Gonzaga Resources Ltd.

(An Exploration Stage Company)

Condensed Interim Financial Statements

Three months ended February 29, 2016 and February 28, 2015

Unaudited – Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by the Company's auditors.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Gonzaga Resources Ltd.
(An Exploration Stage Company)
Statements of Financial Position
Unaudited – Prepared by Management
In Canadian Dollars

ASSETS	**Note**	**February 29, 2016**	**November 30, 2015**
Current			
Cash		$ 44,385	$ 58,721
GST recoverable		324	-
		44,709	58,721
Mineral Property Interests	4	13,521	13,521
		$ 58,230	$ 72,242
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 16,986	$ 11,552
SHAREHOLDERS' EQUITY			
Share Capital	5	767,625	718,277
Reserves	5	260,749	260,749
Deficit		(987,130)	(918,336)
		41,244	60,690
		$ 58,230	$ 72,242

Nature of Operations and Going Concern *(Note 1)*

Approved on behalf of the Board of Directors:

" Greg Davis" Director

" Darren Devine" Director

\- See Accompanying Notes -

Gonzaga Resources Ltd.

(An Exploration Stage Company)

Interim Statements of Loss and Comprehensive Loss

For the Three Months Ended February 29, 2016 and February 28, 2015

Unaudited – Prepared by Management
In Canadian Dollars

	Note		2016		2015
Expenses					
Audit and accounting	7	$	1,750	$	3,750
Exploration and evaluation costs	4		54,953		-
Insurance			-		1,250
Legal			3,036		-
Office and administration			2,496		3,791
Transfer agent and filing fees			6,559		6,025
Net Loss and Comprehensive Loss for the Period		$	68,794	$	14,816
Loss per share – basic and diluted		$	0.01	$	0.00
Weighted average number of common shares outstanding			13,020,948		12,788,333

– See Accompanying Notes –

Gonzaga Resources Ltd.
(An Exploration Stage Company)

Interim Statements of Cash Flows
For the Three Months Ended February 29, 2016 and February 28, 2015
Unaudited – Prepared by Management
In Canadian Dollars

Cash Provided By (Used In):		2016		2015
Operating activities:				
Net loss for the period	$	(68,794)	$	(14,816)
Change in non-cash working capital:				
GST recoverable		(324)		(676)
Prepaid expenses		-		1,254
Accounts payable and accrued liabilities		5,434		5,320
		(63,684)		(8,918)
Financing activities:				
Proceeds from issuance of shares (Note 5a)		50,400		-
Share issue costs paid		(1,052)		-
		49,348		-
Net decrease in cash		(14,336)		(8,918)
Cash – beginning of period		58,721		108,375
Cash – end of period	$	44,385	$	99,817

- See Accompanying Notes -

Gonzaga Resources Ltd.
(An Exploration Stage Company)

Interim Statements of Changes in Equity

Unaudited – Prepared by Management
In Canadian Dollars

	Share Capital					
	Shares	Amount $	Share Option Reserves $	Warrant And Other Reserves $	Deficit $	Total $
Balance, November 30, 2014 *(Audited)*	12,788,333	718,277	130,027	130,722	(897,672)	81,354
Net loss for the period	-	-	-	-	(14,816)	(14,816)
Balance, February 28, 2015 *(Unaudited)*	12,788,333	718,277	130,027	130,722	(912,488)	66,538
Net loss for the period	-	-	-	-	(5,848)	(5,848)
Balance, November 30, 2015 *(Audited)*	12,788,333	718,277	130,027	130,722	(918,336)	60,690
Net loss for the period	-	-	-	-	(68,794)	(68,794)
Private placement	504,000	50,400	-	-	-	50,400
Share issue costs	-	(1,052)	-	-	-	(1,052)
Balance, February 29, 2016 *(Unaudited)*	13,292,333	767,625	130,027	130,722	(987,130)	41,244

– See Accompanying Notes –

1. Nature of Operations and Going Concern

Gonzaga Resources Ltd. (”the Company” or “Gonzaga”) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on April 8, 2010. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company's registered address is: Suite 800 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2. The Company's shares are publicly listed on the Toronto Stock Exchange's Venture Exchange.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At February 29, 2016, the Company had not achieved profitable operations, had an accumulated deficit of $987,130 since inception and expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

2. Basis of Presentation

a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Approval of the Financial Statements

These financial statements were approved and authorized for issue by the Board of Directors on April 27, 2016.

2. Basis of Presentation – *Continued*

c) **Basis of presentation**

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements for the year ended November 30, 2015.

d) **Critical accounting judgments and estimates**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates:

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of mineral property; provision for environmental rehabilitation; inputs used in the valuation of share-based payments; and provision for deferred income tax, including the effects of flow-through shares.

Judgments:

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Recoverability of capitalized mineral property costs

The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's mineral property is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at fair value less costs to sell.

2. Basis of Presentation – *Continued*

d) Critical Accounting Judgments and Estimates – *Continued*

Judgments: – *Continued*

Going Concern

The assumption that the Company is a going concern and will continue into the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the financial statements is included going concern assessment (Note 1).

3. Recent Accounting Pronouncements

New standards and amendments effective for the first time from December 1, 2014

The following standards and amendments became effective for the Company on December 1, 2014. The new and amended standards did not have a significant impact on the financial statements. The following is a brief summary of the principal new standards adopted by the Company.

IAS 32 – Financial Instruments: Presentation - IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

IAS 36 – Impairment of Assets - IAS 36 was amended by recoverable amount disclosures for nonfinancial assets

IFRIC 21 – Levies - IFRIC 21 clarifies and provides guidance on when to recognize the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

In Canadian Dollars

3. Recent Accounting Pronouncements – *Continued*

Recent Accounting Pronouncements not yet applied

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for future accounting periods. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

IFRS 7 – Financial Instruments Disclosures - The standard was amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2015. The company is currently assessing the impact of the standard on the Company's financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement - IFRS 9 addresses classification and measurement of financial assets and liabilities, recognizing impairment of financial assets, and hedge accounting. Under this standard, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The accounting model for financial liabilities is largely unchanged from IAS 39 except for the presentation of the impact of own credit risk on financial liabilities designated at fair value through profit or loss. The new general hedge accounting principles under IFRS 9 are aimed to align hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however it is expected to provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. IFRS 9 is mandatorily effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of the standard on the Company's financial statements.

4. Mineral Property Interests

a) Acquisition Costs

Details of activities for the three months ended February 29, 2016 and the year ended November 30, 2015 are as follows:

Kennedy River Project, BC, Canada		**February 29, 2016**		**November 30, 2015**
Net book value	$	13,521	$	13,521

In Canadian Dollars

4. Mineral Property Interests – *Continued*

b) Exploration and Evaluation Costs

Details of the cumulative exploration expenditures for the three months ended February 29, 2016 and the year ended November 30, 2015 are as follows:

Kennedy River Project, BC, Canada		February 29, 2016		November 30, 2015
Opening cumulative expenditure	$	186,085	$	184,085
Mineral exploration costs:				
Camp and general		2,453		-
Geological and geophysical		16,500		-
Mapping and interpretation		10,500		-
Technical report		25,500		2,000
Total mineral exploration costs		54,953		2,000
Ending cumulative expenditure	$	241,038	$	186,085

c) Kennedy River Project, BC, Canada

In April 2010, the Company staked two mineral claim blocks covering 1,331 hectares called the Kennedy River Project located near Port Alberni on Vancouver Island in British Columbia. During the 2012 fiscal year, following up fieldwork was undertaken and a detailed sampling program was completed by field crews. On December 30, 2013, the mineral claim for Kennedy River North claim block lapsed, leaving 10 mineral tenures in good standing for Kennedy River South claim block covering 803 hectares. There was no work performed during 2014 and 2015 fiscal years. During the three months ended February 29, 2016, following up fieldwork was undertaken and an updating technical report was completed by field crews.

5. Shareholders' Equity

The Company's authorized share capital consists of an unlimited number of common shares without par value.

a) Share Capital Transactions

On January 18, 2016, the Company closed a private placement for gross proceeds of $50,400 through the issuance of 504,000 common shares at a price of $0.10 per share.

The Company did not have any share capital transactions during the year ended November 30, 2015.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

b) Reserves

The following is a summary of the reserves components relating to stock options and warrants:

		February 29, 2016		November 30, 2015
Options	$	130,027	$	130,027
Warrants		130,722		130,722
Total	$	260,749	$	260,749

d) Stock Options

The board of directors may grant incentive stock options to the Company's directors, officers, employees and consultants for the purchase of common shares in an aggregate amount of up to 10% of the Company's issued and outstanding common shares from time to time. The number of shares reserved for issuance to: i) any one optionee during any 12 month period shall not exceed 5% of the issued and outstanding shares, calculated at the date such options are granted; ii) any one optionee, who is a consultant, during any 12 month period shall not exceed 2% of the issued and outstanding shares, calculated at the date such options are granted; and iii) any employees and consultants who are engaged or employed in investor relations services during any 12 month period shall not exceed 2% of the issued and outstanding shares, calculated at the date such options are granted.

The vesting schedule for each option shall be specified at the time of grant; provided that if no vesting schedule is specified at the time of grant, the option shall vest immediately on the grant date. Options granted to optionees who provide investor relations services shall vest in stages over twelve months, with no more than one quarter of the options vesting over any three month period.

Details of activity in share purchase options for the three months ended February 29, 2016 are as follows:

November 30, 2015	Issued	Expired	February 29, 2016	Exercise Price	Expiry Date
700,000	-	-	700,000	$0.15	June 6, 2016

6. Segmented Information

The Company has only one reportable operating segment, being mineral property explorations in Canada.

7. Related Party Transactions

Related party transactions and balances are as follows:

During the three months ended February 29, 2016, the Company paid $Nil (2015: $1,500) in office and administration expense and $1,750 (2015: $3,750) in accounting expense to CDM Capital Partners Inc., a company partially controlled by Darren Devine, the CFO and Corporate Secretary of the Company.

8. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major financial institutions.

9. Financial Instruments

The classification of the financial instruments as well as their carrying values is shown in the table below:

Loans and receivables	$	44,709
Financial liabilities measured at amortized cost	$	16,986

a) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

9. Financial Instruments – *Continued*

a) Fair Value of Financial Instruments – *Continued*

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

As at February 29, 2016, the fair values of financial instruments measured on a recurring basis include cash, determined based on level one inputs and consisting of quoted prices in active markets for identical assets. The fair values of accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

b) Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any financial instruments that are subject to credit risk.

(ii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

(iii) Interest Rate Risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

(iv) Commodity Price Risk – The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.