



## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

Nine months ended November 30, 2015

*The attached unaudited condensed interim financial statements have been prepared by Management of Sphinx Resources Ltd. and have not been reviewed by the auditors*

**SPHINX RESOURCES LTD.**  
**Statements of Financial Position**  
As at November 30, 2015  
(Unaudited, in Canadian Dollars)

	Notes	November 30, 2015	February 28, 2015
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		12,580	897,148
Sales tax receivable		73,990	118,922
Tax credits receivable	2	739,190	708,899
Advances for exploration		-	145,327
Prepaid expenses		24,863	27,065
<b>Total current assets</b>		<b>850,623</b>	<b>1,897,361</b>
<b>Non-current assets</b>			
Non-current portion of tax credits receivable		14,548	8,317
<b>Total non-current assets</b>		<b>14,548</b>	<b>8,317</b>
<b>TOTAL ASSETS</b>		<b>865,171</b>	<b>1,905,678</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables		335,100	291,928
Tax credits payable	2	410,246	371,534
Loan payable		161,841	160,790
Flow-through share premium		-	175,313
Current portion of sublease loss reserve	4	41,160	41,160
<b>Total current liabilities</b>		<b>948,347</b>	<b>1,040,725</b>
<b>Non-current liabilities</b>			
Sublease loss reserve	4	68,812	67,588
Convertible debentures	5	325,545	275,299
<b>Total non-current liabilities</b>		<b>394,357</b>	<b>342,887</b>
<b>Total liabilities</b>		<b>1,342,704</b>	<b>1,383,612</b>
<b>Equity</b>			
Capital stock		58,217,117	57,882,141
Equity component of convertible debentures		62,949	62,949
Warrants		1,582,370	1,582,370
Contributed surplus		9,555,021	9,553,131
Deficit		(69,894,990)	(68,558,525)
<b>Total equity</b>		<b>(477,533)</b>	<b>522,066</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>865,171</b>	<b>1,905,678</b>

Going concern

1.2

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

**SPHINX RESOURCES LTD.****Statements of Loss and Comprehensive Loss**

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

	Notes	Three months ended November 30		Nine months ended November 30	
		2015	2014	2015	2014
		\$	\$	\$	\$
<b>Expenses</b>					
Exploration and evaluation expenditures	3	7,670	691,192	1,050,416	971,961
General and administrative	8	(41,736)	356,860	332,642	905,811
Operating loss		<b>34,066</b>	<b>(1,048,052)</b>	<b>(1,383,058)</b>	<b>(1,877,772)</b>
<b>Other expenses (income)</b>					
Interest income		-	(586)	(777)	(3,720)
Finance costs	9	36,717	31,454	129,497	201,169
Loss before income taxes		<b>(2,651)</b>	<b>(1,078,920)</b>	<b>(1,511,778)</b>	<b>(2,075,221)</b>
Current tax expense		-	-	-	(247)
Flow-through share premium		-	(134,000)	(175,313)	(187,822)
<b>Loss and comprehensive loss for the period</b>		<b>(2,651)</b>	<b>(944,920)</b>	<b>(1,336,465)</b>	<b>(1,887,646)</b>
Weighted average number of common shares outstanding					
- basic and diluted		45,428,241	26,760,483	42,154,939	19,099,134
Basic and diluted loss per common share		-	(0.04)	(0.03)	(0.10)

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

**SPHINX RESOURCES LTD.****Statements of Changes in Equity**

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

	Common Shares Number	Capital Stock \$	Equity component of convertible debenture	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
<b>Balance at February 28, 2014</b>	<b>13,898,948</b>	<b>55,864,540</b>	-	<b>1,572,839</b>	<b>9,108,715</b>	<b>(66,064,558)</b>	<b>481,536</b>
Shares issued for:							
Private placements	11,854,615	1,091,614	-	313,434	88,353	-	1,493,401
Project acquisitions	738,235	62,059	-	-	-	-	62,059
Share for debt	2,556,538	332,350	-	-	-	-	332,350
Loss and comprehensive loss	-	-	-	-	-	(1,887,646)	(1,887,646)
<b>Balance at November 30, 2014</b>	<b>29,048,336</b>	<b>57,350,563</b>	-	<b>1,886,273</b>	<b>9,197,068</b>	<b>(67,952,204)</b>	<b>481,700</b>
<b>Balance at February 28, 2015</b>	<b>36,294,859</b>	<b>57,882,141</b>	<b>62,949</b>	<b>1,582,370</b>	<b>9,553,131</b>	<b>(68,558,525)</b>	<b>522,066</b>
Shares issued for:							
Project acquisitions	8,584,615	307,538	-	-	-	-	307,538
Share for debt	100,000	5,000	-	-	-	-	5,000
Interest on convertible debentures	448,767	22,438	-	-	-	-	22,438
Share-based payment	-	-	-	-	1,890	-	1,890
Loss and comprehensive loss	-	-	-	-	-	(1,336,465)	(1,336,465)
<b>Balance at November 30, 2015</b>	<b>45,428,241</b>	<b>58,217,117</b>	<b>62,949</b>	<b>1,582,370</b>	<b>9,555,021</b>	<b>(69,894,990)</b>	<b>(477,533)</b>

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

**SPHINX RESOURCES LTD.****Statements of Cash Flows**

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

		Nine months ended November 30,	
	Notes	2015	2014
		\$	\$
<b>Operating activities</b>			
Loss for the period		(1,336,465)	(1,887,646)
Adjustments for:			
Share-based payments		1,890	79,808
Shares issued for project acquisition	3	307,538	62,059
Shares for debt	3.3 b)	5,000	-
Share issued for interest on convertible debentures	5	22,438	-
Finance income		(777)	(3,720)
Finance costs		57,016	122,519
Flow-through share premium		(175,313)	(187,822)
Changes in non-cash working capital items	10	237,823	684,283
<b>Cash flow from operating activities</b>		<b>(880,850)</b>	<b>(1,130,519)</b>
<b>Financing activities</b>			
Finance costs paid		(4,495)	(136,173)
Loan payable repayments		-	(1,640,000)
Common shares issued		-	1,541,100
Issue costs		-	(127,507)
<b>Cash flow from financing activities</b>		<b>(4,495)</b>	<b>(362,580)</b>
<b>Investing activities</b>			
Finance income received		777	3,720
<b>Cash flow from investing activities</b>		<b>777</b>	<b>3,720</b>
Change in cash during the period		(884,568)	(1,489,379)
Cash, beginning of period		897,148	1,731,202
<b>Cash, end of period</b>		<b>12,580</b>	<b>241,823</b>

**Supplemental cash flow information**

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

# SPHINX RESOURCES LTD.

## Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

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### 1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

Sphinx Resources Ltd. (the "Corporation") was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation's shares are listed on the TSX Venture Exchange ("Exchange") under the trading symbol "SFX". The Corporation's head office is situated at 1 Place Ville Marie, Suite 2001, Montreal, Quebec, H3B 2C4. The Corporation operates in one segment, being the acquisition, exploration and development of mineral properties.

The measurement of certain assets and liabilities is dependent on future events, therefore the preparation of these unaudited condensed interim financial statements ("Financial Statements") requires the use of estimates, which may vary from actual results. The success of the Corporation's exploration and evaluation activities is influenced by significant financial risks, legal and political risks, commodity prices, and the ability of the Corporation to discover economically recoverable reserves.

#### 1.1 Basis of presentation

These Financial Statements have been prepared in accordance International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended February 28, 2015, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year.

The Financial Statements of the Corporation for the nine months ended November 30, 2015 were reviewed, approved and authorized for issue by the Board of Directors on January 18, 2016.

#### 1.2 Going concern

The Financial Statements have been prepared using IFRS applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but 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 and conditions that lend a significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS applicable to a going concern, as described in the following paragraph. These Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

The Corporation recorded a loss of \$1,336,465 for the nine months ended November 30, 2015, and has an accumulated deficit of \$69,894,990 as at November 30, 2015. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administration costs. As at November 30, 2015, the Corporation had a negative working capital of \$97,724. These conditions indicate the existence of material uncertainty that may cast a significant doubt regarding the Corporation's ability to continue as a going concern.

The Corporation's ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties. While Management has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation. If Management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 2. TAX CREDITS RECEIVABLE AND PAYABLE

	November 30, 2015	February 28, 2015
	\$	\$
Refundable tax credit for resources	189,609	159,318
Quebec refundable credits on mining duties for losses	690,461	684,230
Tax credits receivable – provision	(126,332)	(126,332)
Total tax credits receivable	753,738	717,216
Less: non-current portion of tax credits receivable	(14,548)	(8,317)
<b>Tax credits receivable – current</b>	<b>739,190</b>	<b>708,899</b>
<b>Tax credits payable – current</b>	<b>410,246</b>	<b>371,534</b>

#### 3. MINERAL PROPERTIES

Mineral properties that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred.

##### Exploration and evaluation expenditures for three months:

	Three months ended November 30, 2015				Three months ended November 30, 2014			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Green Palladium	-	4,177	-	4,177	-	-	-	-
Calumet Sud	173	2,000	-	2,173	-	-	-	-
Somanike	774	546	-	1,320	-	-	-	-
Samson	-	-	-	-	40,400	117,143	(12,811)	144,732
Adam	-	-	-	-	-	-	-	-
Valmond	-	-	-	-	10,000	45,034	(4,973)	50,061
Preissac	-	-	-	-	64	121,892	(2,653)	119,303
Dollier	-	-	-	-	15,000	385,252	(43,472)	356,780
Project Generation	-	-	-	-	6,041	15,455	(1,180)	20,316
<b>Total</b>	<b>947</b>	<b>6,723</b>	<b>-</b>	<b>7,670</b>	<b>71,505</b>	<b>684,776</b>	<b>(65,089)</b>	<b>691,192</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

### 3. MINERAL PROPERTIES (CONT'D)

#### Exploration and evaluation expenditures for nine months:

	Nine months ended November 30, 2015				Nine months ended November 30, 2014			
	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total	Acquisition and maintenance	Exploration and evaluation expenditures	Tax credits	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Green Palladium	160,185	309,739	(32,528)	<b>437,396</b>	-	-	-	-
Calumet Sud	41,711	2,000	-	<b>43,711</b>	-	-	-	-
Somanike	111,964	237,977	(3,994)	<b>345,947</b>	-	-	-	-
Samson	2,966	202,654	-	<b>205,620</b>	40,400	117,143	(12,811)	<b>144,732</b>
Adam	-	17,742	-	<b>17,742</b>	-	-	-	-
Valmond	-	-	-	-	10,000	273,970	(4,973)	<b>278,997</b>
Preissac	-	-	-	-	47,975	121,893	(2,653)	<b>167,215</b>
Dollier	-	-	-	-	15,000	385,252	(43,472)	<b>356,780</b>
Project Generation	-	-	-	-	6,041	19,376	(1,180)	<b>24,237</b>
<b>Total</b>	<b>316,826</b>	<b>770,112</b>	<b>(36,522)</b>	<b>1,050,416</b>	<b>119,416</b>	<b>917,634</b>	<b>(65,089)</b>	<b>971,961</b>

#### 3.1 Green Palladium project

On March 12, 2015, the Corporation signed a definitive agreement with Amixam Resources Inc. ("Amixam") for the acquisition of 100% of the Green Palladium project, located in the Pontiac MRC, adjacent to the Quebec Abitibi-Temiscamingue region. Under the terms of this agreement, the Corporation acquired the Green Palladium project by issuing 4,000,000 common shares, valued at \$160,000 based on the Exchange share price of \$0.04 on the date of the share issuance. Another 461,536 common shares will be issued at the earliest on January 20, 2016 under certain conditions. Amixam was granted with a 2% of net smelter return ("NSR"). In addition, the Corporation must complete the following exploration work, falling which the property will be returned to Amixam:

	Work	
	Commitment	Completed
	\$	\$
On or before January 20, 2016	50,000	50,000
On or before January 20, 2017	100,000	100,000
On or before January 20, 2018	600,000	159,739
<b>Total</b>	<b>750,000</b>	<b>309,739</b>

Michel Gauthier, president of Gardin, was elected director of the Corporation on August 27, 2015. On November 2, 2015, Gardin announced it had acquired from Amixam on a private placement basis for an aggregate purchase price of \$75,000 direct ownership of the 4,000,000 common shares of the Corporation and the rights to receive an additional 461,536 shares pursuant to the Green Palladium project acquisition agreement, representing a price of approximately \$0.01681 per share of the Corporation.



## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

### 3. MINERAL PROPERTIES (CONT'D)

#### 3.2 Calumet Sud Project

On August 6, 2015, the Corporation signed a definitive agreement with Gardin Inc. ("Gardin") for the acquisition of 100% of the Calumet Sud project in the Pontiac MRC in southwestern Quebec. The Corporation acquired the project by issuing 1,384,615 common shares, valued at \$41,538 based on the Exchange share price of \$0.03 on the date of the share issuance. Another 1,923,077 common shares will be issued at the earliest on August 6, 2016 and 2,846,231 common shares at the earliest on August 6, 2017, under certain conditions. One of these conditions is that Gardin (and Gardin's affiliates and joint actors) would beneficially own no more than 19.9% of the common shares outstanding immediately after giving effect to such issuance. In addition the Corporation will: (i) make cash payments by the third anniversary to Gardin totaling \$93,000 in reimbursement of expenses spent by Gardin on the Project, and (ii) fund not less than \$350,000 in exploration expenditures over three years as follow:

	Work	
	Commitment	Completed
	\$	\$
On or before August 6, 2016	50,000	2,000
On or before August 6, 2017	100,000	-
On or before August 6, 2018	200,000	-
<b>Total</b>	<b>350,000</b>	<b>2,000</b>

The Corporation must complete the share issuances, cash payments and exploration work, falling which the property will be returned to Gardin. A 2% NSR royalty was granted to Gardin.

#### 3.3 Somanike property

##### a) Marbridge agreement

On June 1, 2015, the Corporation signed an acquisition agreement with Royal Nickel Corporation ("Royal Nickel") for the purchase of 100% of the Marbridge nickel-copper mine project ("Marbridge") by issuing 2,000,000 common shares (valued at \$70,000). This project comprises 8 claims and 2 mining concessions for a total surface area of about 5.8 km<sup>2</sup> and is located within the municipality of La Motte just east of the Corporation's Preissac project. Royal Nickel also received a 2% NSR on the Marbridge mining concessions and the Corporation has the right and option to purchase this 2% NSR for \$2,000,000. The 8 mining claims remain subject to a 2% NSR in favour of Jefmar Inc. and the Corporation has the right to purchase 50% of this NSR for \$1,000,000.

##### b) Pikogan agreement

The Preissac and Marbridge projects are renamed the Somanike project in connection with the signing of a cooperation agreement between the Corporation and the Abitibiwinni first nation (the "Abitibiwinni Nation"), based at Pikogan, Quebec. In connection with the cooperation provided and services rendered by the Abitibiwinni Nation in finalizing all of these initiatives, the Corporation issued 142,857 common shares (valued at \$5,000) to the Abitibiwinni Nation.

##### c) Globex agreement

On June 15, 2015, the Corporation signed a definitive agreement to acquire 7 Claims from Globex Mining Enterprises Inc. ("Globex") in the area of the Somanike project for consideration that is comprised of:

- 1,200,000 common shares of the Corporation valued at \$36,000; and
- a graduated Gross Metal Royalty ("GMR") defined as 1% of all metals produced from the 7 Claims when the nickel ('Ni') price quote is \$6.00 US/lb. or less, 1.5% GMR when it is greater than \$6.00 US/lb. but less than \$8.00 US/lb. and 2% GMR when it is \$8.00 US/lb. or greater.

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 3. MINERAL PROPERTIES (CONT'D)

In addition, the Corporation must complete the following exploration work, falling which the 7 claims will be returned to Globex:

	Work	
	Commitment	Completed
	\$	\$
On or before June 15, 2016	100,000	-
On or before June 15, 2017	100,000	-
On or before June 15, 2018	100,000	-
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
<b>Total</b>	<b>500,000</b>	<b>-</b>

#### 3.4 Valmond

On August 11, 2015, the Corporation terminated the Valmond agreement with Midland Exploration Inc. ("Midland").

#### 3.5 Samson project

On September 3, 2014, the Corporation signed an agreement with Midland for the Samson project, located about 50 km west of the town of Matagami, in Abitibi, Québec. Under the terms of this agreement, the Corporation may earn 50% of Midland's interest over a period of 4 years, by fulfilling the following conditions:

	Payments in cash		Works	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signing the agreement	40,000	40,000	-	-
On or before September 3, 2015	40,000	-	500,000	500,000
On or before September 3, 2016	50,000	-	700,000	65,494
On or before September 3, 2017	70,000	-	900,000	-
On or before September 3, 2018	75,000	-	1,400,000	-
<b>Total</b>	<b>275,000</b>	<b>40,000</b>	<b>3,500,000</b>	<b>565,494</b>

On December 11, 2015, the Corporation terminated the Samson agreement with Midland.

#### 3.6 Dollier

On August 5, 2015, the Corporation terminated the Dollier agreement with Cartier Resources Inc.

#### 3.7 Adam

On December 12, 2014, the Corporation signed an agreement with Midland for the Adam project, located about 50 km west of the town of Matagami, in Abitibi, Québec. Under the terms of this agreement, the Corporation may earn 50% of Midland's interest over a period of 4 years, by fulfilling the following conditions:

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 3. MINERAL PROPERTIES (CONT'D)

	Payments in cash		Works	
	Commitment	Completed	Commitment	Completed
	\$	\$	\$	\$
Upon signing the agreement	20,000	20,000	-	-
On or before December 12, 2015 (\$200,000 work is a firm commitment)	40,000	-	400,000	180,318
On or before December 12, 2016	50,000	-	400,000	-
On or before December 12, 2017	70,000	-	1,000,000	-
On or before December 12, 2018	70,000	-	1,200,000	-
<b>Total</b>	<b>250,000</b>	<b>20,000</b>	<b>3,000,000</b>	<b>180,318</b>

On December 11, 2015, the Corporation terminated the Adam agreement with Midland.

#### 4. SUBLEASE LOSS RESERVE

The changes in the sublease loss reserve are as follows:

	Nine months ended November 30,	
	2015	2014
	\$	\$
Balance, beginning of period	108,748	147,672
Accretion expense	1,224	1,677
Balance, end of period	109,972	149,349
Less current portion of sublease loss reserve	(41,160)	(41,160)
<b>Non-current portion of sublease loss reserve</b>	<b>68,812</b>	<b>108,189</b>

#### 5. CONVERTIBLE DEBENTURES

	Nine months ended November 30	
	2015	
	\$	
Balance, beginning of year	275,299	
Accretion expense	46,385	
Issuance cost amortization	3,861	
<b>Convertible debentures</b>	<b>325,545</b>	

The Corporation issued 448,767 common shares in lieu of a cash payment for the first 6 months interest of \$22,438 payable in accordance with the terms of the convertible debentures issued by the Corporation on December 19, 2014.

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 6. COMMON SHARES AND WARRANTS

##### 6.1 Warrants

The changes in warrants issued are as follows:

	Nine months ended November 30			
	2015		2014	
	Number of warrants	Weighted average exercise prices	Number of warrants	Weighted average exercise prices
		\$		\$
Balance, beginning of period	23,566,189	0.42	9,767,183	1.01
Issued	-	-	11,854,615	0.175
Expired	-	-	(122,917)	19.20
<b>Balance, end of period</b>	<b>23,566,189</b>	<b>0.42</b>	<b>21,498,881</b>	<b>0.44</b>

Outstanding warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

Expiry date	November 30, 2015	
	Number	Exercise price
		\$
February 14, 2016	6,551,666	0.16
February 21, 2016	2,077,300	0.16
March 28, 2016	1,540,000	0.175
September 5, 2016	8,389,615	0.175
September 12, 2016	1,925,000	0.175
December 19, 2016	625,000	0.11
December 19, 2016	1,442,308	0.17
July 17, 2018	941,900	6.00
August 7, 2018	73,400	6.00
	<b>23,566,189</b>	

##### 6.2 Agent's compensation options and underlying warrants

The changes in agent's compensation options and underlying warrants issued are as follows:

	Nine months ended November 30			
	2015		2014	
	Number	Weighted average exercise prices	Number	Weighted average exercise prices
		\$		
Balance, beginning of period	1,007,978	0.38	486,565	4.52
Issued	-	-	516,000	0.15
Expired	(516,000)	0.15	(122,741)	15.50
<b>Balance, end of period</b>	<b>491,978</b>	<b>0.61</b>	<b>879,824</b>	<b>0.42</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 6. COMMON SHARES AND WARRANTS (CONT'D)

Outstanding agent's compensation options and underlying warrants entitle their holder to subscribe to an equivalent number of common shares as follow:

Expiry Date	November 30, 2015	
	Number	Exercise price
		\$
July 17, 2016	78,450	3.00
August 7, 2016	6,606	3.00
December 19, 2016	406,922	0.11
	<b>491,978</b>	

#### 7. SHARE-BASED PAYMENTS

The changes in stock options issued are as follows:

	Nine months ended November 30			
	2015		2014	
	Number of options	Weighted average exercise prices	Number of options	Weighted average exercise prices
				\$
Balance, beginning of period	1,525,000	0.125	40,833	18.00
Granted	-	-	1,525,000	0.125
Expired	-	-	(40,833)	18.00
Forfeited	(125,000)	0.125	-	-
<b>Balance, end of period</b>	<b>1,400,000</b>	<b>0.125</b>	<b>1,525,000</b>	<b>0.125</b>

Outstanding stock options entitling their holder to subscribe to an equivalent number of common shares as follow:

Expiry Date	November 30, 2015	
	Number of options	Exercise price
		\$
October 10, 2024	1,400,000	0.125
	<b>1,400,000</b>	

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 8. GENERAL AND ADMINISTRATION

	Three months ended November 30,		Nine months ended November 30,	
	2015	2014	2015	2014
	\$	\$	\$	\$
Administration fees	-	-	-	30,000
Directors fees	12,000	8,000	30,000	20,000
Filing and transfer agent fees	20,894	16,535	41,579	36,522
Management fees	(13,325)	29,037	36,809	141,520
Office and miscellaneous	5,012	14,940	22,057	41,117
Professional fees	(3,703)	71,442	66,452	282,947
Promotion	814	39,312	52,297	114,983
Rent	-	755	-	(1,068)
Salaries and benefit	(64,518)	65,144	71,438	109,988
Share-based payments	171	79,808	1,890	79,808
Travel	919	31,887	10,120	49,994
<b>General and administration</b>	<b>(41,736)</b>	<b>356,860</b>	<b>332,642</b>	<b>905,811</b>

As at November 30, 2015, Normand Champigny, Director, President and CEO of the Corporation, agreed to wave \$120,000 of the amount owed to him as per his employment agreement. Effective November 30, 2015, his employment agreement was amended to reduce his salary from \$20,000 to \$10,000 per month. As at November 30, 2015, the Corporation owes Normand Champigny \$39,000 for unpaid salary.

As at November 30, 2015, Ingrid Martin, Director, CFO and Corporate Secretary of the Corporation, agreed to wave \$33,394 owed to her management company. As of November 30, 2015, the Corporation owes Ingrid Martin CPA inc. \$21,372.

As at November 30, 2015, the Corporation owes \$12,000 to the Directors for their fees.

#### 9. FINANCE COSTS

	Three months ended November 30		Nine months ended November 30	
	2015	2014	2015	2014
	\$	\$	\$	\$
Accretion sublease reserve	408	559	1,224	1,677
Accretion of convertible debentures	23,840	-	46,385	-
Issuance costs on convertible debentures	1,287	-	3,861	-
Common shares issued in lieu of interest payment on convertible debentures	-	-	22,438	-
Interest paid and accrued on loan payable	5,624	30,895	16,877	199,492
Interest accrued on tax credits payable	5,558	-	38,712	-
<b>Finance costs</b>	<b>36,717</b>	<b>31,454</b>	<b>129,497</b>	<b>201,169</b>

## SPHINX RESOURCES LTD.

### Notes to the Financial Statements

Nine months ended November 30, 2015

(Unaudited, in Canadian Dollars)

#### 10. SUPPLEMENTAL CASH FLOW INFORMATION

Non cash transactions included in the statement of financial position are the following:

	Nine months ended November 30,	
	2015	2014
	\$	\$
Agent compensation options issued as a share issue cost	-	8,545

Change in non-cash working capital items:

	Nine months ended November 30,	
	2015	2014
	\$	\$
Trade and other receivables	44,932	(78,287)
Tax credits receivables	(36,522)	1,615,308
Advances for exploration, development and operations costs	145,327	(184,144)
Prepaid expenses	2,202	(13,364)
Trade and other payables	43,172	(460,080)
Tax credit payable	38,712	(195,150)
	<b>237,823</b>	<b>684,283</b>

#### 11. SUBSEQUENT EVENT

Subject to the Exchange's approval, the Corporation will issue 451,233 common shares in lieu of a cash payment for the \$22,562 of interest payable for the 6 month period ended December 19, 2015, in accordance with the terms of the convertible debentures issued by the Corporation on December 19, 2014 and subject to the Exchange's approval.

On January 18, 2016, the Board of Directors approved a resolution to pay in shares the \$16,000 owed to the Directors (less deduction at source) for their fees up to December 31, 2015. This share issuance is subject to the Exchange's approval and will be done at \$0.05 per share of the Corporation.