

# **NEW NADINA EXPLORATIONS LIMITED**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the 1<sup>st</sup> quarter  
ended November 30, 2016 and 2015**

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

# New Nadina Explorations Limited TSX-V-NNA

**Box 130, 298 Greenwood Street**

**Greenwood BC V0H 1J0**

Phone (250) 445 2260, Fax (250) 445 2259

Email: nadina2005@shaw.ca

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## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of New Nadina Explorations Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and reflect management's best estimates and judgments based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the condensed consolidated interim financial statements prior to their submission to the Board of Directors for approval.

The accompanying condensed consolidated interim financial statements have not been reviewed by the Company's independent auditor.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian dollars)

	Note	November 30, 2016	August 31, 2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash		\$ 56,741	\$ 8,241
Receivables and prepaids		10,743	7,618
		<u>67,484</u>	<u>15,859</u>
<b>Reclamation deposits</b>	<b>4</b>	<b>87,500</b>	<b>87,500</b>
<b>Property and equipment</b>	<b>5</b>	<b>71,773</b>	<b>75,552</b>
<b>Exploration and evaluation assets</b>	<b>6</b>	<b>38,417</b>	<b>38,417</b>
		<u>\$ 265,174</u>	<u>\$ 217,328</u>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Payables and accruals	<b>10</b>	\$ 35,807	\$ 56,655
Due to Kettle River Resources Ltd.	<b>8</b>	-	-
Due to related parties - current	<b>8 and 10</b>	171,353	164,589
- non-current	<b>8</b>	-	-
		<u>207,160</u>	<u>221,244</u>
Due to related parties - non-current	<b>8</b>	411,900	411,900
		<u>619,060</u>	<u>633,144</u>
<b>EQUITY</b>			
Share capital	<b>7</b>	13,682,779	13,682,779
Reserves	<b>7(e)</b>	2,602,732	2,602,732
Deficit		(16,639,397)	(16,701,327)
		<u>(353,886)</u>	<u>(415,816)</u>
		<u>\$ 265,174</u>	<u>\$ 217,328</u>

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on January 26, 2017.

On behalf of the Board

*"Ellen Clements"*

*"John Jewitt"*

Ellen Clements, Director

John Jewitt, Director

See accompanying notes to the financial statements

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian dollars)

	Note	For Three months ended	
		2016	November 30, 2015
<b>Exploration expenses</b>			
Staking and maintenance costs		\$ -	\$ -
Amortization		3,778	4,732
Assay analyses		69	1,598
Camp preparation		865	692
Drilling		-	-
General exploration *		9,687	19,105
Geochemical / Geophysics		-	-
Geology		-	-
Property, assessment and taxes *		934	3,273
Technical reports		-	-
		<u>15,333</u>	<u>29,400</u>
Less: Government assistance		-	-
Less: Contribution from participants		-	-
Less: Non-refundable deposit on proposed sale of properties		(95,000)	-
Net exploration expense (recovery)	6 (d)	<u>(79,667)</u>	<u>29,400</u>
<b>Administration expenses</b>			
Amortization		-	25
Financial consulting		-	-
Insurance		(2,552)	844
Legal, audit and accounting *		(588)	2,047
Licences, fees and other		8,934	2,724
Management and wages		7,012	11,371
Office rent and building expenses		3,600	3,707
Printing, stationery and office ***		90	909
Cost of acquisition of subsidiary		-	73,990
Telephone		752	2,340
Transfer agent fees		1,496	2,218
Travel and promotion		232	1,352
Less: Interest income and miscellaneous		(1,239)	(2,542)
		<u>17,337</u>	<u>98,985</u>
Transaction cost (Adjusted amount from previously reported – see Note 2 (a))	2 (a)	-	722,116
(Income) Loss before income taxes		<u>(61,930)</u>	<u>850,501</u>
<b>Net (income) loss and comprehensive loss for the period</b>		\$ <u>(61,930)</u>	\$ <u>850,501</u>
<b>Income (Loss) per share, basic and diluted</b>		\$ <u>0.01</u>	\$ <u>0.00</u>
<b>Weighted average common shares outstanding</b>		<u>12,647,433</u>	<u>11,220,328</u>
<b>Deficit, beginning of period (adjusted)</b>		\$ <u>(16,701,327)</u>	\$ <u>(15,690,368)</u>
<b>Net income (loss)</b>		<u>61,930</u>	<u>(850,501)</u>
<b>Deficit, end of period</b>		\$ <u>(16,639,397)</u>	\$ <u>(16,540,869)</u>

\* Legal fees related to property expense reallocated from Administration to Exploration.

\*\* Transaction cost adjusted from November 30, 2015 report – see Note 2

\*\*\* adjusted for this period

See accompanying notes to financial statements.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share Capital	Reserves	Shares allotted and unissued	Deficit	Total Equity
September 1, 2014	8,448,657	\$ 13,262,912	\$ 2,602,732	\$ -	\$ (15,500,565)	\$ 365,079
Loss for the year	-	-	-	-	(189,803)	(189,803)
August 31, 2015	8,448,657	\$ 13,262,912	\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
September 1, 2015	8,448,657	\$ 13,262,912	\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
Shares issued for asset acquisition (Note 2)	2,771,671	277,167	-	-	-	277,167
Gain (Loss) for the period	-	-	-	-	(850,501)	(850,501)
November 30, 2015	11,220,328	\$ 13,540,079	\$ 2,602,732	\$ -	\$ (16,540,869)	\$ 398,058
September 1, 2015	8,448,657	\$ 13,262,912	\$ 2,602,732	\$ -	\$ (15,690,368)	\$ 175,276
Shares issued for asset acquisition	2,771,671	277,167	-	-	-	277,167
Shares issued for debt	1,427,000	142,700	-	-	-	142,700
Loss for the year	-	-	-	-	(1,010,959)	(1,010,959)
August 31, 2016	12,647,433	\$ 13,682,779	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
September 1, 2016	12,647,433	\$ 13,682,779	\$ 2,602,732	\$ -	\$ (16,701,327)	\$ (415,816)
Gain (Loss) for the period	-	-	-	-	61,930	61,930
<b>November 30, 2016</b>	<b>12,647,433</b>	<b>\$ 13,682,779</b>	<b>\$ 2,602,732</b>	<b>\$ -</b>	<b>(16,639,397)</b>	<b>(353,886)</b>

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See accompanying notes to the financial statements

**NEW NADINA EXPLORATIONS LIMITED**  
*(An Exploration Stage Company)*  
**Condensed Consolidated Interim Statement of Cash Flows**  
(Unaudited - Expressed in Canadian dollars)

	Note	For Three months ended November 30,	
		2016	2015
<b>Cash Flows from Operating Activities</b>			
Gain (Loss) for the period		\$ 61,930	\$ (850,501)
Add (Deduct): Items not involving cash			
Amortization	5	3,778	4,757
		<u>65,708</u>	<u>(845,744)</u>
Changes in non-cash working capital items:			
Decrease (increase) in accounts receivable and prepaids		(3,125)	(8,738)
Increase (decrease) in amounts due to director(s)	8	6,765	553,620
Increase (decrease) in accounts payable		(20,848)	13,779
Due to Kettle River Resources Ltd.	8	<u>-</u>	<u>(4,000)</u>
		<u>48,500</u>	<u>(291,083)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from Issue of shares	7	<u>-</u>	<u>277,167</u>
			277,167
Investing Activities			
Purchase of Equipment	5	-	(459)
Reclamation Deposits	4	-	(5,000)
		<u>-</u>	<u>271,708</u>
<b>Increase (decrease) in Cash</b>		<b>48,500</b>	<b>(19,375)</b>
<b>Cash, and cash equivalents, beginning of period</b>		<b>8,241</b>	<b>21,689</b>
<b>Cash and cash equivalents, end of period</b>		<b>\$ 56,741</b>	<b>\$ 2,314</b>
Cash and Term deposits represented by			
Cash on hand		5,641	2,314
Supplementary Schedule			
Amortization of capital assets to mineral properties		3,778	4,732
Non-monetary transactions			-

See accompanying notes to financial statements.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 1. NATURE AND CONTINUANCE OF OPERATIONS

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and liquidation of liabilities and commitments in the normal course of business. The application of the going concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing from those reflected in the financial statements. Since inception, the Company has been successful in funding its operations and to date has net issued shares of 12,647,433 for net proceeds of \$13,682,779 averaging \$1.08 per share. The share price at November 30, 2016 was \$0.09 Cdn.

As at November 30, 2016, the Company does not have sufficient working capital to meet its administrative and overhead obligations nor continue with its exploration programs. The Company has relied mainly upon the issuance of share capital and more recently a non demand loan (with no specified terms of repayment) from a director to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. To finance future activities, the Company will be required to enter into joint venture agreements and/or issue share capital through private placements, the exercise of options and warrants, and is actively seeking additional equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at November 30, 2016, the Company had a current working capital deficiency of \$139,676 (August 31, 2016 - \$205,385). The Company earned net income of \$61,930 for the three months ended November 30, 2016 (2015 - \$850,501) and had an accumulated deficit of \$16,639,397 as at November 30, 2016 (August 31, 2016 - \$16,701,327).

### 2. BASIS OF PRESENTATION

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board, and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes. Results for the period ended November 30, 2016, are not necessarily indicative of future results.

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which are stated at their fair value. In addition these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

#### BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its subsidiaries:

<u>Subsidiary</u>	<u>Ownership Interest</u>	<u>Jurisdiction</u>	<u>Nature of Operations</u>
Kettle River Resources Ltd.	100%	Canada	Mining and exploration

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

#### (a) ACQUISITION OF KETTLE RIVER RESOURCES LTD.

On November 6, 2015, the Company acquired a 100% interest in Kettle River Resources Ltd. ("Kettle River") which consummated the July 20, 2015 'Plan of Arrangement' (the "Plan") between New Nadina and Kettle River whereby New Nadina acquired all of the issued and outstanding Kettle River common shares.

The value of the New Nadina common shares was calculated based on the issuance of 27,716,711 New Nadina common shares at a price per share of \$0.01 which was the TSX Venture Exchange closing price of New Nadina common shares as August 18, 2015.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 2. BASIS OF PRESENTATION - continued

#### (a) ACQUISITION OF KETTLE RIVER RESOURCES LTD. - continued

The Plan was approved by Kettle River shareholders on October 16, 2015 and on Nov. 6, 2015 the Kettle River shareholders were issued a total of 27,716,711 common shares of New Nadina.

Management has determined that this acquisition, for accounting purposes, is an asset acquisition and consistent with reporting under IFRS standards.

The aggregate amount of the consideration is \$277,167, calculated by taking into account the issuance of 27,716,711 New Nadina common shares at a deemed value of \$0.01 per share.

The purchase consideration has been assigned based on the relative fair values of the assets acquired and liabilities assumed as follows:

Purchase Price:	
Issuance of 27,716,711 New Nadina common shares	\$ 277,167
<b>Total purchase price</b>	<b>\$ 277,167</b>
Purchase Price Allocation	
Cash	\$ 721
Receivables	3,107
Prepaid expenses	1,906
Exploration and evaluation assets	3
Property and equipment	421
Reclamation deposits	5,000
Accounts payable and accrued liabilities	(24,199)
Due to related parties	(434,775)
Transaction costs (expensed) Note: adjusted from Q1	724,983
<b>Total purchase price</b>	<b>\$ 277,167</b>

New Nadina recognizes \$724,983 in Transaction costs associated with the Arrangement expensed to the pro forma consolidated statement of income (loss) and comprehensive income (loss). The transaction costs represent the fair value of the New Nadina common shares issued in excess of the net liabilities of Kettle River on acquisition.

In addition to the content herein, the financial statement as presented in the “Notice of Annual General and Special Meeting of Security Holders and Management Information Circular” is available on SEDAR filed September 29, 2015, under Schedule F “Pro Forma Financial Statements”. The unaudited pro forma financial statements were prepared for inclusion in the Management Information Circular of Kettle River for the October 16, 2015 special meeting of the shareholders and presented for illustrative purposes and were not intended to reflect the financial statements that would have occurred if the events reflected therein had been in effect at the closing date. Actual amounts recorded upon consummation of the transaction will differ from those recorded in the unaudited pro forma consolidated financial statements and the differences may be material.

### 3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) using accounting policies consistent with those applied in the Company’s August 31, 2013 audited annual financial statements. The Company does not anticipate any significant impact from the application of recently adopted or upcoming standards, amendments or interpretations at this time.

#### Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods if the revision affects both current and future periods.



# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 3. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE - continued

#### Critical judgements in applying accounting policies:

The following are critical judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- the determination that the Company will continue as a going concern for the next year

### 4. RECLAMATION DEPOSITS

Included in reclamation deposits of \$87,500 (2015 - \$87,500) are:

Description/Property	Amount	Date of Deposit	Bond Description
MX-2-11 Silver Queen, BC	\$ 5,000	Dec 10, 1999	GIC Bond Security Agreement
	4,500	Dec 1, 2004	Cash deposit - MEM non interest bearing
	5,000	Aug 5, 2010	GIC Bond Security Agreement, Prov of BC
	5,000	Aug 8, 2012	GIC Bond Security Agreement, Prov of BC
	4,000	Dec 3, 2012	GIC Bond Security Agreement, Prov of BC
	<b>\$ 23,500</b>		
Monument, NWT	\$ 18,000	Apr 5, 2005	Gov't of Northwest Territories, Dept of Lands
	41,000	Sept 26, 2012	Gov't of Northwest Territories, Dept of Lands
	<b>\$ 59,000</b>		
MX-Gen-70 Greenwood Area, BC	\$ 5,000	Dec, 8, 1992	GIC Bond Security Agreement, Prov of BC
	<b>\$ 5,000</b>		

### 5. PROPERTY, PLANT AND EQUIPMENT

	New Nadina		Kettle River		Total
	Buildings	Camp Equipment	Office Equipment	Mining Equipment	
<b>Depreciation rate</b>	20%	20%	20%	30%	
<b>Cost</b>					
Balance as at August 31, 2015	\$ 148,032	\$ 74,959			\$ 222,991
Balance as Nov 30, 2015	\$ 148,032	\$ 74,959	\$ 53,972	\$ 117,557	\$ 394,520
Balance as at August 31, 2016	\$ 148,032	\$ 74,959	-	-	\$ 222,991
<b>Balance as at Nov 30, 2016</b>	<b>\$ 148,032</b>	<b>\$ 74,959</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 222,991</b>
<b>Accumulated depreciation</b>					
Balance as at August 31, 2015	\$ 78,402	\$ 50,150			\$ 128,552
Balance as at Nov 30, 2015	\$ 81,884	\$ 51,392	\$ 53,637	\$ 117,469	\$ 304,382
Balance as at August 31, 2016	\$ 92,328	\$ 55,111	\$ -	\$ -	\$ 147,439
<b>Depreciation for the period</b>	<b>2,786</b>	<b>992</b>			<b>3,778</b>
<b>Balance as at Nov 30, 2016</b>	<b>\$ 95,114</b>	<b>\$ 56,103</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,217</b>
<b>Net book value</b>					
Balance as at August 31, 2015	\$ 69,630	\$ 24,809	-	-	\$ 94,439
Balance as at Nov 30, 2015	\$ 66,148	\$ 23,567	\$ 334	\$ 87	\$ 90,138
Balance as at August 31, 2016	\$ 55,704	\$ 19,848	\$ -	\$ -	\$ 75,552
<b>Balance as at Nov 30, 2016</b>	<b>\$ 52,918</b>	<b>\$ 18,856</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 71,773</b>

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 6. MINERAL PROPERTIES

Costs to acquire the main property are capitalized and costs to acquire claims peripheral to the main property and exploration expenditures relating to mineral properties are written off as incurred. The carrying value of the Company's mineral properties does not reflect current or future value. Payments received for exploration rights on the Company's mineral properties are treated as cost recoveries and are credited to reduce the cost of exploration expenditures related to the mineral claims with any excess, on an aggregate basis, recorded as income. Option payments are recorded as incurred. Reclamation and site restoration costs including site maintenance and care-taking are expensed when incurred.

Acquisition Costs of Mineral properties	Note	2016	2015
Saskatchewan property (100% interest)	6(a)	\$ -	\$ -
Silver Queen property (100% interest)	6(b)	38,413	38,413
Monument Diamond property (57.49% interest)	6(c)	1	1
Greenwood Area (100% interest)	6(d)	2	2
DHK Diamonds Inc. – NWT	6(e)	1	1
		<u>\$ 38,417</u>	<u>\$ 38,417</u>

#### (a) Saskatchewan property (100%)

The Company and its subsidiary own 100% interest in a Silica Quarrying Mineral Lease (recently renewed) with an expiry date in December 2019.

#### (b) Silver Queen property, British Columbia - Omineca Mining Division (100%)

The Company holds a 100% interest in the Silver Queen property near Owen Lake.

#### (c) Monument Diamond property, Lac de Gras NWT (57.49%)

The Company holds a 57.49% interest in certain mineral claims in the Mackenzie District Mining Division, Northwest Territories. The 2002 Letter Agreement provides for a 1% gross overriding royalty payable to each of DHK Diamonds Inc., and Kennecott Canada Explorations Inc. Two other parties hold the remaining participating interest in the mineral claims.

A five-year Type "A" Land Use permit expiring September 4, 2017 was issued by the Wek'eezhii Land and Water Board.

#### d) Greenwood Area Properties - acquired through Kettle River

The Company owns through its wholly owned subsidiary, Kettle River, a 100% interest in certain properties comprising approximately 10,000 hectares of mineral tenure of which a portion includes Crown Granted Mineral Claims, some with surface freehold title in the Greenwood Mining Division of British Columbia. The properties have potential for gold, silver, other base metals and industrial mineral potential. Properties include Phoenix, Bluebell (Minnie Moore) - Oro Denoro - BC Mine – Niagara (Eholt Area), Arcadia, Tremblay (Phoenix) Tailings, Tam O'Shanter, and Haas Creek.

#### e) DHK Diamonds Ltd. - acquired through Kettle River

DHK Diamonds Inc. ("DHK") is a private company incorporated and registered in the Northwest Territories, previously owned by Kettle River Resources Ltd. transferred through acquisition to New Nadina Explorations Limited. (43.37%), Dentonia Resources Ltd. ("Dentonia") (43.37%), and Cosigo Resources Ltd. (formerly Horseshoe Gold Mining Inc.) (13.26%).

DHK is a partner in the WO claim block, a diamond property in the Northwest Territories. As of April 30, 2015, DHK has a 10.326% contributing interest in the WO Joint Venture which is operated by Peregrine Diamonds Ltd. ("Peregrine").

Operations and funding provisions of DHK are governed by a 1992 Shareholders' Agreement where each shareholder appoints two directors to the board and certain activities require 75% board approval.

Through an agreement dated October 24, 2003 DHK holds a 1% gross overriding royalty on three leases known as the Monument Property, located at Lac de Gras NWT, explored for diamond potential, owned (57.49%) and operated by New Nadina.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 6. MINERAL PROPERTIES – continued

Exploration Expenditures by Property For the period ended	Saskatchewan property Note 5(a)	Silver Queen Property Note 5(b)	Monument Diamond property Note 5©	Greenwood area properties Note 5(d)	DHK Diamonds properties Note 5(c)	Total
<b>November 30, 2016</b>						
Assay analysis	-	69	-	-	-	\$ 69
Camp preparation	-	865	-	-	-	865
Depreciation	-	3,778	-	-	-	3,778
Drilling	-	-	-	-	-	-
General exploration	95	6,219	-	3,273	-	9,587
Geology	-	-	-	-	-	-
Property, assessment and taxes	207	283	-	544	-	1,034
Technical reports	-	-	-	-	-	-
	\$ 303	\$ 11,212	\$ -	\$3,817	\$ -	\$ 15,333
Less: Reimbursement (Contributions) from participants	-	-	-	-	-	-
Less: Deposit received	-	-	-	(95,000)	-	(95,000)
Net Exploration	\$ 303	\$ 11,212	\$ -	\$ (91,183)	\$ -	\$ (79,667)
<b>November 30, 2015</b>						
Assay analysis	-	1,599	-	-	-	\$ 1,599
Camp preparation	-	692	-	-	-	692
Depreciation	-	4,722	-	10	-	4,732
Drilling	-	-	-	-	-	-
General exploration	130	17,878	145	951	-	19,104
Geology	-	-	-	-	-	-
Property, assessment and taxes	162	-	-	3,111	-	-
Technical reports	-	-	-	-	-	-
	292	24,891	\$145	4,072	-	\$ 29,400
Less: Reimbursement (Contributions) from participants	-	-	-	-	-	-
Less: Government assistance	-	-	-	-	-	-
Net Exploration	\$ 292	\$ 24,891	\$ 145	\$ 4,072	\$ -	\$ 29,400

### 7. SHARE CAPITAL

- a) **Authorized:** unlimited common shares without par value  
b) **Issued and fully paid:** Total shares issued to November 30, 2015 – 8,448,657

There were no shares issued during the year ended August 31, 2016.

	<u>Shares issued</u>
Issued Shares as at September 1, 2015	8,448,657
Nov. 6, 2015 issued for acquisition of Kettle River Resources Ltd.	2,771,671
Shares issued for Debt	1,427,000
<b>Issued Shares as at August 31, 2016</b>	<u>12,647,433</u>
<b>Issued Shares as at November 30, 2016</b>	<u>12,647,433</u>

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 7. SHARE CAPITAL - continued

#### b) Issued and fully paid: Total shares issued to November 30, 2016 – continued

During the current period, no common shares were issued.

During the period ending November 30, 2015, 27,716,711 common shares were issued at a deemed value of \$0.01 whereby New Nadina acquired a 100% ownership interest in Kettle River Resources Ltd. This value, based on the closing price (TSX-V) of New Nadina common shares on August 18, 2015, was the value when Kettle River shareholders exchanged their shares for those of New Nadina.

As of March 4, 2016 the Board of Directors approved a share consolidation on a basis of ten (10) old shares for one (1) new share. Approval was received from the TSX and became effective.

Announced on April 28, 2016 the company entered into Shares for Debt agreements with some creditors to reduce the outstanding debt by \$142,700 issuing 1,427,000 shares issued at a price of \$0.10 per share. Approval was received from the TSX on June 1, 2016 and shares issued June 24, 2016. See Note 10 for further details. There is a four month hold on shares issued and shares cannot be traded before October 25, 2016.

#### c) Share purchase warrants:

No warrants were granted or exercised during the period and there are no existing warrants at the end of the current period.

#### d) Share purchase options:

The Company has established a share purchase option plan whereby the Board of Directors may from time to time grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of options is determined by the Board of Directors and shall not be lower than the allowable discounted closing market price of the shares on the business day immediately prior to the grant date.

The continuity of share purchase options is as follows:

	November 30, 2016		November 30, 2015	
	Number of Options	Weighted Price \$	Number of Options	Weighted Price \$
Opening balance	465,000	1.22	465,000	1.22
Granted	-	-	-	-
Expired	(215,000)	1.50	-	-
Closing balance	250,000	1.00	465,000	1.22
Weighted average years to expiry	1.21		1.60	

Effective March 4, 2016 (News Release Feb 24, 2016) the Board of Directors approved the share consolidation on a basis of ten (10) old shares for one (1) new share. Granted options have been reduced and re-priced accordingly as shown below.

OPTIONS:	GRANTED	EXPIRY DATE	EXERCISE PRICE
	250,000	February 14, 2018	\$1.00
<b>Total:</b>	<b>250,000</b>		

At November 30, 2016 there were 250,000 fully vested options outstanding (2015 – 465,000), none of which are currently 'in the money'.

# NEW NADINA EXPLORATIONS LIMITED

(An Exploration Stage Company)

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the Three months ended November 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

### 7. SHARE CAPITAL - continued

#### e) Reserves

Reserve includes items recognized as stock-based compensation expense and the fair value of warrants issued until such time that the stock options and warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the options and warrants expire unexercised, the amount recorded is transferred to deficit.

### 8. RELATED PARTY TRANSACTIONS

As at November 30, 2016 owing to directors and related was \$171,353.

As at November 30, 2016 a loan balance of \$411,900, assumed from Kettle River, is owing to the President of the Company. The loan is unsecured, does not bear interest and has no current repayment requirements.

As of November 30, 2016 there is a loan balance of \$411,900 to the President of the Company for costs related to the Plan of Arrangement. Terms of the loan are referenced in a news release (August 17, 2015) where the Board of Directors approved a non-arm's length bridge financing with Ellen Clements, President and Chief Executive Officer of the company for a principal amount of up to \$100,000 for earlier of a term of six months or the completion of a private placement by New Nadina sufficient to pay the loan. The loan bears interest at an annual rate equal to five percent to be paid in full, if not before then at the expiry of the term. Subsequently the directors approved an extension, the excess and acquired leniency on terms of repayment.

For the period ended November 30<sup>th</sup> the Company incurred the following expenses with related parties:

	<u>2016</u>	<u>2015</u>
Charged by Kettle River for various office and secretarial services, exploration reimbursements, rent and supplies	\$ -	\$ -
Charged by the President's private company as project operator for exploration services including equipment use and rental, and commencing April 1, 2015 rent of office for administrative and exploration use	3,600	3,600
Charged by directors for geological consulting services and management	1,200	2,700
<b>Total</b>	<u>\$ 4,800</u>	<u>\$ 6,300</u>

The above transactions have been recorded at their exchange amount, which is the amount of consideration agreed upon by the related parties.

### 9. SEGMENTED INFORMATION

No segmented information is presented because the Company is solely involved in mineral exploration.

### 10. SUBSEQUENT EVENTS

On October 19, 2016 the Company signed a Letter of Intent ("LOI") with Golden Dawn Minerals Inc. ("Golden Dawn"). Pursuant to the LOI, Golden Dawn would acquire all of the outstanding shares of Kettle River which, on closure, will include the Greenwood Property (Note 6(d)). Consideration for the acquisition would consist of a non-refundable deposit of \$80,000 on signing of the LOI (received), with an additional cash payment of \$15,000 by November 26, 2016 (received) and on closure, a final cash payment of \$905,000 for total cash consideration of \$1,000,000. Consideration would also include \$600,000 worth of common shares of Golden Dawn; the issuance price to be determined based on the 20-day closing average prior to signing of the LOI. The Greenwood Property would be subject to a 1.0% net smelter return ("NSR") royalty, of which Golden Dawn can purchase 0.5% for \$1,000,000 up to five years from close of the transaction and thereafter \$1,200,000 up to 10 years following the close. Following a 90-day due diligence period, the closing will be subject to regulatory approvals.

On November 7, 2015 the Company received TSX Venture Exchange acknowledgement and conditional acceptance regarding the above proposed transaction.