionally, there is a 2.0% net smelter royalty on certain other concessions due to the original title holders, of which 1.5% of the 2.0% net smelter return royalty can be purchased by the Company for US$500,000.

The current São Jorge deposit location has a net smelter return royalty of 1.5% comprising of 1.0% to Orion and 0.5% to the surface rights owner. The surface rights owner's royalty can be purchased for US$750,000.

Surubim

On November 22, 2013, the Company acquired a 100% interest in the Surubim gold project pursuant to the BGC Arrangement. The Surubim gold project is comprised of exploration concessions acquired directly as well as option agreements on two properties, as outlined below.

Jarbas Agreement

BGC entered into an option agreement on February 11, 2010, as amended January 16, 2011 and March 23, 2015 (the "Jarbas Agreement"), pursuant to which BGC had the option to acquire a certain exploration license by paying R$3,900,000 in six annual installments, until December 17, 2015. BGC paid R$800,000 before the BGC Arrangement. The Company paid R$80,000 pursuant to the terms of the amended Jarbas Agreement dated March 14, 2014 during the year ended November 30, 2014. In an amendment dated March 23, 2015, the Company renegotiated the terms of the Jarbas Agreement, whereby the Company will now make the following option payments:

- a cash payment of R$35,000 upon execution of the March 2015 amendment to the Jarbas Agreement (paid);
- a cash payment of R$50,000 in March 2016;
- a cash payment of R$50,000 in March 2017; and
- a cash payment of R$3,000,000 in March 2018.

The Company also agreed to fund the costs, up to R$20,000, for the optionor under the Jarbas Agreement to apply for a Permissão de Lavra Garimpeira or PLG which is a permit for independent artisanal and small scale mining over a limited area of the mineral rights subject to the Jarbas Agreement to be determined by the parties.

Additionally, a 1.3% net smelter return royalty is due upon commercial production from any ores extracted from a certain concession. Fifty percent of the net smelter return royalty can be purchased by the Company for US$1,500,000 within 12 months of the DNPM granting a mining concession. A bonus royalty is due based on the in-situ reserve ounces as outlined in a feasibility study completed to Australian Joint Ore Reserves Committee or Canadian National Instrument 43-101 ("NI 43-101") standards. The bonus royalty consists of (i) US$0.50 per reserve ounce for reserves that are less than 1,000,000 ounces of gold; (ii) US$0.75 per reserve ounce for reserves measuring between 1,000,000 to 2,000,000 ounces of gold; and (iii) US$1.00 per reserve ounce for reserves exceeding 2,000,000 ounces of gold.

Altoro Agreement

BGC entered into an option agreement (the "Altoro Agreement") with Altoro Mineração Ltda. ("Altoro") on November 5, 2010, as amended on December 3, 2010, December 14, 2012 and August 5, 2015 to acquire certain exploration licenses for aggregate consideration of US$850,000 to Altoro. BGC paid US$150,000 before the BGC Arrangement. Pursuant to the Altoro Agreement, the following option payments are to be made by the Company to Altoro:

- a cash payment of US$100,000 before December 14, 2013 (paid);
- a cash payment of US$650,000 upon the DNPM granting a mining concession over the exploration permit.

In addition to the above optional cash payments, Altoro holds a 1.5% net smelter return royalty on any gold produced from certain concessions. Once the gold production has reached 2,000,000 ounces, the royalty increases an additional 0.5% to 2.0%. The Company can purchase the 0.5% royalty at any time for US$1,000,000.

At the reporting date, two non-core gold exploration concessions for the Surubim gold project are under appeal for extension and await a decision by the DNPM.

Whistler

On August 5, 2015 (the "Whistler Closing Date"), the Company acquired a 100% interest in the Whistler gold-copper project (the "Whistler Project") and certain related assets in south-central Alaska from Kiska Metals Corporation ("Kiska"). The Whistler Project includes 304 Alaska State Mineral Claims, a 50-person all season exploration camp, airstrip and assorted equipment. The transaction was completed under the terms of an asset purchase agreement dated July 20, 2015 between Brazil Resources and Kiska (the "Whistler Agreement").

Pursuant to the Whistler Agreement, the Company issued 3.5 million BRI Shares, which are subject to escrow provisions and released as follows:

- 875,000 BRI Shares 5 months following the Whistler Closing Date;
- 875,000 BRI Shares 10 months following the Whistler Closing Date;
- 875,000 BRI Shares 15 months following the Whistler Closing Date; and
- 875,000 BRI Shares 20 months following the Whistler Closing Date.

In addition, the Whistler Project is covered by an aggregate 2.75% net smelter royalty, held entirely by a private equity fund and a 2% net profits interest, held by Teck Resources Limited. The aggregate net smelter royalty is subject to a buy down provision whereby the Company can reduce the net smelter royalty to 2% upon payment of US$5,000,000 on or before the due date of the first royalty payment.

The Whistler Project's exploration activities are subject to the State of Alaska's laws and regulations governing the protection of the environment. The rehabilitation provision is valued under the following assumptions:

	August 5, 2015
Undiscounted amount of estimated cash flows (US$)	235,000
Life expectancy (years)	10
Inflation rate	2.00%
Discount rate	2.27%

The following table summarizes the movements in the rehabilitation provision:

	November 30, 2015 ($)	November 30, 2014 ($)
Balance at the beginning of year	-	-
Provision	301,832	-
Accretion	2,189	-
Change in estimate	-	-
Foreign currency translation adjustments	3,907	-
Balance at the end of year	307,928	-

The Company has determined that these transactions are related and together (the "Whistler Acquisition") represents an asset acquisition with the Company identified as the acquirer.

The tables below present the purchase cost and the allocation of the purchase price with respect to the valuation of individual asset groups and determination of tax values of the assets and liabilities acquired. For the purpose of these consolidated financial statements, the purchase consideration has been allocated to the fair value of assets acquired and liabilities assumed, based on management's best estimates and all available information at the time of the Whistler Acquisition.

The BRI Shares have been valued at $0.46 per share, the closing BRI Shares price as traded on the date of the Whistler Agreement.

	Purchase Price Consideration ($)
3,500,000 BRI Shares	1,610,000
Transaction costs	124,425
Total	1,734,425

	Purchase Price Allocation ($)
Property and equipment	1,069,132
Exploration and evaluation assets	967,125
Rehabilitation provisions	(301,832)
Net assets acquired	1,734,425

The Company has also entered into a management services agreement with Kiska (the "Kiska Management Services Agreement"), pursuant to which Kiska will provide certain ongoing support and maintenance services in respect of the Whistler Project for a fee of $10,000 per month for a period of 15 months following the Whistler Closing Date.

Batistão

On November 22, 2013, the Company acquired a 100% interest in the Batistão gold project located in Goias State, Brazil pursuant to the BGC Arrangement. The Company is required to file an Economic Assessment Plan and the Preliminary Environmental License, together with the Mining Concession Application by January 2016. The Company has requested an extension of one year to submit the Mining Concession Application, due to the current market conditions and gold price, which has deteriorated since the Final Exploration Report was submitted to DNPM in 2013. There are no assurances that DNPM will accept the Company's request for an extension.

Montes Áureos and Trinta

On September 30, 2010, the Company entered into an agreement with Apoio Engenharia e Mineração (the "Montes Áureos Agreement"). Pursuant to the Montes Áureos Agreement, the Company has the option to acquire an initial 51% undivided interest in the Montes Áureos Project over a three year period, from September 30, 2010 to September 30, 2013, (the "Initial Option"). On June 20, 2011, the Company amended the terms of the Montes Áureos Agreement by adding the option to acquire Trinta Project for no additional consideration. The Trinta property is subject to the same option terms stipulated in the Montes Áureos Agreement.

The Montes Áureos Project is located within the Gurupi gold belt, a gold-producing area in the Pará and Maranhão states in north-eastern Brazil, comprised of a 4,942 acre exploration license. The 23,643 acre Trinta Project is located approximately 3 kilometers northeast of the Montes Áureos Project.

The Initial Option payments are as follows:

(1) a cash payment of US$25,000 within seven calendar days of September 30, 2010 (paid);

(2) share issuances of 325,000 BRI Shares in the following manner:
  (a) 125,000 BRI Shares on or before September 30, 2011 (issued with fair value of $142,500);
  (b) 100,000 additional BRI Shares on or before September 30, 2012 (issued with fair value of $104,000); and
  (c) 100,000 additional BRI Shares on or before September 30, 2013 (issued with fair value of $80,000);

(3) incur exploration expenditures totalling US$1,750,000 in the following manner:
  (a) US$250,000 of the expenditures on or before September 30, 2011 (incurred);
  (b) US$500,000 of additional expenditures on or before September 30, 2012 (incurred); and
  (c) US$1,000,000 of additional expenditures on or before September 30, 2013 (incurred); and

(4) make all necessary payments in order to keep the Montes Áureos and Trinta projects in good standing during the term of the Montes Áureos Agreement.

The Company had the option (the "Second Option") to earn an additional undivided 46% interest in the Montes Áureos and Trinta Projects over a two year period, from September 30, 2013 to September 30, 2015. The Second Option has expired and the Company does not anticipate earning any further interest at this time.

Rea

On November 22, 2013, the Company acquired a 75% interest in the Rea uranium project located in northeastern Alberta, Canada pursuant to the BGC Arrangement. The Rea Project consists of 15 contiguous exploration permits, which cover an area of 116,112 hectares in the western part of the Athabasca Basin. On March 9, 2015, the Company received an extension of the 6th period assessment expenditures to October 11, 2016, which was due

February 11, 2016 and an extension of the 7th period to February 11, 2019, from the Alberta government. The total assessment work now due on October 11, 2016 totals $2,681,531, assuming the total permit area of 116,112 hectares is retained. Environmental permits to conduct an exploration program have been received from the Alberta government and are valid until October 11, 2016.

Exploration expenses on a project basis were as follows for the periods indicated:

	For the year ended		For the period from incorporation, September 9, 2009, to
	November 30, 2015 ($)	November 30, 2014 ($)	November 30, 2015 ($)
Cachoeira	711,658	1,332,844	4,378,249
São Jorge	188,382	198,850	389,479
Surubim	60,782	139,510	200,292
Whistler	298,494	-	298,494
Batistão	6,449	24,453	30,902
Montes Áureos and Trinta	-	8,037	1,817,908
Rea	27,085	137,119	164,204
Other Exploration Expenses	35,291	71,777	1,526,724
Total	1,328,141	1,912,590	8,806,252

6. Investment in Joint Venture

As at November 30, 2015, the Company holds an 84.05% interest in Boa Vista Gold Inc. ("BVG") pursuant to the BGC Arrangement. BVG, a corporation formed under the laws of British Virgin Islands, holds the rights to the Boa Vista Gold Project (the "Boa Vista Project").

The Company accounts for its investment in BVG using the equity method since the Company shares joint control over the strategic, financial, permitting, development and operating decisions with Octa Mineração Ltda ("Octa"), who holds a 15.95% interest in BVG.

The following table summarises the financial information of BVG as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount for the Company's interest in BVG.

	2015 ($)	2014 ($)
Current assets	77,685	30,915
Non-current assets	2,050,924	2,032,604
	2,128,609	2,063,519
Current liabilities	(11,495)	(13,544)
Non-current liabilities	-	-
Net assets	2,117,114	2,049,975
Ownership interest	84.05%	84.05%
Carrying amount of the investment	1,779,434	1,723,004
Foreign currency translation adjustments	(429,000)	-
Balance at the end of year	1,350,434	1,723,004

	2015 ($)	2014 ($)
Revenue	-	-
Expense	147,547	150,221
Net loss and total comprehensive loss	147,547	150,221
Equity in losses of BVG	124,013	126,261

On April 26, 2013, BGC signed a Share Exchange Agreement with D'Gold Mineral Ltda. ("D'Gold") to acquire D'Gold's remaining 13.05% interest in BVG. In consideration for D'Gold's 13.05% interest. BGC agreed to issue an aggregate of 1,500,000 BGC common shares over 18 months. At the closing date of BGC Arrangement, BGC had a remaining share issuance obligation of 1,125,000 BGC common shares to D'Gold. Pursuant to the BGC Arrangement, the Company assumed BGC's share issuance obligation at a ratio of 0.172 BRI Share per BGC common share for a total aggregate share issuance obligation of 193,500 BRI Shares. As a result of these share issuances, the Company's interest in BVG increased to 84.05%.

Subsequent to the BGC Acquisition closing date of November 22, 2013, 64,500 BRI Shares were issued to D'Gold with fair value of $46,440. The Company is required to issue additional shares as follows:

- 64,500 BRI Shares on or before May 23, 2014 (issued with fair value of $46,440); and
- 64,500 BRI Shares on or before November 23, 2014 (issued with fair value of $46,440).

Pursuant to the terms of a shareholders agreement among BGC, D'Gold and Octa dated January 21, 2010, as amended on May 25, 2011, June 24, 2011 and November 15, 2011, a 1.5% net smelter return royalty is payable to D'Gold and a further 1.5% net smelter return royalty is payable to Octa if its holdings in BVG drop below 10%. The Company can purchase each 1.5% net smelter return royalty for US$2,000,000.

In addition, pursuant to the terms of a surface rights agreement ("Boa Vista Surface Rights Agreement") dated March 2008, as amended May 2010 and June 2013, BGC was required to make cash payments in installments totalling R$4,400,000 in consideration for the acquisition. BGC paid R$80,000 before the BGC Arrangement. The Company paid R$160,000 during the year ended November 30, 2014. In March 2015, the Company and the surface rights holder agreed to amend the terms of the Boa Vista Surface Rights Agreement, and following the amendment, BVG will now make the remaining cash payments in the aggregate amount of R$3,740,000 as follows in order to retain the surface rights to the property:

- a cash payment of R$80,000 due on March 20, 2015 (paid);
- a cash payment of R$40,000 due on September 20, 2015 (paid);
- a cash payment of R$40,000 due on March 20, 2016;
- a cash payment of R$40,000 due on September 20, 2016;
- a cash payment of R$40,000 due on March 20, 2017;
- a cash payment of R$40,000 due on September 20, 2017;
- a cash payment of R$40,000 due on March 20, 2018; and
- a cash payment of R$3,420,000 due on September 20, 2018.

7. Cash

	November 30, 2015 ($)	November 30, 2014 ($)
Cash consists of:		
Cash at bank and on hand	1,445,056	798,512
Total	1,445,056	798,512

8. Other Receivables

	November 30, 2015 ($)	November 30, 2014 ($)
Goods and service and sales tax receivable	65,217	58,077
Other receivables	1,838	3,169
Total	67,055	61,246

9. Available-for-Sale Securities

Available-for-sale securities are recorded at fair value based on quoted market prices, with unrealized gains or losses excluded from earnings and reported as other comprehensive income or loss. During the year ended November 30, 2015, the Company recorded an unrealized loss of $10,000 (2014: unrealized loss of $5,000) in other comprehensive loss relating to available-for-sale securities.

The available-for-sale securities include 1,000,000 shares in Pure Nickel Inc. acquired in the BGC Arrangement with fair value of $5,000 at November 30, 2015 (2014: $15,000).

10. Accounts Payable and Accrued Liabilities

	November 30, 2015 ($)	November 30, 2014 ($)
Trade payables[(1)]	1,312,972	952,526
Accrued liabilities	76,112	85,213
Payroll and withholding tax	50,776	69,913
Total	1,439,860	1,107,652

(1) Trade payables include $244,009 due to certain key management personnel for the reimbursement of annual land fees for the Whistler Project incurred on behalf of the Company in November 2015. The Company settled this amount in December 2015.

11. Provisions

In 2012, eighteen employees of RAC Treinamento Ltda. ("RAC") filed labour lawsuits in Brazil to claim unpaid wages and benefits during a period which they were employed by RAC. RAC performed drilling services for BGC's wholly owned subsidiary Mineração Regent Brasil Ltda. ("Regent") from January 27, 2011 to June 27, 2011. According to Brazilian labor law, if RAC fails to pay the amounts awarded by the Court's final decision, Regent is required to assume the liability. Since RAC is insolvent and not attending court hearings, Regent is required to pay the awarded amounts, despite the fact that Regent is in compliance with Brazilian labour laws.

At November 30, 2014, the provision recorded was $337,055 according to settlements with the plaintiffs which occurred in November 2014. At November 30, 2015, the provision was decreased from $337,055 to $nil after the Company paid $337,055 to the plaintiffs during the year ended November 30, 2015, in accordance with the plaintiffs' settlement agreements. After full payment to the plaintiffs, Regent has the right of recourse against RAC. The Company has not determined if it will pursue the right of recourse at this time.

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12. Long-Term Obligations

All long-term obligations under the Cachoeira Agreement have been reflected as at November 30, 2015. The cash payments due have been discounted using an interest rate of 10%.

	November 30, 2015 ($)	November 30, 2014 ($)
Stated value as at Cachoeira Closing Date	600,000	600,000
Cash payment	(300,000)	(300,000)
Discount	(22,532)	(47,756)
	277,468	252,244
Less: current portion	(277,468)	-
Net present value	-	252,244

13. Share Capital

13.1 Authorized

The authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

13.2 Private Placement

On January 5 and January 6, 2015, the Company completed a non-brokered private placement (the "2015 Private Placement") of 7,399,870 units of the Company (each, a "Unit") at $0.55 per Unit for aggregate gross proceeds of $4,069,928, with each Unit consisting of one BRI Share and one share purchase warrant (each a "BRI Warrant") which is non-transferrable. Each BRI Warrant entitles the holder thereof to purchase one BRI Share at an exercise price of $0.75 at any time within 60 months from the closing date.

On January 26, 2015, the Company raised an additional $387,000 pursuant to further subscriptions under the 2015 Private Placement and issued a further 703,636 Units. The additional subscriptions brought the total aggregate gross proceeds of the 2015 Private Placement to $4,456,928 and resulted in an aggregate of 8,103,506 Units issued.

In connection with the 2015 Private Placement, the Company paid cash commissions equal to 7% on a portion of the gross proceeds raised from the sale of the Units to certain arm's length parties in the aggregate amount of $132,917, in accordance with the policies of the TSX-V. Other share issuance costs totaled $47,923.

The BRI Shares are valued based on the Company's closing price of $0.55 at January 5, 2015, $0.55 at January 6, 2015 and $0.54 at January 26, 2015, and the BRI Warrants are valued using the Black-Scholes option pricing model under the following assumptions:

	January 5, 2015
Risk-free interest rate	1.27%
Expected life (years)	5.00
Expected volatility	95.16%
Expected dividend yield	0.00%

	January 6, 2015
Risk-free interest rate	1.21%
Expected life (years)	5.00
Expected volatility	95.26%
Expected dividend yield	0.00%

	January 26, 2015
Risk-free interest rate	0.79%
Expected life (years)	5.00
Expected volatility	95.30%
Expected dividend yield	0.00%

The fair value of BRI Shares and BRI Warrants are allocated to the net proceeds from the 2015 Private Placement. The relative fair value of the BRI Shares and BRI Warrants calculated from the allocation is as below:

	Amount ($)
Fair value of BRI Shares	4,449,892
Fair value of BRI Warrants	3,006,528
Total fair value before allocation to net proceeds	7,456,420
Gross proceeds	4,456,928
Share issuance costs	(107,902)
Warrant issuance costs	(72,938)
Net proceeds received	4,276,088
Relative fair value allocation to:	
BRI Shares	2,551,905
BRI Warrants	1,724,183
	4,276,088

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13.3 Issued Capital

	Number of Shares	Amount ($)
Balance at November 30, 2013	60,528,829	30,175,354
Private Placement @ $0.55 per Unit	11,650,620	4,027,305
Share issuance costs	-	(190,371)
Warrant issuance costs	-	(121,990)
Issued on exercise of share options	12,500	13,750
Issued pursuant to the BGC Arrangement	308,474	222,101
Balance at November 30, 2014	72,500,423	34,126,149
Private Placement @ $0.55 per Unit	8,103,506	2,732,745
Share issuance costs	-	(107,902)
Warrant issuance costs	-	(72,938)
Issued pursuant to the BGC Arrangement	64,500	46,440
Issued pursuant to the Whistler Agreement	3,500,000	1,610,000
Balance at November 30, 2015	84,168,429	38,334,494

13.4 Share Issuance Obligations

	Share Issuance Obligations ($)
Balance at November 30, 2013	7,201,061
Issued pursuant to the BGC Arrangement deferred compensation and directors fees	(175,661)
Issued pursuant to the BGC Arrangement D'Gold	(46,440)
Balance at November 30, 2014	6,978,960
Issued pursuant to the BGC Arrangement D'Gold	(46,440)
Balance at November 30, 2015	6,932,520

Share issuance obligations consist of:

	November 30, 2015 ($)	November 30, 2014 ($)
Cachoeira Agreement 4th Payment	1,432,520	1,432,520
Cachoeira Agreement 5th Payment	2,500,000	2,500,000
Cachoeira Agreement 6th Payment	3,000,000	3,000,000
BGC Arrangement D'Gold	-	46,440
	6,932,520	6,978,960

13.5 Reserves

	Share Options ($)	BRI Warrants ($)	Total ($)
Balance at November 30, 2013	1,191,336	-	1,191,336
Issuance of BRI Warrants	-	2,380,536	2,380,536
Share-based compensation	(2,112)	-	(2,112)
Balance at November 30, 2014	1,189,224	2,380,536	3,569,760
Issuance of BRI Warrants	-	1,724,183	1,724,183
Share-based compensation	496,324	-	496,324
Balance at November 30, 2015	1,685,548	4,104,719	5,790,267

13.6 Warrants

	Number of BRI Warrants	Weighted Average Exercise Price ($)
Balance at November 30, 2013	-	-
Granted	11,650,620	0.75
Balance at November 30, 2014	11,650,620	0.75
Granted	8,103,506	0.75
Balance at November 30, 2015	19,754,126	0.75

13.7 Share Options

The Company's share option plan (the "Option Plan") was approved by the Board of Directors of the Company (the "Board") on January 28, 2011. Pursuant to the terms of the Option Plan, the Board may designate directors, senior officers, employees and consultants of the Company eligible to receive incentive share options (the "Options") to acquire such numbers of BRI Shares as the Board may determine, each Option so granted being for a term specified by the Board up to a maximum of five years from the date of grant. The options vest in accordance with the vesting schedule during the optionee's continual service with the Company. There are no cash settlement alternatives. The maximum number of BRI Shares reserved for issuance for Options granted under the Option Plan at any time is 10% of the issued and outstanding BRI Shares in the capital of the Company. The Option Plan was affirmed, ratified and approved by the Company's shareholders in accordance with its term at the Annual General Meeting held on November 25, 2015.

The changes in the Options during the years ended November 30, 2015 and 2014 were as follows:

	Number of Options	Weighted Average Exercise Price ($)
Balance at November 30, 2013	1,905,000	1.22
Exercised	(12,500)	1.10
Expired/Forfeited	(112,500)	1.01
Balance at November 30, 2014	1,780,000	1.24
Granted	1,410,000	0.71
Expired/Forfeited	(150,000)	1.20
Balance at November 30, 2015	3,040,000	0.99

The weighted average fair value of Options granted during Fiscal Year 2015 was $0.43 (2014: $nil), and are valid for a period of five years. 342,500 Options vested immediately, with the balance vesting over an 18-month period.

The fair value of Options granted was estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	November 30, 2015	November 30, 2014
Risk-free interest rate	0.52%	-
Expected life (years)	2.87	-
Expected volatility	112.25%	-
Expected dividend yield	0.00%	-
Estimated forfeiture rate	6.55%	-

A summary of Options outstanding and exercisable at November 30, 2015:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number of Options Outstanding	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Options Exercisable	Weighted Average Exercise Price ($)	Weight Average Remaining Contractual Life (years)
$0.71 to $0.87	1,410,000	0.71	4.19	705,000	0.71	4.19
$0.88 to $1.15	65,000	1.06	2.16	65,000	1.06	2.16
$1.16 to $1.25	1,115,000	1.20	0.86	1,115,000	1.20	0.86
$1.26 to $1.40	300,000	1.30	0.64	300,000	1.30	0.64
$1.41 to $1.50	150,000	1.50	1.19	150,000	1.50	1.19
	3,040,000	0.99	2.42	2,335,000	1.08	1.89

The fair value of the Options recognized as expense during the year ended November 30, 2015 was $496,324 (2014: ($2,112)) using the Black-Scholes option pricing model.

BRI Shares commenced trading on the TSX-V on May 16, 2011. Due to the short period of trading history, the expected volatility is based on the historical share price volatility of a group of comparable companies in the mining sector for a period similar to the expected life of the options.

14. Capital Risk Management

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

At November 30, 2015, the Company's capital structure consists of the equity of the Company (Note 13). The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends.

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15. Financial Instruments

The Company's financial assets include cash, other receivables and available-for-sale securities. The Company's financial liabilities include accounts payable and accrued liabilities, due to related parties and current and long-term obligations. The Company uses the following hierarchy for determining and disclosing fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs have a significant effect on the recorded fair value which are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table sets forth the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy. As at November 30, 2015, those financial assets and liabilities are classified in their entirety based on the level of input that is significant to the fair value measurement.

	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
Financial Assets				
Cash	1,445,056	-	-	1,445,056
Available-for-sale securities	5,000	-	-	5,000
Financial Liabilities				
Long-term obligations	-	277,468	-	277,468

The valuation techniques used to measure fair value are as follows:

- The fair value of available-for-sale securities is determined by obtaining the quoted market price of the available-for-sale security and multiplying it by the quantity of shares held by the Company.
- The fair value of the long-term obligation is determined by discounting the amounts payable using a market rate of interest for a similar instrument of an issuer with similar credit rating.

15.1 Financial risk management objectives and polices

The financial risk arising from the Company's operations are currency risk, credit risk, liquidity risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how the Company mitigates these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

15.2 Currency risk

The Company's operating expenses and acquisition costs are denominated in United States dollars, the Brazilian Real, the Paraguayan Guarani and Canadian dollars. The exposure to exchange rate fluctuations arises mainly on foreign currencies against the Company's functional currency, being the Canadian dollar. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure.

The Canadian dollar equivalents of the Company's foreign currency denominated monetary assets are as follows:

	As at November 30, 2015 ($)	As at November 30, 2014 ($)
Assets		
United States Dollar	35,900	13,170
Brazilian Real	74,069	204,462
Paraguayan Guarani	3,679	3,765
Total	113,648	221,397

The following table demonstrates the sensitivity to a 5% change in the exchange rate of the foreign currencies to Canadian dollar on the Company's foreign currency denominated financial instruments based on balances at November 30, 2015 and 2014.

	Effect on loss for the year ended November 30, 2015 Increase/(Decrease) ($)	Effect on loss for the year ended November 30, 2014 Increase/(Decrease) ($)
+5%	5,682	11,070
- 5%	(5,682)	(11,070)

15.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest bearing financial asset is cash, which bears interest at fixed or variable rates. The Company does not believe it is exposed to material interest rate risk related to this instrument. As such, the Company has not entered into any derivative instruments to manage interest rate fluctuations.

15.4 Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the Company's bank balances, the goods and service tax receivable ("GST"), the harmonized sales tax receivable ("HST") and refundable cash advances towards contemplated transactions.

The Company mitigates credit risk associated with its bank balance by only holding cash with large, reputable financial institutions.

When entering into property acquisition agreements, the Company uses industry standard agreements and at times initial payments or advances prior to closing of transactions are meant to be refundable in the event completion of a transaction is not attained. Furthermore, deposit amounts are kept to a minimum in order to mitigate any credit risk associated with a pending transaction.

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At November 30, 2015, the maximum exposure to credit risk for other receivables by geographic region was as follows:

	November 30, 2015 ($)	November 30, 2014 ($)
Canada	50,249	47,065
Brazil	7,706	9,931
Paraguay	9,100	4,250
Total	67,055	61,246

The GST and HST receivable includes amounts that have been accumulated to date in the Company. At November 30, 2015, $45,483 of the balance was GST and HST receivable due from the Canadian Government Taxation Authority.

15.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. To manage liquidity risk, the Company closely monitors its liquidity position and ensures it has adequate sources of funding to finance its projects and operations. The directors of the Company are of the opinion that, taking into account the Company's current cash reserves, its network of sophisticated and accredited investors from which to raise capital and the Company's ability to respond appropriately to negative market conditions, it has sufficient working capital for its present obligations for at least the next twelve months commencing from November 30, 2015. However, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of the financing will be favourable. The Company's working capital as at November 30, 2015 was ($127,197). On February 26 and March 11, 2016, the Company completed a non-brokered private placement (the "2016 Private Placement") for a total of $4.5 million (Note 20). The Company's other receivables, deposits, accounts payable and accrued liabilities, due to related parties and current portion of long-term obligations are expected to be realized or settled, respectively, within a one year period.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	November 30, 2015 ($)		November 30, 2014 ($)	
	Due within 1 year	2-5 years	Due within 1 year	2-5 years
Accounts payable and accrued liabilities	1,439,860	-	1,107,652	-
Due to related parties	3,633	-	24,518	-
Current portion of long-term obligations	277,468	-	-	-
Long-term obligations	-	-	-	252,244
Total	1,720,961	-	1,132,170	252,244

15.6 Commodity price risk

The Company's profitability is dependent on prices of the minerals it is able to realize. Mineral prices are affected by numerous factors such as interest rates, exchange rates, inflation or deflation and global and regional supply and demand. The Company currently has no mines in production and therefore has limited exposure to commodity price risk.

The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of precious metals and other commodities. The Company monitors commodity prices to help determine the appropriate course of action to be taken.

16. Income Tax

The Company had no assessable profit for the years ended November 30, 2015 and 2014. A reconciliation of the provision for income taxes computed at the combined Canadian federal and provincial statutory rate to the provision for income taxes as shown in the consolidated statement of comprehensive loss for the years ended November 30, 2015 and 2014 is as follows:

	For the year ended	
	November 30, 2015 ($)	November 30, 2014 ($)
Net loss for the year	4,215,507	5,049,042
Statutory rate	26.00%	26.00%
Recovery of income taxes at statutory rates	1,096,032	1,312,751
Non-deductible permanent differences	(670,370)	(643,329)
Change in benefits not recognized	(243,095)	(761,715)
Change in estimates	(85,315)	(5,523)
Prior-year true up	(132,600)	-
Other	35,348	97,816
Tax recovery for the year	-	-

The temporary differences for which deferred income tax assets are not recognized are as follows:

	As at November 30, 2015 ($)	As at November 30, 2014 ($)
Non-capital loss carry forward	9,909,413	8,446,521
Mineral properties	253,290	253,290
Fixed assets	31,968	23,681
Share issue costs	386,204	417,654
Cumulative eligible capital	199,200	143,510
Unrecognized deferred income tax assets	10,780,075	9,284,656

The deferred tax assets have not been recognized in the consolidated financial statements, as management does not consider it more likely than not those assets will be realized in the near future.

The Company has non-capital losses which may be carried-forward to reduce taxable income in future years. The non-capital losses in Canada will expire as follows:

	As at November 30, 2015 ($)	As at November 30, 2014 ($)
Year 2029	2,000	2,000
Year 2030	320,000	320,000
Year 2031	1,077,000	1,077,000
Year 2032	1,979,000	1,979,000
Year 2033	2,106,000	2,106,000
Year 2034	2,578,000	2,962,000
Year 2035	1,847,000	-
Total	9,909,000	8,446,000

17. Related Party Transactions

17.1 Related Party Transactions

During the year ended November 30, 2015, the Company entered into the following related party transactions:

- During the year ended November 30, 2015, the Company incurred $41,200 (2014: $40,000) in consulting fees for corporate development consulting services paid to a direct family member of a director. The fees paid were for business development services, including introducing the Company to various parties in the areas of project generation, corporate finance groups and potential strategic partners, and are within industry standards. As at November 30, 2015, $2,730 was payable to such related party (2014: $nil).

- During the year ended November 30, 2015, the Company incurred $5,070 (2014: $27,388) in general and administrative expenses related to website design, video production, website hosting services and marketing services paid to a company controlled by a direct family member of a director. As at November 30, 2015, $903 was payable to such related party (2014: $24,518).

Related party transactions are entered into based on normal market conditions at the amounts agreed to by the parties. As at November 30, 2015, the Company has not entered into any contracts or undertaken any commitment or obligation with any related parties other than as disclosed herein.

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17.2 Transactions with Key Management Personnel

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity and including directors' fees, for the years ended November 30, 2015 and 2014 comprised of:

	For the year ended November 30, 2015 ($)	November 30, 2014 ($)
Fees, salaries and benefits[(1)]	141,372	167,400
Share-based compensation	77,932	-
Total	219,304	167,400

(1) Total directors' fees, salaries and benefits of $727,532 disclosed on the consolidated statement of comprehensive loss for the year ended November 30, 2015 includes $108,000 and $33,372 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $317,759 in fees paid to the Company's president and directors, and $268,401 paid for employees' salaries and benefits. Total directors' fees, salaries and benefits of $742,909 disclosed on the consolidated statement of comprehensive loss for the year ended November 30, 2014 includes $135,000 and $32,400 paid to the Company's Chief Executive Officer and Chief Financial Officer, respectively, $222,500 in fees paid to the Company's directors, and $353,009 paid for employees' salaries and benefits.

Total compensation payable, including share-based compensation, to key members of management and directors in the year ended November 30, 2015 was $219,304 (2014: $167,400). Compensation is comprised entirely of employment and similar forms of remuneration. Management includes the Chief Executive Officer and Chief Financial Officer, who is also a director of the Company.

18. Segmented Information

The Company conducts its business as a single operating segment, being the acquisition, exploration and development of mineral properties. The Company operates in four principal geographical areas – Canada (country of domicile), Brazil, United States and Paraguay.

The Company's total assets, total liabilities and operating loss by geographical location are detailed below for the years ended November 30.

	Total assets		Total liabilities		Operating loss	
	2015 ($)	2014 ($)	2015 ($)	2014 ($)	2015 ($)	2014 ($)
Canada	1,496,452	887,710	788,925	877,628	2,220,901	2,658,438
Brazil	19,182,978	25,078,238	905,455	842,296	1,702,954	2,611,321
United States	1,995,966	-	331,077	-	364,367	-
Paraguay	41,048	56,863	3,432	1,545	55,112	28,770
	22,716,444	26,022,811	2,028,889	1,721,469	4,343,334	5,298,529

19. Commitments

In addition to the Cachoeira Agreement, Jarbas Agreement and Altoro Agreement (Note 5), as at November 30, 2015, the Company has entered into a consulting agreement, the Kiska Management Services Agreement and land owner surface rights agreements which require the Company to pay the following amounts for the following period:

	Amount ($)
2016	190,786
Total	190,786

The Company is renting or leasing various offices located in Canada and Brazil. Office lease agreements expire between January 2016 and March 2021. Future rental payments are as follows:

	Amount ($)
Due within 1 year	67,857
2 – 5 years	238,976
More than 5 years	20,183
Total	327,016

20. Subsequent Events

On February 1, 2016, the Company moved its head office and principal address of the Company to Suite 1830, 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada.

On February 26, 2016, the Company completed the initial tranche of the 2016 Private Placement for gross proceeds of $3,393,023, consisting of 7,540,050 BRI Shares at a subscription price of $0.45 per share. On March 11, 2016, the Company completed an additional $1,106,978 pursuant to further subscriptions under the 2016 Private Placement and issued a further 2,459,950 BRI Shares. Total gross proceeds received were $4,500,000 through the issuance of a total of 10,000,000 BRI shares. In connection with the 2016 Private Placement, the Company paid cash commissions equal to 6% on a portion of the gross proceeds to certain arm's length parties in the aggregate amount of $42,485, in accordance with the policies of the TSX-V.