



**FINANCIAL STATEMENTS**

---

**For the three and six months ended December 31, 2015 and 2014**

## **Notice of No Auditor Review of Condensed Interim Financial Statements**

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements, in accordance with standards established by the Institute of Chartered Professional Accountants for a review of condensed interim financial statements by an entity's auditor.

Tri Origin Exploration Ltd.  
February 16, 2016

# Tri Origin Exploration Ltd.

## Statements of Financial Position

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	As at December 31 2015 \$	As at June 30 2015 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	280,943	317,503
Accounts receivable (note 5)	-	14,895
Prepaid	2,750	4,076
Investment in Heron Resources Ltd. (note 6)	613,180	779,853
	<b>896,873</b>	<b>1,116,327</b>
Investments in Heron Resources Ltd. (note 6)	-	-
Exploration and evaluation assets (note 7)	4,758,760	4,701,051
Equipment (note 8)	5,314	5,560
<b>Total Assets</b>	<b>5,660,947</b>	<b>5,822,938</b>
<b>Equity and Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 9)	143,641	136,474
Funds on deposit	254,392	248,282
Debenture payable (note 11)	-	100,000
Promissory note payable (note 11)	300,000	200,000
Secured debenture (note 10)	400,000	400,000
	<b>1,098,033</b>	<b>1,084,756</b>
<b>Capital and Reserves</b>		
Share capital (note 12)	20,709,505	20,941,200
Warrants (note 13)	-	5,700
Equity portion of convertible debenture (note 11)	5,620	5,620
Contributed Surplus	1,834,385	1,845,185
Deficit	(17,986,676)	(18,059,523)
	<b>4,562,914</b>	<b>4,738,182</b>
<b>Total Liabilities and Equity</b>	<b>5,660,947</b>	<b>5,822,938</b>

### Nature of Operations and Going Concern (note 1)

The accompanying notes are an integral part of these financial statements.

On behalf of the Board

"Robert Valliant"

Dr. Robert Valliant, President and Director

"Jean Pierre Janson"

Mr. Jean Pierre Janson, Director

**Tri Origin Exploration Ltd.**  
**Statements of Loss and Comprehensive Loss**

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Three months ended		Six months ended	
	December 31		December 31	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Expenses</b>				
General and administrative costs ( <i>note 16</i> )	<b>66,019</b>	93,025	<b>104,531</b>	213,891
Finance charges ( <i>note 17</i> )	<b>20,444</b>	13,351	<b>32,744</b>	23,412
Total expenses	<b>(86,463)</b>	(106,376)	<b>(137,275)</b>	(237,303)
Income (loss) before other items	<b>(86,463)</b>	(106,376)	<b>(137,275)</b>	(237,303)
<b>Other Items</b>				
Net gain (loss) on investments ( <i>note 6 c</i> )	<b>24,360</b>	(62,800)	<b>(21,518)</b>	504,385
<b>Net income (loss) for the period</b>	<b>(62,103)</b>	(169,176)	<b>(158,793)</b>	267,082
<b>Basic and diluted loss</b>				
<b>per share</b> ( <i>note 15</i> )	<b>0.00</b>	0.00	<b>0.00</b>	0.00
<b>Weighted average number of common shares</b>				
<b>outstanding</b> ( <i>note 12 and 15</i> )	<b>82,952,306</b>	83,403,306	<b>82,952,306</b>	89,403,306

The accompanying notes are an integral part of these financial statements.

## Tri Origin Exploration Ltd.

### Statements of Changes in Shareholders' Equity

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	Share Capital	Warrant Reserve	Equity Portion of convertible Debenture	Contributed Surplus Reserve	Deficit	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance, June 30, 2014</b>	<b>22,321,126</b>	<b>5,700</b>	<b>5,620</b>	<b>1,813,984</b>	<b>(18,747,745)</b>	<b>5,398,685</b>
Stock based compensation	-	-	-	12,467	-	12,467
Net loss for the year	-	-	-	-	267,082	267,082
<b>Balance, December 31, 2014</b>	<b>22,321,126</b>	<b>5,700</b>	<b>5,620</b>	<b>1,826,451</b>	<b>(18,480,663)</b>	<b>5,678,234</b>
Shares to be cancelled under normal course issuer bid	(1,379,926)	-	-	-	1,313,653	(66,273)
Stock based compensation	-	-	-	18,734	-	18,734
Net loss for the year	-	-	-	-	(892,513)	(892,513)
<b>Balance, June 30, 2015</b>	<b>20,941,200</b>	<b>5,700</b>	<b>5,620</b>	<b>1,845,185</b>	<b>(18,059,523)</b>	<b>4,738,182</b>
Shares to be cancelled under normal course issuer bid	(231,695)	-	-	-	215,220	(16,475)
Expired options	-	-	-	(10,800)	10,800	-
Termination of debenture	-	-	(5,620)	-	5,620	-
Net loss for the year	-	-	-	-	(158,793)	(158,793)
<b>Balance, December 31, 2015</b>	<b>20,709,505</b>	<b>5,700</b>	<b>-</b>	<b>1,834,385</b>	<b>(17,986,676)</b>	<b>4,562,914</b>

The accompanying notes are an integral part of these financial statements.

# Tri Origin Exploration Ltd.

## Statements of Cash Flows

(Unaudited, expressed in Canadian dollars, unless otherwise stated)

	For the six months ended December 31	
	2015	2014
	\$	\$
<b>Cash flow from operating activities</b>		
Net Income (loss) from operation	(158,793)	267,082
Items not involving cash		
Amortization	2,996	4,178
Accretion	-	2,555
Share based payments	-	12,467
Change (gain) loss in investments	38,323	(505,385)
	(117,474)	(218,103)
Changes in non-cash working capital		
Accounts receivable	14,895	2,984
Prepaid	1,326	5,414
Accounts payable and accrued liabilities	7,167	(55,962)
Deposit for exploration funding	6,110	-
	87,976	(265,667)
<b>Cash flow from financing activities</b>		
Cash used to purchase shares in normal course issuer bid	(16,475)	-
Proceeds from issue of promissory note	100,000	-
Repayment of debenture	(100,000)	-
Proceeds from secured debenture	-	400,000
	(16,475)	400,000
<b>Cash flow from investing activities</b>		
Expenditures on exploration and evaluation assets	(57,709)	(101,474)
Expenditures on equipment	(2,750)	-
Proceeds from investments	128,350	-
	67,891	(101,474)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(36,560)</b>	<b>32,859</b>
<b>Cash, beginning of period</b>	<b>317,503</b>	<b>3,655</b>
<b>Cash, end of period</b>	<b>280,943</b>	<b>36,514</b>

The accompanying notes are an integral part of these financial statements.

# **Tri Origin Exploration Ltd.**

## Notes to the Condensed Interim Financial Statements

*For the three and six months ended December 31, 2015 and 2014*

---

### **1. Nature of Operations and Going Concern**

Tri Origin Exploration Ltd. (the "Company" or "TOE") was incorporated on June 6, 1989 under the Business Corporations Act (Ontario). The Company is a publicly held company engaged principally in the acquisition and exploration of mineral properties in the Canadian Shield, Canada.

The accompanying unaudited condensed interim financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company had a net loss of \$158,793 for the six months ended December 31, 2015 (2014 – income \$267,082) and a deficit of \$17,986,676 (2014 - \$18,059,523) as at December 31, 2015. The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable business. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. There is no assurance that these initiatives will be successful and as a result there is significant doubt regarding application of the going concern assumption.

On December 31, 2015, the Company had a working capital deficit of \$201,160 and is not generating positive cash flows from operations. Working Capital includes the Company's investment of \$613,180 that consists of marketable securities in shares of the Company's former subsidiary and any or all of the shares could be sold to generate cash to fund ongoing operations. Apart from this investment, there may not be sufficient cash to meet general and administration expenses plus planned project activities for the following twelve months. The operations of the Company have primarily been funded by the issuance of common shares and debt instruments. Continued operations of the Company are dependent on the Company's ability to complete equity financing and enter into funding agreements with third parties in order to continue exploration of its mineral property interests. Management's plan in this regard is to continue to seek industry partners for its projects and to secure additional funds through future equity financings, which may or may not be available or may not be available on reasonable terms.

### **2. Basis of Presentation and Statement of Compliance**

#### **Statement of Compliance**

These condensed interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended June 30, 2015.

These financial statements were authorized for issuance by the Board of Directors of the Company on February 16, 2016.

#### **Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments as disclosed in Note 5. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

# Tri Origin Exploration Ltd.

## Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

### 3. Significant Accounting Policies

The accounting policies as reported in Notes 2 and 3 of the audited annual consolidated financial statements for the year ended June 30, 2015, have been applied consistently in preparing these condensed consolidated interim financial statements.

#### Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges  
In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.
- Capitalization of deferred assessment and evaluation costs  
Management has determined that deferred assessment and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of deferred assessment and evaluation costs.
- Impairment of deferred assessment and evaluation costs  
While assessing whether any indications of impairment exist for deferred assessment and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of assessment and evaluation assets. Internal sources of information include the manner in which assessment and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's deferred assessment and evaluation assets.
- Taxes, income taxes and deferred taxes  
The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and



# Tri Origin Exploration Ltd.

## Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities.

- **Share-Based Payments**

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

#### 4. Future Changes in Accounting Policies

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. The Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

- IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.
- IAS 38 – Intangible Assets and IAS 16, Property, Plant and Equipment were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The amendment is effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.
- IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.
- IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument’s holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

Other accounting standards or amendment to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

#### 5. Financial Instruments

The Company's cash is measured at fair market value. Accounts receivable are measured at amortized cost. The investments of the Company are classified as financial assets at FVTPL and measured at fair value. Accounts payable and the credit facility are classified as other financial liabilities and measured at amortized cost.

The following table indicates the carrying value of the Company's financial assets and financial liabilities.

Item	As at December 31, 2015		As at June 30, 2015	
	Cost \$	Market Value \$	Cost \$	Market Value \$
Cash		280,943		317,503
Accounts receivable	-		14,895	
Investments		613,180		779,853
Accounts payable	143,641		136,474	
Deposit for exploration funding	254,392		248,282	

Accounts Receivable is comprised of HST recoverable of \$nil (June 30, 2015 - \$14,895).

#### 6. Investment in Heron Resources Ltd.

The investments consist of the following:

	As at December 31 2015 \$	As at June 30 2015 \$
Investment in Heron Resources Ltd.	613,180	779,853
<b>Total Investments</b>	<b>613,180</b>	<b>779,853</b>

##### Investment in Heron Resources Ltd. (previously known as TriAusMin Limited)

At December 31, 2015, the Company owned 7,664,740 (June 30, 2015 - 9,174,740) common shares in Heron Resources Limited. The common shares trade on both the Australian Securities Exchange and the Toronto Stock Exchange.

During the prior year ended June 30, 2014, the Company's former subsidiary TriAusMin Limited ("TOR") announced a merger between it and Heron Resources Ltd ("Heron"), a West Australia based exploration company. The merger was to provide a significant amount of the capital held by Heron toward the advancement of TriAusMin's Woodlawn Underground project. The merger was completed in August of 2014. Tri Origin's holdings in TOR were then converted to 12,562,240 shares of Heron Resources Ltd.

For marketable securities traded in an active market, market value is based on quoted closing prices of the securities at the balance sheet date. The shares of Heron are valued based on the closing market prices on the Toronto Stock Exchange ("TSX"), which was \$0.08 as of the close of December 31, 2015.

The investment is reflected as current asset as a result of using a portion of the investment as collateral for a secured loan payable (see note 10).

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

#### Unrealized and realized losses on Investment

During the three and six months ended December 31 the Company had the following unrealized (losses) and realized gains:

	Six months ended December 31	
	2015	2014
	\$	\$
Unrealized gain (loss) on investment in Heron Resources	(38,323)	567,185

During the six months ended December 31, 2015 the Company sold 1,510,000 for gross proceeds of \$145,155 and realized a net gain from these dispositions of \$16,805. During the year ended June 30, 2015 the Company sold 3,387,500 shares for gross proceeds of \$392,269 and the realized net gain from this disposition was \$37,089.

## 7. Exploration and Evaluation Assets

#### South Abitibi Project (Sumac Alliance)

During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (a subsidiary of Sumitomo Metal Mining Co, Ltd.) Tri Origin, as operator of the Alliance, will acquire and explore properties in the southern part of the Abitibi greenstone belt of Ontario. The properties will be held as to a 50% Tri Origin and 50% Sumac interest. Sumac will provide funding for property acquisition and exploration up to a maximum of \$4.5 million and as the project advances, individual property specific joint ventures may be entered into to advance successful projects. During the first quarter of fiscal 2016 a large property position of 1900 claim units comprising 146 claims was acquired by staking in the Temagami-Cobalt region of the Abitibi Greenstone Belt. The commencement of a regionally extensive airborne geophysical survey at this property was announced during the quarter ended December 31, 2015.

Expenditures by TOE during the six months ended December 31, 2015 totalled \$nil. This does not include exploration funds provided by Sumac which totalled \$705,439.28 from the inception of the Alliance in late May, 2015 to December 31, 2015.

#### Detour West Project

Detour West is a gold exploration project located 180 kilometres north of Timmins, Ontario and 20 kilometres west of the Detour Lake Gold Mine. The Detour West property consists of 30 staked mining claims comprising 480 claim units covering an area of approximately 77 square kilometres owned 100% by Tri Origin. The claims tie directly onto mining claims held by Detour Gold Corporation the operator of the nearby Detour Lake Mine.

Expenditures at Detour West during the six months ended December 31, 2015 totalled \$7,165 (for the year ended June 30, 2015 - \$62,700). Total spending from inception to December 31, 2015 by the Company was \$69,865.

#### Red Lake Extension Project (RLX)

RLX is a gold exploration project located 15 kilometres southeast of the town of Red Lake in northwestern Ontario. The Company has a 100% ownership in 62 adjoining mining claims consisting of 859 claim units totalling an area of 141 square kilometres in the Red Lake Greenstone Belt. Expenditures at RLX during the six months ended December 31, 2015 totalled \$5,173 (for the year ended June 30, 2015 - \$21,374). Total spending from inception to December 31, 2015 by the Company was \$3,026,726.

#### Sky Lake Project

Sky Lake is a gold exploration project covering an area of 79 square kilometres located 35 kilometres southwest of Pickle Lake in north western Ontario. It is comprised of 24 100% owned mining claims totalling 376 claim units covering an area of 60 square kilometers. A further 8 contiguous mining claims covering an area of approximately 14 square kilometres are owned as to an initial 80% interest which was acquired through meeting the terms of an earn-in option during the 2015 fiscal year. These 8 claims are now subject to a joint venture with future funding of programs subject to Tri Origin's pro-rata equity interest in the claims. During the 6 months ended December 31, 2016 Tri Origin's

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

interest increased to 81.37%. An option agreement on two other claims covering an area of approximately 5 square kilometres to acquire an initial 51% by February 2016 was terminated prior to the end of the current quarter.

During the six months ended December 31, 2015, the Company spent \$18,498 to conduct exploration on the property (for the year ended June 30, 2015 - \$99,489). Total spending from inception to December 31, 2015 was \$1,361,188.

#### North Abitibi Project

North Abitibi is a gold exploration project located 150 kilometres north of Kirkland Lake, Ontario, in the Abitibi Greenstone Belt. The property consists of 16 claims covering an area of 28.5 square kilometres and is comprised of two parts. Late in the 2010 fiscal year, Vista Gold Corp. ("Vista"), transferred 100% of its interest in 7 of the North Abitibi mineral claims totalling 13.6 square kilometres to Tri Origin which claims are subject to a back-in right held by Vista and to the return of claims to Vista if an expenditure commitment of \$1,000,000 is not met by Tri Origin by 2015. Upon completion of the \$1,000,000 expenditure and after the Company has spent \$2,000,000, Vista Gold has the option to earn back a majority interest in the property. The remaining 9 claims covering 14.9 square kilometres are subject to the terms of the Vista agreement and are also subject to a 1.5% Net Smelter Return royalty payable on future production from the claims.

During the final quarter of fiscal 2014, Tri Origin was able to negotiate an extension to the term of the Vista agreement from January 2015 to June 2017. As part of the extension, Vista was issued 1,000,000 warrants for the purchase of common shares of Tri Origin (see notes to the financial statements for details of these warrants). The fair value of the warrants, using the Black Sholes model, was valued at \$5,700.

During the six months ended December 31, 2015, the Company spent \$21,893 on exploration expenditures on the property (for the year ended June 30, 2015 - \$59,818, excluding the value of warrants issued for the extension agreement). Total spending from inception to December 31, 2015 was \$296,001.

#### Project Generation

The Company continues to assess new areas for exploration. It is an objective of the Company to increase its portfolio of properties during the coming year. During the six months ended December 31, 2015, the Company spent \$4,980 on project generation activities including review and assessment of reports and preliminary analytical work (for the year ended June 30, 2015 - \$82,307 all of which was expensed at year end).

#### Exploration and Evaluation Assets

The exploration and evaluation assets include costs related to the acquisition of the property including legal costs, claim staking costs and costs of options and other agreements to acquire property and are as follows:

	Red Lake Extension	North Abitibi	Sky Lake	Detour West	South Abitibi	Project Generation	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance, June 30, 2014</b>	<b>3,000,179</b>	<b>214,290</b>	<b>1,243,201</b>	-	-	-	<b>4,457,670</b>
Acquisition Costs, including staking	-	-	-	48,741	-	-	48,741
Geological, geophysical and Geochemical	8,384	41,110	71,135	-	-	-	120,629
Field supplies, travel and logistics	2,056	6,892	14,517	-	-	-	23,465
Management and other	10,934	11,816	13,837	13,959	-	82,307	132,853
Property fee	-	-	-	-	-	(50,000)	(50,000)
Sub-total	3,021,553	274,108	1,342,690	62,700	-	32,307	4,733,358
Amounts expensed in year	-	-	-	-	-	(32,207)	(32,207)

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

<b>Balance, June 30, 2015</b>	<b>3,021,553</b>	<b>274,108</b>	<b>1,342,690</b>	<b>62,700</b>	-	-	<b>4,701,051</b>
Acquisition Costs, including staking	715	425	1,286	-	-	-	2,426
Geological, geophysical and Geochemical	-	14,353	10,024	-	-	-	24,377
Management and other	4,458	7,115	7,188	7,165	-	4,980	30,906
Property fee	-	-	-	-	-	-	-
<b>Balance, December 31, 2015</b>	<b>3,026,726</b>	<b>296,001</b>	<b>1,361,188</b>	<b>69,865</b>	-	<b>4,980</b>	<b>4,758,760</b>

---

## Tri Origin Exploration Ltd.

Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

### 8. Equipment

Equipment consists of the following:

Cost	Office Equipment \$	Leasehold Improvements \$	Computer Software \$	Field Equipment \$	Total \$
Balance, June 30, 2014	95,271	3,701	9,010	27,625	135,607
Additions	-	-	-	-	-
Balance, June 30, 2015	95,271	3,701	9,010	27,625	135,607
Additions	-	-	-	2,750	2,750
Balance, December 31, 2015	95,271	3,701	9,010	30,375	138,357

Accumulated Depreciation	Office Equipment \$	Leasehold Improvements \$	Computer Software \$	Field Equipment \$	Total \$
Balance, June 30, 2014	87,618	1,542	8,889	23,764	121,813
Additions	4,216	616	121	3,281	8,234
Balance, June 30, 2015	91,834	2,158	9,010	27,045	130,047
Additions	2,108	308	-	580	2,996
Balance, December 31, 2015	93,942	2,466	9,010	27,625	133,043

Net Book Value	Office Equipment \$	Leasehold Improvements \$	Computer Software \$	Field Equipment \$	Total \$
June 30, 2015	3,437	1,543	-	580	5,560
December 31, 2015	1,329	1,235	-	2,750	5,314

### 9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	As at December 31, 2015 \$	As at June 30, 2015 \$
Trade payables and accruals	142,377	126,084
Government remittances owing	1,264	10,390
Total	143,641	136,474

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

#### 10. Secured Debenture

On September 9, 2014, the Company closed a \$400,000 private placement whereby the Company issued a \$400,000 secured debenture. The secured debenture was entered into between Tri Origin and an arms-length third party investor.

The debenture initially matured on February 28, 2015, and was extended to December 31, 2015 and bears interest at a rate of 8.0 per cent per annum, payable at maturity or on conversion. On December 16, 2015, this debenture was replaced with a new debenture in the amount of \$400,000 with the same arm's-length investor. The new debenture matures on December 31, 2016 and bears interest at a rate of 8.0 per cent per annum, payable at maturity.

The debenture is secured by 5,000,000 Heron shares, which the Company holds as an investment (see note 6) and will be held in escrow until released in accordance with the terms of debenture. The fair value of the debenture approximates its carrying value due to its current nature.

#### 11. Convertible Debenture and Promissory Note

##### Convertible Debenture – Matured November 30, 2014

On December 15, 2013, the Company closed a \$100,000 private placement whereby the Company issued a \$100,000 convertible debenture which bears interest at a fixed rate of 8% per year payable monthly starting January 1, 2014. The debenture initially matured on November 30, 2014. Under the initial terms of the debenture, the holder has the option to convert the debenture in full into common shares of Tri Origin at a price of \$0.05 per share. The conversion option expired on November 30, 2014. The convertible debenture was entered into between Tri Origin and a private corporation controlled by the Company's president. The maturity date of the Debenture was extended to October 31, 2015, and has now been replaced by the \$300,000 promissory note noted below – "Promissory Note – Matures October 31, 2016".

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component of \$94,380 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. The residual value of \$5,620 was attributed to the liability components and no value was placed on the conversion feature of the debenture. The residual value was credited to contributed surplus.

	As at December 31 2015 \$	As at June 30 2015 \$
Face value of debentures	100,000	100,000
Discount on face value of debentures	(5,620)	(5,620)
Accumulated accretion	5,620	5,620
	<b>100,000</b>	<b>100,000</b>

##### Promissory Note – Matured April 30, 2015

On May 1, 2014, the Company closed a \$100,000 private placement whereby the Company issued a \$100,000 promissory note. In February 2015 the promissory note was increased to \$200,000.

The promissory note initially matured on April 30, 2015 and bears interest at a fixed rate of 8% per year payable monthly starting May 1, 2014. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president.

The lender has extended the maturity date of the promissory note to October 31, 2015, and this note has now been replaced by the \$300,000 promissory note noted below – "Promissory Note – Matures October 31, 2016".

The fair value of the promissory note approximates its carrying value due to its current nature.

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

#### Promissory Note – Matures October 31, 2016

On November 1, 2015, the Company closed a \$300,000 private placement whereby the Company issued a \$300,000 promissory note. The promissory note matures on October 31, 2016 and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the note in full into common shares of Tri Origin at a price of \$0.05 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president.

The fair value of the promissory note approximates its carrying value due to its current nature.

## 12. Share capital

#### Authorized:

Unlimited common shares without par value

#### Issued and outstanding:

	Number of shares	Amount
<b>Balance, June 30, 2014</b>	<b>89,403,306</b>	<b>\$22,321,126</b>
Normal course issuer bid	(5,527,000)	(1,379,926)
<b>Balance, June 30, 2015</b>	<b>83,876,306</b>	<b>\$(20,941,200)</b>
Normal course issuer bid	(924,000)	(231,695)
<b>Balance, December 31, 2015</b>	<b>82,952,306</b>	<b>\$(20,709,505)</b>

Regulatory approval for a Normal Course Issuer Bid ("NCIB") was received by the Company on December 10, 2014. The NCIB allows the Company to repurchase for cancellation up to 7,768,179 of its outstanding common shares through the facilities of the TSX-V during the period December 15, 2014 to December 14, 2015. For the period ended June 30, 2015 the Company repurchased 5,527,000 shares at an average cost of \$0.012 per share for a total gross value of \$66,273. Of the \$66,273 cash used to repurchase the shares, \$1,379,926 was attributable to a reduction in capital and remainder was an adjustment to retained earnings of \$1,313,653. For the six months ended December 31, 2015 the Company repurchased 924,000 shares at an average cost of \$0.018 per share for a total gross value of \$16,475. Of the \$16,475 cash used to repurchase the shares, \$231,695 was attributable to the reduction in capital and remainder was an adjustment to retained earnings of \$215,220. All shares purchased had been cancelled prior to December 31, 2015. Shareholders can obtain a copy of the notice of the NCIB, without charge, by contacting the issuer.



## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

#### 13. Warrants

The movements in the number and estimated fair value of outstanding broker warrants and share purchase warrants are as follows:

	Year ended December 31, 2015		Year Ended June 30, 2015	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Balance, beginning of the period	1,000,000	0.05	1,000,000	0.05
Issued	-	-	-	-
Expired	-	-	-	-
Balance, end of period	1,000,000	0.05	1,000,000	0.05

Warrants to purchase common shares outstanding at December 31, 2015 carry exercise prices and remaining terms to maturity as follows:

Expiry Date	Exercise Price \$	Warrants Outstanding	Fair Value of Warrant	Remaining Term to Maturity (years)
June 12, 2016	0.05	1,000,000	5,700	0.45
		1,000,000	5,700	0.45

The fair value of the warrants issued during the year ended December 31, 2014 was estimated using the Black-Scholes option pricing model with the following assumptions:

	2014
Risk free interest rate	1.1%
Expected dividend yield	Nil
Expected volatility	98%
Expected life	2 years

#### 14. Stock Options

The Company has a stock option plan available to directors, officers, employees and consultants of the Company. Currently, a maximum of 13,084,661 common shares may be issued under the Plan from time to time after December 9, 2010, at prices determined by the market price of the common shares at the date of the grant, and vesting as the Board of Directors determines from time to time with a maximum five-year term. The number of common shares reserved for issuance to any one person may not exceed 5% of the issued and outstanding common shares at the date of such grant.

The purpose of the Plan is to attract, retain and motivate directors, officers, employees and certain third party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. The options granted under the Plan are non-assignable.

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

	For the period ended December 31, 2015		For the year ended June 30, 2015	
	Number Outstanding	Weighted Average Exercise Price	Number Outstanding	Weighted Average Exercise Price
Balance, beginning of the period	5,400,000	\$0.06	5,675,000	\$0.10
Granted	-	-	2,700,000	0.05
Expired	(300,000)	0.10	(2,975,000)	0.12
Cancelled	-	-	-	-
Balance, end of period	5,100,000	\$0.06	5,400,000	\$0.06

Options to purchase common shares outstanding at December 31, 2015 carry exercise prices and remaining terms to maturity as follows:

Expiry Date	Exercise Price \$	Options Outstanding	Options Exercisable	Remaining Term to Maturity (years)
March 22, 2016	0.15	100,000	100,000	0.23
November 6, 2017	0.10	200,000	200,000	1.85
January 15, 2018	0.10	600,000	600,000	2.05
February 19, 2019	0.05	1,500,000	1,500,000	3.15
December 15, 2019	0.05	500,000	300,000	3.96
June 25, 2020	0.05	2,200,000	2,200,000	4.46
		5,100,000	4,900,000	3.56

During the period ended December 31, 2015 the Company granted no new options to employees, directors and consultants (year ended June 30, 2015 – 2,700,000). The Company recognized a total expense of \$nil for six months ended December 31, 2015 (year ended June 30, 2015 - \$31,201) in respect of the options vesting during the period.

The fair value of the options issued during the year ended June 30, 2015 was estimated using the Black-Scholes option pricing model with the following assumptions:

	June 30 2015
Risk free interest rate	0.95 - 1.00%
Expected dividend yield	Nil
Expected volatility	113-138%
Expected life	5 years

Option pricing models require the input of subjective assumptions regarding the expected volatility. Changes in assumptions can materially affect the estimate of fair value, and therefore, use of Black-Scholes option pricing model, may not provide a realistic measure of the fair value of the Company's options at the date of issue.

## 15. Income (Loss) per Share

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

The calculation of basic and diluted loss per share is as follows:

	Three and six months ended December 31	
	2015	2014
Net income (loss)	\$(158,793)	\$267,082
Weighted average number of shares outstanding	82,952,306	89,403,306
Basic and fully diluted loss per share	\$0.00	\$0.00

Diluted loss per share is not calculated to include the effect of share purchase options and warrants as they are anti-dilutive.

## 16. General and Administrative Expense

General and administrative expense consists of the following:

	Three months ended December 31		Six months ended December 31	
	2015 \$	2014 \$	2015 \$	2014 \$
Salaries and benefits	21,078	32,572	47,197	69,809
Share Based Payments	-	12,467	-	12,467
Professional fees	24,936	15,137	30,936	44,031
Share control and listing fees	16,617	5,623	17,623	16,263
Travel	681	1,017	922	4,250
General office expenses	41,348	24,181	65,671	66,523
Amortization	1,208	2,028	2,996	4,178
Reimbursement from Projects	(39,849)	-	(60,814)	-
<b>Total</b>	<b>66,019</b>	<b>93,025</b>	<b>104,531</b>	<b>213,891</b>

## 17. Finance Charges

Interest expense consists of the following:

	Six months ended December 31		Six months ended December 31	
	2015 \$	2014 \$	2015 \$	2014 \$
Interest on secured debenture	9,350	7,912	17,262	9,758
Interest charges from unsecured debentures and Promissory note	10,610	3,989	14,585	8,066
Accretion charges from debentures	-	1,022	-	2,555
Other interest charges	484	428	897	3,033
<b>Total</b>	<b>20,444</b>	<b>13,351</b>	<b>32,744</b>	<b>23,412</b>

## **Tri Origin Exploration Ltd.**

### Notes to the Condensed Interim Financial Statements

*For the three and six months ended December 31, 2015 and 2014*

---

## **18. Financial Risk Factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### ***Liquidity risk***

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at December 31, 2015, the Company had cash of \$280,391 (June 30, 2015- \$317,503) to settle current liabilities of \$1,098,033 (June 30, 2015 - \$1,084,756). In addition the Company owns marketable securities comprised of the shares of Heron Resources Ltd which have a market value of \$613,180 as at December 31, 2015 (June 30, 2015 - \$779,853). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

### ***Market risk***

#### ***(a) Interest rate risk***

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

#### ***(b) Foreign currency risk***

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds its exploration and administrative expenses using Canadian dollars.

The Company has an investment in Heron Resources Ltd which is classified as a current asset. The investment is valued at fair value based on listed market quotations on the Toronto Stock Exchange, with unrealized gains and losses recognized in income. As such, the investment is not subject to foreign currency risk.

#### ***(c) Market risk***

The market value of the shares of Heron fluctuates daily as the shares are traded publicly on the ASX and Toronto Stock Exchange. The market value of the Company's investment in Heron is calculated by the Company at each of its balance sheet dates at the investment's market value as traded on the Toronto Stock Exchange in Canadian dollar.

#### ***(d) Price risk***

The Company is a mineral exploration company whose projects may be impacted, and consequently exposed to price risk, by the prices of certain commodities including the prices for precious and base metals. The Company believes that, because it is an exploration stage company and has no producing mines currently, the effect of metal price fluctuations is indirect. The indirect effects of metal price fluctuations on the Company might include an impact on its ability to raise capital in the future and could cause continued exploration and development of the Company's properties to be impracticable.

#### ***(e) Sensitivity Analysis***

The Company has designated its cash as a financial asset at FVTPL, which is measured at fair value.

As at December 31, 2015, the carrying amount of accounts receivable and prepaid expenses are measured at amortized cost which equals fair market value. Accounts payable and the short term credit facility are classified as other financial liabilities and measured at amortized cost.

Based on management's knowledge and experience of financial markets, the Company believes the following movements are "reasonably possible" over a twelve-month period:

The Company does not hold significant balances in foreign currencies that give rise to exposure to foreign currency risk.

# Tri Origin Exploration Ltd.

## Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

The Company's investment in Heron is recorded at market value. Sensitivity to a plus or minus 5% change in market value would affect net loss and comprehensive loss by plus or minus \$30,650.

### 19. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers its capital to be cash, investments, credit facilities and equity, comprising share capital, warrants, contributed surplus and deficit. The equity of the Company at December 31, 2015 totaled \$4,562,614 (June 30, 2015 - \$4,738,182). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

### 20. Related Party Transactions

The Company had the following related party transactions for the three and six months ended December 31, 2015. These transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

- a) The Company's office is located at 125 Don Hillock Drive, Unit 18 in Aurora, Ontario and rents the property on a month-to-month basis. This rental property is owned by a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s President. During the six month period ended December 31, 2015 the Company paid or accrued \$26,718 (2014 - \$26,718) for this rental. The prepaid assets include \$2,750 (2014 - \$2,750) related to rent paid in advance.
- b) Remuneration of Directors and key management personnel of the Company were as follows:

	Six months ended December 31	
	2015	2014
	\$	\$
Salaries and benefits	112,300	115,350
Stock based compensation	-	6,600
<b>Total</b>	<b>112,300</b>	<b>121,950</b>

Key management personnel include the President and Chief Financial Officer and companies controlled by the Chief Executive Officers. Accrued salaries and fees payable as of December 31, 2015 are \$66,200 (2015-\$3,000).

- c) On December 15, 2013 a convertible debenture (*note 11*) was entered into between Tri Origin and a private corporation controlled by the Company's president. The Convertible Debenture was for \$100,000 loaned to the Company and was repayable in cash or convertible in whole or in part at the lender's option into Common Shares of Tri Origin at \$0.05 per share. This conversion option has expired.

The lender has previously extended the maturity date of the Debenture, and has been replaced by the \$300,000 promissory note noted below –“ Promissory Note – Matures October 31, 2016”.

## Tri Origin Exploration Ltd.

### Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

- d) On May 1, 2014 a promissory note (*note 11*) was entered into between Tri Origin and a private corporation controlled by the Company's president in the amount of \$100,000.

The lender has extended the maturity date of the promissory note, and has been replaced by the \$300,000 promissory note noted below – "Promissory Note – Matures October 31, 2016".

- e) On November 1, 2015, the Company closed a \$300,000 private placement whereby the Company issued a \$300,000 promissory note. The promissory note matures on October 31, 2016 and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the debenture in full into common shares of Tri Origin at a price of \$0.05 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president.

# Tri Origin Exploration Ltd.

Notes to the Condensed Interim Financial Statements

For the three and six months ended December 31, 2015 and 2014

---

## CORPORATE INFORMATION



Tri Origin Exploration Ltd.  
125 Don Hillock Dr, Unit 18  
Aurora, ON.  
L4G 0H8  
CANADA

Tel: (905) 727-1779  
Fax: (905) 727- 8779

*Stock Exchange: TSX-V*

Trading Symbol : TOE  
Email: [explore@triorigin.com](mailto:explore@triorigin.com)  
[www.triorigin.com](http://www.triorigin.com)

---

## **DIRECTORS & OFFICERS**

Robert I. Valliant, President & Director  
Uxbridge, Ontario

Jean-Pierre Janson, Director  
Outremont, Québec

Alan Galley, Director  
Ottawa, Ontario

Louis Nagy, Chief Financial Officer  
Toronto, Ontario

## **REGISTRAR & TRANSFER AGENT**

TMX Equity Transfer Services Inc.  
200 University Ave. Suite 300  
Toronto, ON. M5H 4H1

## **AUDITORS**

Stern & Lovrics LLP Chartered Accountants  
1210 Sheppard Ave. E, Suite 302  
Toronto, ON., M2K 1E3