ALIANZA MINERALS LTD.

(Formerly Tarsis Resources Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2015

INTRODUCTION

This is Management's Discussion and Analysis ("MD&A") for Alianza Minerals Ltd. (formerly Tarsis Resources Ltd.) ("Alianza" or the "Company") and has been prepared based on information known to management as of December 21, 2015.

The MD&A is intended to complement and supplement the Company's consolidated financial statements, but it does not form part of those consolidated financial statements. The MD&A should be read in conjunction with the audited consolidated financial statements and the related notes for the years ended September 30, 2015, 2014 and 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included in those financial statements and/or this MD&A are quoted in Canadian dollars unless otherwise specified.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A provide, or may appear to provide, a forward-looking orientation with respect to the Company's activities and its future results. Consequently, certain statements contained in this MD&A constitute expressed or implied forward-looking statements. Terms including, but not limited to, "anticipate", "estimate", "believe" and "expect" may identify forward-looking statements. Forward-looking statements, while they are based on the current knowledge and assumptions of the Company's management, are subject to risks and uncertainties that could cause or contribute to the actual results being materially different than those expressed or implied. Readers are cautioned not to place undue reliance on any forward-looking statement that may be in this MD&A.

Forward looking statements that have been made in this MD&A include:

- Plans for exploration of the Company's exploration and evaluation assets;
- Impairment of long-lived assets;
- Plans or activities to be performed by optionee companies on the Company's exploration and evaluation assets;
- The progress, potential and uncertainties of the Company's exploration and evaluation assets in Mexico, Nevada, Peru and Yukon Canada.
- References to future commodity prices;
- Budgets or estimates with respect to future activities;
- Estimates of how long the Company expects its working capital to last;
- Expectations regarding the ability to raise capital and to continue its exploration and development plans on its properties; and
- Management expectations of future activities and results.

ADDITIONAL INFORMATION

Financial statements, MD&A's and additional information relevant to the Company and the Company's activities can be found on SEDAR at www.SEDAR.com and/or on the Company's website at www.alianzaminerals.com.

SUMMARY AND OUTLOOK

On April 29, 2015, Alianza acquired all of the issued and outstanding common shares of Alianza Holdings Ltd. (formerly Estrella Gold Corporation, "Estrella") by way of a court-approved plan of arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement each Estrella shareholder received one Alianza common share for each Estrella common share, on a pre-consolidation basis. Estrella is now a wholly-owned subsidiary of Alianza.

In connection with the Arrangement and immediately upon completion thereof, Alianza effected a consolidation of its issued share capital on a ten old shares for one new share basis and changed its name from "Tarsis Resources Ltd." to "Alianza Minerals Ltd."

Alianza is a prospect generator focused on the Americas, particularly the Cordilleran regions that characterize western North and South America. As a prospect generator, the goal of Alianza is to acquire mineral exploration and evaluation assets (Mineral Properties) on attractive terms, add value through early stage exploration and then vend or option some or all of a value-added Mineral Property to a third party explorer for further advancement.

The Company may receive cash or share consideration at the time of the option agreement or during the term of the option agreement. In addition, the Company normally retains an ownership interest in the Mineral Property and a royalty on potential future production.

The environment for junior resource companies has been challenging for many months and it is anticipated that recovery of the sector may take many more months. We evaluate our projects on a regular basis using criteria that include political environment, relative cost of exploration, seasonality and type of mineral. As a result of our review, we may from time to time add or drop the Mineral Properties.

The Company believes that with the Arrangement with Estrella, the Company has positioned itself well as a prospect generator due to the following:

- Broad base of projects in Peru, Nevada, Mexico and Yukon;
- Flexibility to acquire new projects in the Americas as opportunities arise;
- Management team proficient at leveraging early stage exploration with junior and major company partners; and
- Tight share structure backed by several strategic shareholder groups.

In conjunction with the Arrangement, Alianza raised $750,000 by way of a financing ("Financing") and issued 3 million subscription receipts at a price of $0.25 each (the "Subscription Receipts"). Upon closing of the Arrangement, each Subscription Receipt automatically converted into units consisting of one Alianza common share on a post-consolidation basis ("Alianza Share") and one Alianza common share purchase warrant on a post-consolidation basis ("Alianza Warrant"), with each Alianza Warrant allowing the holder to buy one additional Alianza Share at a price of $0.40 for a period of 3 years. A finder's fee of $1,500 cash and 6,000 finder's warrants (the "Finder's Warrants") was paid to Redplug Capital Corporation in connection with the Financing. Each Finder's Warrant allows the holder to buy one Alianza Share at a price of $0.25 for a period of 1 year. All securities had a 4-month hold period expiring August 29, 2015.

The gross proceeds of the Financing are used for the Company's working capital, general corporate expenses and to undertake further early stage exploration in certain Nevada, Mexico and Peru properties, and for generating new projects.

For the 2015 fiscal year, the Company has continued to monitor its cash very closely and is focusing on key objectives to improve shareholder value. The Company intends to raise more funds either through exploration partnership agreements or with additional private placements in fiscal 2016.

Additional Mineral Property information, including 2015 activity, can be found in Section 3 and more detailed Mineral Property information can be found on the Company's website at www.alianzaminerals.com.

Management's overall expectations for the Company are positive, due in part to the following factors:

- The recent merger with Estrella to form Alianza;
- The Company and Alamos Gold Inc. ("Alamos") signed an agreement with Compañía de Minas Buenaventura S.A.A. ("Buenaventura") to assign Buenaventura the right to explore and develop the Pucarana gold property in Peru for a 3% net smelter royalty where the Company's net interest is 1.08%.
- The Company will work with the new private company partner to determine the best option is for the Yanac property in Peru.
- The Company is focusing its exploration on gold, silver and copper due to management's expectation of increasing gold, silver and copper prices; and
- The Company is working towards negotiating additional ventures on its existing portfolio of properties; and
- Management continues its efforts to build the project portfolio through grassroots generative initiatives as well as project acquisitions.

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1. Background

Alianza was incorporated in Alberta, Canada, on October 21, 2005 under the *Business Corporations Act of Alberta*, changed its name on June 17, 2009 to "Tarsis Resources Ltd." and further changes its name to "Alianza Minerals Ltd." on April 29, 2015.

The Company was listed and began trading on the TSX Venture Exchange ("TSX") as a Capital Pool Company ("CPC") under Exchange Policy 2.4 on March 1, 2006 under the symbol "TCC". On July 23, 2007, the Company completed a Qualifying Transaction and moved from being a CPC to an operating exploration company. On April 29, 2015, the Company completed the Arrangement with Estrella and began trading under the symbol "ANZ". Historical information on the formation of the Company and the Company's Arrangement can be found on the Company's website www.alianzaminerals.com or on SEDAR at www.sedar.com.

2. Overview

2(a) Company Mission and Focus

As a prospect generator, the Company's goal is to identify, acquire and exploit properties with gold, silver and copper mineralization. With the completion of the Arrangement, the Company focuses on the Americas, particularly the Cordilleran regions that characterize western North and South America, with properties in Peru, Mexico, Nevada USA and Yukon Canada.

The goal is to acquire and/or generate good mineral prospects, add value to those prospects through preliminary exploration efforts, and then either vend them to 3rd parties or option them to partners who will fund further exploration in order to earn a partial interest in the prospects. An acquisition of a prospect can be the outright purchase of a property or it can be as a result of generative exploration efforts. Generative exploration consists largely of prospecting, target reconnaissance and the staking of claims that the Company's geological team considers viable targets to meet the Company's prospect generator exploration criteria.

The Company's key indicators of success are: (1) Acquisition of properties with potential merit for exploration, option and partner agreements, (2) Exploration or definition of properties such that they are more attractive to potential exploration partners and (3) Exploration partner/option agreements.

2(b) Qualified Person

Jason Weber, BSc., P.Geo is the Qualified Persons as defined under National Instrument 43-101 responsible for the technical disclosure in this document. Mr. Weber is the President and Chief Executive Officer of Alianza.

Mr. Weber prepared the technical information contained in this MD&A.

2(c) Description of Metal Markets

Gold and silver prices have remained above their long term averages, albeit with high levels of volatility. Market interest in gold exploration is currently stronger than for base metals.

Market interest in exploration for copper, zinc and lead is increasing. The Company will continue to monitor its resources relative to its opportunities during the fiscal year.

2(d) Use of the terms "Mineral Resources" and "Mineral Reserves"

Any reference in this MD&A to Mineral Resources does not mean Mineral Reserve.

A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

3. Mineral Properties

The Company has properties in Peru, Mexico, Nevada USA and Yukon Canada. The following is a brief description of the Mineral Properties owned by the Company.

3(a) Peru

i. *Yanac*

Yanac property is located in Chincha region of the department of Ica, south-central Peru. It was acquired by the Company's wholly-owned subsidiary Estrella through concession applications in April 2011 within the Strategic Exploration Alliance with Cliffs Natural Resources Exploration Inc., a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF) ("Cliffs"). The Yanac Property contains 5,200 hectares of mineral lands which host a large zone of outcropping copper mineralization, extending 800 meters (N-S) by 400 meters (E-W).

On February 27, 2013, Cliffs and Estrella entered into a Limited Liability Company Membership Agreement in respect of the Yanac property. As of September 30, 2015, Cliffs had spent a total of US$1,818,290 on the Yanac property. Subsequent to the year end, Cliffs' interest in Yanac was acquired by a private company ("Priv. Corp") which has hereby taken over all previous obligations of Cliffs.

Priv. Corp and the Company each now holds a 50% interest in the property. Previously, Cliffs was required to spend a firm commitment of US$500,000 in year one on exploration or pay the same amount to the Company, with an additional US$250,000 (not firm) to a total of US$750,000 to maintain Cliffs' interest beyond year one. Cliffs met the US$750,000 commitment by December 31, 2013.

Priv. Corp can acquire an additional 20% interest in the Yanac property, to a total 70% interest, by spending a minimum of US$4,000,000 (including the above mentioned US$750,000) and completing 3,000 meters of drilling by February 27, 2017. If Priv. Corp fails to acquire the additional 20%, 100% of the property reverts to the Company, subject in certain circumstances to a potential NSR royalty in favor of Priv. Corp. Upon earning 70%, Priv. Corp can acquire an additional 10% interest in the Yanac property, to a total 80% by completing an NI 43-101 Compliant Pre-Feasibility Study or by defining a compliant Inferred Mineral Resource containing a minimum of 1,000,000 ounces of gold or gold equivalent, within four years of earning its 70% interest. If Priv. Corp elects not to earn an additional 10% interest, Priv. Corp will pay the Company US$2,000,000 within 60 days and the parties will fund their proportional interest, subject to conventional dilution. If either party's interest in the Yanac property is reduced to 10% or less, that interest will be converted to a 2% NSR royalty.

ii. *Pucarana*

The Pucarana Gold project contains 1,889 hectares of land located in the Orcopampa Silver-Gold District of Peru. The property is located between Buenaventura Mines' Poracota Mine and Chipmo Mine, indicating that the district contains very significant potential for additional mineralization. Pucarana contains gold and silver mineralization hosted in quartz vein zones, and associated with favourable epithermal alteration zones.

On May 7, 2007, Estrella entered an Option Agreement with Esperanza Resources Corporation ("Esperanza") whereby Esperanza could earn up to a 60% interest in the Pucarana Gold project.

On November 23, 2011, Estrella announced that Esperanza notified Estrella that it met its Stage 1 obligations, earning a 51% interest in the Pucarana Gold Project. Esperanza was subsequently acquired by Alamos Gold Inc. ("Alamos"), which continued to manage and operated under the Option Agreement dated May 7, 2007 and further diluted Estrella's interest to 36%. A separated entity Pucarana S.A.C. ("Pucarana") was established to hold this property on March 25, 2014 with Estrella owning 36%, Alamos owning 60% and Gallant Minerals Ltd. owning 4%.

On April 29, 2015 the Company owned a 36% interest in Pucarana, an exploration company in Peru, through the Plan of Arrangement with Estrella.

On May 22, 2015, Pucarana signed an Assignment Agreement with Compania de Minas Buenaventura S.A.A. ("Buenaventura") whereby Pucarana assigned to Buenaventura the rights to the Pucarana property. In consideration, Buenaventura granted a 3% NSR royalty to Pucarana that is then distributed as to 60% to Alamos (1.8% NSR), 36% to Estrella (1.08% NSR) and 4% to Gallant Minerals Ltd (0.12% NSR).

iii. *Isy*

The property contains 3,100 hectares located in the Department of Ayucucho. The target was identified based on regional analysis of LANDSAT alteration anomalies, structural geology, and regional metallogenic studies and was acquired in 2010. The property contains Miocene volcanic rocks, containing extensive epithermal alteration. Estrella has completed initial reconnaissance mapping and sampling which has confirmed the presence of anomalous gold values in two locations, with associated highly anomalous epithermal-suite metals (Sb, As, Ag).

iv. *La Estrella*

La Estrella contains 1,200 hectares located 130 km south of Huancayo in the Department of Huancavelica.

The Company is actively looking for ways to advance this property in Peru, along with Isy, to joint-venture ready status or option them out.

v. *Others – Generative*

On October 28, 2015, the Company announced that the first phase of a generative exploration program in southern Peru has been completed. This work included data compilation and targeting to be followed by the next phase of field reconnaissance and target acquisition.

The Southern Peru Generative Study examined four important metallogenic belts in central and southern Peru in order to identify new gold and base metal exploration targets. Target types include base metal deposits of the Central Peruvian Polymetallic Belt, epithermal gold and silver targets of the Southern Peru Epithermal gold and silver belt and porphyry copper-gold targets in the Apurimac and Southern Peru Porphyry Copper belts. In total, 12 high priority targets and approximately 20 secondary targets were identified in the study and are now being prioritized for follow up and acquisition in the phase two program.

Targets were generated using the Company's internal geochemical databases, publicly available geochemical, geophysical, structural geology and remote sensing data, metallogeny and local knowledge and expertise. Key criterion in target prioritization included land status and favourable community and social conditions.

Planning is underway for a reconnaissance program to evaluate targets in the field. This phase of work, is expected to commence in Q4 2015 and continue into 2016. The properties that meet Alianza's acquisition criteria will be acquired and then advanced with certain field work programs, including prospecting, geological mapping and geochemical sampling. Properties acquired during this phase of work will be presented to strategic partners for advancement to the drilling stage under farm out agreements.

3(b) Mexico

On July 23, 2007, the Company purchased from Almaden Minerals Ltd. ("Almaden") the Erika property, along with 4 other existing properties in the Yukon. The Erika property is located in Guerrero State, Mexico, south of Mexico City. Almaden has a 2% NSR royalty on future production from mineral claims purchased from them. As of September 30, 2015, the Company dropped the Erika property.

On June 10, 2013, the Company purchased from Almaden five properties in Mexico and two properties in Nevada USA by issuing 400,000 common shares (post 10:1 share consolidation) at a price of $0.55 per share to Almaden on July 25, 2013. Almaden also retains a 2% Net Smelter Return ("NSR") royalty on future production on all these properties.

- Yago
- Gallo de Oro *(this is part of the Yago property)*
- San Pedro
- Mezquites
- Llano Grande

In addition, areas of influence have been outlined in Mexico, where Almaden has provided its proprietary data and concepts to the Company. In return, the Company will issue 20,000 shares (post 10:1 share consolidation) to Almaden for each new property acquired within the area of influence. The Company will issue a further 80,000 shares (post 10:1 share consolidation) to Almaden upon the first time disclosure of a mineral resource on each and any of the new properties.

The value of the 400,000 common shares (post 10:1 share consolidation) issued to Almaden on acquisition of these seven properties was allocated amongst the properties on a pro-rata basis, based on Almaden's total capitalized carrying value of the properties immediately preceding transfer.

In July 2015, the Company reduced the size of the Mezquites property and dropped the Llano Grande property.

i. Yago

The Yago property is located 50 km north of Tepic, the state capital of Nayarit.

On October 2, 2013, the Company announced exploration and assay results from Yago property. During August 2013, a focused orientation was conducted at two historical locations referred to as La Tejona and La Sarda within the central and northern parts of the property, respectively. At both sites, previously reported vein zones were re-exposed and channel samples were collected using a diamond blade rock saw.

Highlights from within broadly mineralized intervals from the sawn channel sampling include:

- 13.65 g/t gold and 57.4 g/t silver across 0.37 m at La Tejona
- 10.40 g/t gold and 92.5 g/t silver across 0.52 m at La Sarda

On May 5, 2014, the Company announced that it has carried out further exploration at its Yago project, including sawn channel sampling of outcrop, mapping and rock and soil sampling. Assay results include:

- 8.90 m grading 4.12 g/t gold and 32.8 g/t silver, including;
- 3.00 m grading 11.10 g/t gold and 31.6 g/t silver, which in turn includes;
- 1.35 m grading 22.34 g/t gold and 36.5 g/t silver

On July 17, 2014, the Company provided an update on its continued exploration at the Yago project.

Mapping and Sampling
Preliminary mapping and sampling has been carried out along the La Tejona Trend, over approximately 1,600 m, primarily focusing on historically documented outcrops with little to no recorded sample data. Mapping and prospecting has identified at least four different structural orientations within the trend.

In the central and southern portions of the La Tejona Trend, the main structural zones are marked by a series of parallel high-level opalescent silica boulder trains with lesser crustiform banded silica and hematitic breccias. The best exposures occur within the highest elevation portions of the ridge system defining the structural trend. Two main silica trains are apparent ranging from tens of cm thick to roughly 10 m thickness. They are approximately 100 m apart and have been traced along strike intermittently for 550 m. Narrower veins, less than a meter in thickness, occur between the two main zones and on either side. Significant results from samples collected along a 400 m portion of the trend are tabulated below.

Table I – Significant Results from La Tejona Prospecting

Main Structure	Secondary Structure	Chip Sample (Y/N)	Thickness (m)	Au (g/t)	Ag (g/t)
Q346339		Y	0.40	**12.70**	96
Q346329		Y	0.35	**14.60**	100
Q346340		Y	0.35	**6.31**	59
	Q346341*	Y	0.03-0.10	1.57	44
	Q346334	Y	0.08	**3.79**	-
	Q346333	N	0.35	**3.53**	52
Q346335		N	0.20	1.84	88
Q346336		N	0.25	1.32	74
Q346337		Y	1.25	0.65	-
Q346338		Y	1.25	1.00	32
	Q346322	Y	0.15	**3.77**	692

* Compilation of 8 veins collected across 15 m section of old trench

Deep pit soil sampling at the south-western end of the La Tejona Trend in an area referred to as the Florencio Zone identified highly elevated gold values, ranging from 96 ppb to 499 ppb (0.499 g/t gold) and averaging 289 ppb from seven contiguous pits. The pits were excavated at roughly 10 m spacing across a 160 m section interpreted to coincide with the buried southern extension of the central gold-bearing La Tejona structural zone.

The Florencio Zone is situated at a similar elevation to the Caliente Zone 1,600 m to the northeast. Samples of high-level silicification were collected from insitu and locally weathered material approximately 30 m and 180 m along strike to the northeast, respectfully. The nearest exposure to the Florencio Zone was identified in a road cut and consists of 0.45 m of opalescent silica and hematized clay altered andesite within a northerly trending vertical structure. A channel sample across the exposure returned

0.66 g/t Au. Similar material sampled in an earlier program across a 6 m portion of a 15 m wide boulder train 150 m to the northeast, yielded 0.42 g/t Au.

A new discovery was made while prospecting east of the La Tejona Trend in an area where no previous work has been documented. The Vaca Blanca Zone is located approximately 800 m east of the central La Tejona Trend and is defined by a series of massive high-level silicification boulder trains approximately 5 to 7 m wide within a low lying field. Smaller zones of crustiform banded quartz material and lesser hematized breccia material are also observed among the boulder trains. One sample of silica-clay altered material with localized hematized breccia and minor dark bands returned **6.31 g/t gold and 58.9 g/t silver**.

Diamond Drilling

At the Caliente Zone, previously reported work by the Company identified high-grade gold and silver samples, including **8.9 m of sawn channel sample grading 4.12 g/t gold and 32.8 g/t silver.** To test the geological continuity of this zone and ore shoot potential beneath the surface sawn channel sampling, the Company completed a seven hole, 663 m diamond drill program. The holes tested an 85 m section of the Caliente Zone to a depth of approximately 100 m vertical.

The Caliente Zone consists of a coherent zone of silicification containing crustiform and coliform banded textures along with extensive multiphase brecciation. Minor banded sulphide is present, comprising galena, sphalerite, pyrite and lesser chalcopyrite. The zone was intercepted as predicted in all holes and its drilled intervals ranged from 7.33 m to 17.09 m (true thicknesses are approximately 70 to 90% of the drilled intervals). Anomalous gold and silver values were detected in all holes; however the target intervals did not pierce ore shoot mineralization associated with the sawn channel sampling. Hole CZDD14-03 intercepted **1.42 m grading 0.5 g/t gold and 25.5 g/t silver** from 48 m depth.

Additional information can be found on the Company's website at www.alianzaminerals.com.

As of September 30, 2015, the Company had spent $480,084 on advancing this property to joint-venture ready status.

ii. Others – San Pedro and Mezquites

The Company is actively looking for ways to advance these properties to joint-venture ready status or option them out.

3(c) USA

On January 27, 2015, the Company announced that it signed a binding agreement to acquire eight gold properties in Nevada, USA from Sandstorm Gold Ltd. ("Sandstorm") by issuing 150,000 shares (post 10:1 share consolidation) to Sandstorm and granting a net smelter returns royalty ranging from 0.5% to 1.0%. The Company also granted Sandstorm a right of first refusal on any future metal streaming agreements on these properties.

- Ashby
- Bellview
- Columbia
- East Walker
- Fri Gold
- Horsethief
- Hot Pot
- Kobeh

The acquired properties were originally held by Nevada Eagle Resources LLC ("NER"), a private company controlled by Mr. Jerry Baughman, a well-known and respected Nevada geologist. In 2007, NER was acquired by Gryphon Gold Corporation ("Gryphon"), a Canadian listed exploration company and in 2010, Fronteer Development Group Inc. ("Fronteer") acquired NER from Gryphon.

In a subsequent transaction, Fronteer sold ten properties (including those being acquired by the Company) to Bridgeport Gold Inc. ("Bridgeport") in a stock transaction then valued at $4.75 million. In 2012, Bridgeport merged with Premier Gold Mines Ltd. ("Premier") and in 2013, Sandstorm acquired the Bridgeport assets through its acquisition of Premier Royalty Inc., in which they were held.

In August 2015, the Company reduced the size of each of the Ashby, Bellview, Columbia, East Walker, Fri Gold and Horsethief properties and dropped the Hot Pot property.

An extensive data set provided to the Company documents the evaluation, geological work, permitting and drilling that has been carried out on these properties by both Bridgeport and Fronteer. The following section describes each property and summarizes exploration results to date:

i. *East Walker*

The East Walker property is located in Lyon County, west of Hawthorne. The geology is prospective for high-sulphidation epithermal gold mineralization. Outcrop mapping expanded the area of clay-silica alteration, which remains open to the north and south, to at least 900 by 600 metres in size. Geochemical results and visual observations indicate significant leaching, but two areas were chip sampled approximately 70 metres apart, returning 20 metres averaging 1.38 g/t Au and 23.1 metres averaging 0.49g/t Au. The system appears to consist of steeply east-west oriented structures. Limited prior drilling (shallow, vertical holes dating back to the mid 1980's) has not tested these high angle structures.

Management believes that a small drill program to test the steep structures would greatly enhance the value of the project. The system at East Walker is thought to be extensive, as montmorillonite, a hydrothermal clay alteration mineral, has recently been mined from locations near the property.

A 2% NSR is payable to NER from production from some claims on the property and a 1% NSR is payable to Sandstorm from all the claims on the property.

ii. *Fri Gold*

The Fri Gold property is located in Nye County, northwest of Tonapah. Historical exploration has been focused on low-sulphidation epithermal veins. Recent work indicates that near-vertical northwest oriented structures associated with gold mineralization can be traced for approximately 1,000 metres. Prior operators did not likely test these structures, however one vertical drillhole collared in the vicinity of the vein structure is reported to have returned approximately 1 g/t gold over 10.5 metres.

Recent work also confirmed the presence of gold mineralization at surface and geochemical signatures combined with visual observations indicate that the portion of the system exposed likely still lies above the potential boiling zone and prime areas for gold deposition may be preserved.

A 2% NSR is payable to NER and a 1% NSR is payable to Sandstorm on production from the property.

iii. *Horsethief*

The Horsethief property is located in Lincoln County, northeast of Pioche. The exploration target on this property is Carlin style gold mineralization. Work by prior operators included sampling hematite-rich jasperoid breccia outcrops that reportedly returned gold assays ranging from below detection to 21.94 g/t gold. Barite and fluorite are noted in the geological reports and a prior operator completed 4,200 meters of rotary drilling in 1984, reporting numerous shallow sub-gram gold intervals over tens of meters.

The 2015 program was successful in identifying potential controls for mineralization as the breccias appear to be controlled by the intersection of north/northwest structures intersecting north-south faults. Limited sampling has returned favourable pathfinder geochemistry indicating that the targets are prospective for Carlin-style mineralization in permissive stratigraphy projected to exist at depth.

A 2% NSR is payable to NER on production from some claims on the property and a 1% NSR is payable to Sandstorm from all the claims on the property.

iv. *Bellview*

The Bellview property is located in White Pine County, near the Bald Mountain Gold Mine which is owned and operated by Barrick Gold Corp. ("Barrick"), along the Carlin – Alligator Ridge Trend. Bellview features a geological setting prospective for Carlin style gold mineralization. Drilling by Teck Resources Inc. and others in the 1980's identified a small non-NI43-101 compliant gold resource and later work by Fronteer identified additional targets, primarily defined by gold-in-soil geochemical anomalies and gold-bearing silicified jasperoid breccias. Prior geophysical surveys indicate that the Saddle Zone, one of these new targets, lies approximately 100 metres above the Secret Canyon Shale and Eldorado Dolomite contact, a stratigraphic position recognized regionally for its potential to host mineralization.

Upon production from the property, some of the claims on the property have a 3% NSR to NER and Fronteer and a 0.5% NSR to Sandstorm; while some of the other claims on the property have a 2% NSR to Fronteer with a 1% NSR to Sandstorm, and the remaining claims have a 1% NSR to Sandstorm.

v. *Columbia*

The Columbia property is located in Humboldt County, approximately 160 kilometers northwest of Winnemucca. Gold has been identified in quartz veins associated with arsenopyrite and chlorite/sericite altered wallrock. The main Columbia vein appears continuous over more than one kilometer and appears to intersect a circular feature inferred by a previous operator to be a subsided caldera.

Limited sampling in the current program confirmed the presence of high grade gold mineralization with a narrow (10 cm) vein sample returning 13.65 g/t gold. Management is considering a prospecting, mapping and soil geochemical survey program to further delineate areas prospective for high grade gold mineralization.

A 2% NSR is payable to NER and a 1% NSR is payable to Sandstorm on production from the property.

vi. *Kobeh*

The Kobeh property consists of 37 claims (335 hectares) located in Eureka County, near Eureka. The property lies on the Battle Mountain – Eureka Trend. The exploration target on this property is Carlin style gold mineralization. The property geology consists of shallow pediment cover over Mississippian Webb and Ordovician Vinini Formation rocks similar to those on the adjacent and better known Afghan property.

A sizeable database exists for the Kobeh project and due to its excellent location within this gold district, the Company will continue to review the database to identify targets with productive members of the stratigraphy.

A 3% NSR is payable to NER and a 0.5% NSR is payable to Sandstorm on production from the property.

vii. *Ashby*

The Ashby property is located in Mineral County, near Hawthorne. The claims cover mesothermal gold-bearing quartz veins within the Jurassic Dunlap Formation.

Historic production of 9,000 ounces is reported from the 1930's and several hundred ounces per year during the 1980's and 1990's. Vein widths range from 15 centimeters to 1.8 meters and gold grades are reported from sub-gram to multi-ounce intervals. The property has had very limited modern exploration.

A 2% NSR is payable to NER and a 1% NSR is payable to Sandstorm on production from the property.

viii. *BP*

On June 10, 2013, the Company purchased from Almaden two properties in Nevada, USA and five properties in Mexico by issuing 400,000 common shares (post 10:1 share consolidation) at a price of $0.55 per share to Almaden on July 25, 2013. Almaden also retains a 2% NSR royalty on future production on all these properties.

- BP
- Black Jack Springs ("BJS")

In addition, areas of influence have been outlined in Nevada, where Almaden has provided its proprietary data and concepts to the Company. In return, the Company will issue 20,000 shares (post 10:1 share consolidation) to Almaden for each new property acquired within the area of influence. The Company will issue a further 80,000 shares (post 10:1 share consolidation) to Almaden upon the first time disclosure of a mineral resource on each and any of the new properties.

In August 2015, the Company reduced the size of the BP property and dropped the BJS property.

On September 18, 2013, the Company announced exploration results from the BP property. The BP property is being explored for Carlin-style gold mineralization within the southern Carlin Trend between the Rain and Bald Mountain deposits.

Prospecting and outcrop sampling carried out by the Company has identified gold-bearing jasperoid breccia samples with grades ranging from below detection to 247 ppb gold. The most significant of these samples occur intermittently along an 850 meter linear trend believed to coincide with a series of high-angle faults providing conduits for Carlin-style gold bearing fluids.

Geochemistry

A variety of jasperoid is present at BP and some styles are altered but unmineralized. Jasperoid with anomalous gold values feature elevated Carlin-style pathfinder elements which include arsenic, thallium, mercury and antimony. The most significant gold-bearing samples are shown below accompanied by anomalous key Carlin-style pathfinder elements.

Sample	Gold (ppb)	Arsenic (ppm)	Thallium (ppm)	Mercury (ppm)	Antimony (ppm)
L993072	247	125	14.6	2.6	87
L995588	191	224	0.9	3.6	60
L995589	162	256	1.0	4.5	66
L995353	77	1,490	18.2	26.7	339

During 2013, the Company collected 144 rock samples from the property in addition to 232 infill and grid expansion soil samples. Anomalous gold-in-soil values range from 5 ppb to a maximum of 34.9 ppb and are coincident with the gold-bearing jasperoid samples listed in the table above.

Stratigraphy/Structure
Detailed geological mapping by the Company and a cursory inspection by a local Great Basin specialist identified a sequence of upper Silurian to early Mississippian clastic and carbonate rocks of which at least four sub-units are believed to host gold mineralization elsewhere within the southern Carlin Trend.

Structural mapping has identified a network of high-angle normal faults that are associated with highly silicified carbonate and/or jasperoid. Intense jasperoid development occurs at the intersection of NNW, E and NE striking high-angle fault zones.

A simplified structural interpretation of the BP property consists of a series of large horst and graben fault blocks that have down-dropped younger siliciclastic units against older carbonate stratigraphy. All stratigraphy is believed to be upright.

A broad open syncline occurs within a large fault block located in the northeast part of the property and some of the higher gold-bearing jasperoid development occurs within the hinge zone of the syncline.

The Company is actively looking for ways to advance all the Nevada properties to joint-venture ready status or option them out.

3(d) Canada

i. *White River*

During the 2010 fiscal year, the Company acquired and named the White River Property through the staking. Currently, White River consists of 335 claims covering approximately 7,000 hectares. The property is located at the western end of the Nisling Range, within the Tintina Gold Province. It is situated 11 kilometers north of Koidern, a minor settlement on the paved, all weather Alaska Highway. The Alaska Highway can be seen from the property.

During 2013 there was a court decision in the Yukon Territory supporting the White River First Nation's ("WRFN") assertion that the Yukon Government did not properly consult the WRFN on issuing a drilling permit on the Project. The Company will continue to work with the Yukon Government and the WFRN in a limited manner.

The Company believes it has behaved appropriately, responsibly and in accordance with all legal and regulatory requirements in its dealings with both First Nations regarding the White River property. On July 5, 2013, Justice Vale of the Supreme Court of Yukon supported the WRFN which indicates to the Company that there is work to be done between the Yukon Government and the WRFN with respect to defining a mutually acceptable consultation process.

ii. *Others – Goz Creek, MOR, Tim and Prospector Mountain*

On July 23, 2007, the Company purchased from Almaden certain properties in Yukon and one property in Mexico (Erika) and Almaden has a 2% NSR royalty on future production from these mineral claims:

- Goz Creek – located 180 kilometers north east of Mayo, Yukon.
- MOR – located 35 kilometers east of Teslin, Yukon and is 1.5 kilometers north of the paved Alaska Highway.
- Tim – located 72 kilometers west of Watson Lake, Yukon and 12 kilometers northeast of the Silvertip/Midway deposit.

On June 10, 2008 the Company signed another agreement with Almaden to acquire a 100% interest in the Prospector Mountain gold-silver-copper property, located in central Yukon. The Company issued 10,000 fully paid common shares (post 10: 1 share consolidation) to Almaden and made a cash payment of $30,000 for a 100% interest in the property. Almaden will retain a 2% net smelter royalty (NSR) over any minerals produced from the property, however, half of the NSR may be purchased by the Company at any time after the production commences for fair value as determined by an independent valuator. The Company will also issue to Almaden 50,000 fully paid common shares (post 10:1 share consolidation) upon receipt of a positive bankable feasibility study for the property.

On September 9, 2009 the Company acquired a 100% interest in the Highway property from Strategic Metals Ltd. ("Strategic"). The Company has granted Strategic a 2% NSR royalty on any future production from the mineral claims acquired from them. The Company has incorporated the Highway property as an expansion to the MOR property. In March 2014, the Highway property expired.

The Company is actively looking for ways to advance all these properties in Yukon to joint-venture ready status or option them out.

7. EXPLORATION AND EVALUATION ASSETS – continued

Exploration and Evaluation Assets for the year ended September 30, 2015

	Mexico		USA		Peru		Canada	
	Yago	Others	East Walker	Others	Yanac	Others		Total
Balance at September 30, 2014	**$ 422,415**	**$ 2,307,486**	**$ -**	**$ 181,993**	**$ -**	**$ -**	**$ 1,174,169**	**$ 4,086,063**
Additions during the year								
Acquisition costs:								
Holding	44,825	5,475	-	6,036	-	35,198	-	91,534
Property acquisition	-	-	7,500	52,500	-	-	-	60,000
Acquired through plan of arrangement	-	-	-	-	476,397	476,398	-	952,795
	44,825	5,475	7,500	58,536	476,397	511,596	-	1,104,329
Exploration expenditures:								
Camp, travel and meals	9,337	32	-	5,156	-	323	-	14,848
Community relations	-	(602)	-	-	-	-	-	(602)
Field supplies and maps	1,765	94	-	750	-	-	-	2,609
Geological consulting	300	-	2,785	15,778	3,771	6,611	-	29,245
Ground geophysics	-	(165)	-	-	-	-	-	(165)
Legal	-	-	377	2,639	-	-	-	3,016
Licence and permits	-	-	-	57,078	-	-	-	57,078
Office and administrative fees	-	-	-	-	2,446	553		2,999
Rent	1,442	1,192	-	7,389	-	748	-	10,771
Reporting, drafting, sampling and analysis	-	-	-	2,160	-	-	-	2,160
	12,844	551	3,162	90,950	6,217	8,235	-	121,959
Less:								
Write-down of properties	-	(2,272,049)	(6,681)	(186,426)	-	-	-	(2,465,156)
Net additions / (subtractions)	57,669	(2,266,023)	3,981	(36,940)	482,614	519,831	-	(1,238,868)
Foreign currency translation	-	(23,063)	-	-	10,958	97,628	-	85,523
Balance at September 30, 2015	**$ 480,084**	**$ 18,400**	**$ 3,981**	**$ 145,053**	**$ 493,572**	**$ 617,459**	**$ 1,174,169**	**$ 2,932,718**

4. Risks and Uncertainties

The Company is engaged in the exploration for mineral deposits. These activities involve significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be eliminated. The Company's success depends on a number of factors, many of which are beyond its control. The primary risk factors affecting the Company include inherent risks in the mining industry, metal price fluctuations and operating in foreign countries and currencies.

Inherent risks within the mining industry

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that will affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure and use, environmental protection and reclamation and closure obligations could also have a profound impact on the economic viability of a mineral deposit.

Mining activities also involve risks such as unexpected or unusual geological operating conditions, floods, fires, earthquakes, other natural or environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or for other reasons. The Company does not currently maintain insurance against political or environmental risks. Should any uninsured liabilities arise, they could result in increased costs, reductions in profitability, and a decline in the value of the Company's securities.

There is no assurance at this time that the Company's current mineral properties will be economically viable for development and production.

Prices for gold and other commodities

Metals prices are subject to volatile price fluctuations and have a direct impact on the commercial viability of the Company's exploration properties. Price volatility results from a variety of factors, including global consumption and demand for metals, international economic and political trends, fluctuations in the US dollar and other currencies, interest rates, and inflation. The Company has not hedged any of its potential future gold or other metal sales. The Company closely monitors gold prices as well as other metal prices to determine the appropriate course of action to be taken by the Company.

Foreign currency risks

The Company uses the Canadian dollar as its measurement and reporting currency, and therefore fluctuations in exchange rates between the Canadian dollar and other currencies may affect the results of operations and financial position of the Company. The Company does not currently have any foreign currency or commercial risk hedges in place.

The Company raises the majority of its equity financings in Canadian dollars while foreign operations are predominately conducted in Peruvian soles, Mexican pesos and US dollars. Fluctuations in the exchange rates between the Canadian dollar, US dollar, Mexican pesos and Peruvian soles may impact the Company's financial condition.

Risks Associated with Foreign Operations

The Company's investments in foreign countries such as Peru, Mexico and USA carry certain risks associated with different political, business, social and economic environments. The Company is currently evaluating gold and other commodities in Peru, Mexico and USA, but will undertake new investments only when it is satisfied that the risks and uncertainties of operating in different cultural, economic and political environments are manageable and reasonable relative to the expected benefits.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance and regulatory characteristics of property rights in certain foreign countries. Access to mineral properties also involves certain inherent risks due to the change in local ranchers and land owners.

Future government, political, legal or regulatory changes in the foreign jurisdictions in which the Company currently operates or plans to operate could affect many aspects of the Company's business, including title to properties and assets, environmental protection requirements, labor relations, taxation, currency convertibility, repatriation of profits or capital, the ability to import necessary materials or services, or the ability to export produced materials.

The exploration of mineral resources in Peru, Mexico and USA is subject to a comprehensive review, approval and permitting process that involves various federal, state and local agencies. There can be no assurance given that the required approvals and permits for a mining project, if technically and economically warranted, on the Company's claims can be obtained in a timely or cost-effective manner. The Peru, Mexican or US government may enact a law requiring royalties on minerals produced from federal lands, including unpatented claims.

Competition

The Company competes with larger and better-financed companies for exploration personnel, contractors and equipment. Increased exploration activity has increased demand for equipment and services. There can be no assurance that the Company can obtain required equipment and services in a timely or cost-effective manner.

Financing

All of the Company's short- to medium-term operating and exploration cash flow have been derived from external financing. Should changes in equity-market conditions prevent the Company from obtaining additional external financing in the future, the Company will review its exploration-property holdings and programs to prioritize project expenditures based on funding availability.

5. Impairment of Long-lived Assets

The Company completed an impairment analysis as at September 30, 2015, which considered the indicators of impairment in accordance with IAS 36, "Impairment of Assets". Management concluded that no further impairment charges were required other than those already taken because:

- there have been no significant changes in the legal factors or climate that affects the value of the properties;
- all property rights remain in good standing;
- there have been no significant changes in the projections for the properties;
- exploration results are generally positive;
- the Company intends to continue its exploration and development plans on its properties or seek optionees/partners for future exploration of its properties.

6. Material Financial and Operations Information

6(a) Selected Annual Financial Information

The following selected annual financial information has been derived from the last three audited financial statements of the Company, which have been prepared in accordance with IFRS. All dollar amounts are expressed in Canadian dollars.

	Year Ended September 30, 2015	***Year Ended September 30, 2014***	***Year Ended September 30, 2013***
General and administrative expenses	$ 898,730	$ 645,576	$ 578,669
Write-off of exploration and evaluation assets / Impairment allowance	2,465,156	3,439,175	704,581
Loss for the year	2,830,806	4,118,039	1,316,658
Basic and diluted loss per share	0.30	0.84	0.33
Total assets	3,548,340	4,327,326	7,248,052
Total long-term financial liabilities	314,676	532,000	497,000
Cash dividend declared – per share	N/A	N/A	N/A

6(b) Summary of Quarterly Results

The following is a summary of the Company's financial results for the last eight quarters:

	Three months ended			
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014
Total Revenues	$ -	$ -	$ -	$ -
Loss before other items	$ 177,709	$ 438,360	$ 184,835	$ 97,826
Net loss	$ 1,659,717	$ 861,859	$ 211,729	$ 97,501
Loss per share	$ 0.12	$ 0.08	$ 0.03	$ 0.02

	Three months ended			
	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Total Revenues	$ -	$ -	$ -	$ -
Loss before other Items	$ 113,520	$ 113,388	$ 293,851	$ 124,817
Net Loss	$ 3,587,566	$ 113,173	$ 292,612	$ 124,688
Loss per share	$ 0.68	$ 0.02	$ 0.06	$ 0.03

6(c) Review of Operations and Financial Results

For the three months ended September 30, 2015 compared with the three months ended September 30, 2014:

The Company recorded a net loss for the three months ended September 30, 2015 of $1,659,717 (loss per share - $0.12) compared to a loss of $3,587,566 (loss per share - $0.68) for the three months ended September 30, 2014.

Excluding the non-cash depreciation of $1,174 (2014 - $443) and share-based payments of a negative amount of $43,531 (2014 - $Nil), the expenses increased to $220,066 (2014 – $113,077). The change in the expenses was mainly due to increases in: (a) accounting and legal fees of $82,346 (2014 - $42,187); (b) office expenses of $23,597 (2014 - $3,682); (c) wages, benefits and consulting fees $66,606 (2014 -

$43,750); and (d) investor relations and shareholder information increased to $19,439 (2014 - $5,843) which was related to the acquisition of Estrella by the Company.

The other major items for the three-months ended September 30, 2015, compared with September 30, 2014, were:

- Write-down of exploration and evaluation assets of $2,099,091 (2014 - $Nil);
- Impairment allowance of $Nil (2014 - $3,439,175); and
- Deferred income tax recovery of $532,000 (2014 – deferred income tax expenses of $35,000).

The Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

For the year ended September 30, 2015 compared with the years ended September 30, 2014 and 2013:

The Company recorded a net loss for the year ended September 30, 2015 of $2,830,806 (loss per share - $0.30) compared to a loss of $4,118,039 (loss per share - $0.84) for the year ended September 30, 2014 and a loss of $1,316,658 (loss per share - $0.33) for the year ended September 30, 2013.

Excluding the non-cash share-based payments of $246,424 (2014 - $167,091; 2013 - $Nil) and depreciation of $2,629 (2014 - $1,772; 2013 - $1,731), the expenses increased to $649,677 (2014 – $476,713; 2013 - $576,938). The change in the expenses was mainly due to increases in: (a) accounting and legal fees of $231,067 (2014 - $130,042; 2013 - $150,752); and (b) wages, benefits and consulting fees of $226,058 (2014 - $180,424; 2013 - $174,754) which was related to the acquisition of Estrella by the Company.

The other major items for the year ended September 30, 2015, compared with September 30, 2014 and 2013, were:

- Write-down of exploration and evaluation assets of $2,465,156 (2014 - $Nil; 2013 - $704,581);
- Impairment allowance of $Nil (2014 - $3,439,175; 2013 - $Nil); and
- Deferred income tax recovery of $532,000 (2014 – deferred income tax expenses of $35,000; 2013 - deferred income tax expenses of $37,000).

The Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

6(d) Liquidity and Capital Resources

As at September 30, 2015, the Company had working capital deficit of $87,298 (September 30, 2014 – working capital $94,538). As at September 30, 2015, cash totaled $17,000, a decrease of $211,579 from $228,579 as at September 30, 2014. The decrease is due to (a) the operating activities of $584,715; and (b) the exploration and evaluation assets expenditures of $420,065; while being offset by (c) net proceeds from the April 2015 non-brokered private placement of $727,038.

Management estimates that the current cash position, and future cash flows from warrants and options, financings, receivables, and any option agreements the Company may achieve, will be sufficient for the Company to carry out its anticipated exploration and operating plans through fiscal 2016.

There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

ALIANZA Minerals Ltd

6(e) Disclosure of Outstanding Share Data

Common Shares

Authorized: unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series.

	Issued and Outstanding	
	September 30, 2015	December 21, 2015
Common shares	13,779,078	13,779,078

Stock option transactions and the number of stock options are summarized as follows:

Expiry date	Exercise price	September 30, 2014	Granted	Exercised	Expired / cancelled	September 30, 2015
October 5, 2014	$3.00	10,000	-	-	(10,000)	-
June 23, 2015	$2.00	10,000	-	-	(10,000)	-
October 1, 2015	$5.90	86,500	-	-	(86,500)	-
May 4, 2016	$6.10	42,500	-	-	(42,500)	-
May 7, 2017	$2.60	63,500	-	-	(63,500)	-
February 25, 2019	$1.00	212,500	-	-	(212,500)	-
October 1, 2015*	$0.25	-	6,000	-	-	6,000
May 7, 2017	$0.25	-	4,500	-	-	4,500
February 25, 2019	$0.25	-	22,500	-	-	22,500
April 29, 2020	$0.25	-	1,265,500	-	-	1,265,500
Options outstanding		425,000	1,298,500	-	(425,000)	1,298,500
Options exercisable		425,000	1,298,500	-	(425,000)	1,298,500
Weighted average exercise price		$2.80	$0.25	$Nil	$2.80	$0.25

*Subsequent to September 30, 2015, 6,000 stock options expired.

As at the date of this MD&A, there were 1,292,500 stock options outstanding.

On April 29, 2015, the Company's warrants and finder's warrants were consolidated on a 10 for 1 basis and the exercise prices were reflected as such.

The continuity of warrants for the year ended September 30, 2015 is as follows:

Expiry date	Exercise price	September 30, 2014	Issued per Plan of Arrangement	Issued	Exercised	Expired	September 30, 2015
December 16, 2016	$1.50	483,666	-	-	-	-	483,666
March 17, 2017	$1.50	266,667	-	-	-	-	266,667
May 15, 2017	$1.00	-	1,200,000	-	-	-	1,200,000
September 11, 2017	$1.00	900,000	-	-	-	-	900,000
October 3, 2017*	$0.40	687,000	-	-	-	-	687,000
October 9, 2017**	$0.40	-	755,500	-	-	-	755,500
December 24, 2017	$1.00	-	300,000	-	-	-	300,000
April 29, 2018	$0.40	-	-	3,000,000	-	-	3,000,000
Outstanding		2,337,333	2,255,500	3,000,000	-	-	7,592,833
Weighted average exercise price		$0.98	$0.80	$0.40	$Nil	$Nil	$0.70

*The Company extended the expiry date of 687,000 share purchase warrants with original exercise price of $2.50 to October 3, 2017 at a price of $0.40.

**The Company extended the expiry date of 755,500 share purchase warrants with original exercise price of $2.50 to October 9, 2017 at a price of $0.40.

The continuity of finder's warrants for the year ended September 30, 2015 is as follows:

Expiry date	Exercise price	September 30, 2014	Issued per Plan of Arrangement	Issued	Exercised	Expired	September 30, 2015
September 11, 2015	$0.50	26,880	-	-	-	(26,880)	-
October 3, 2015 [(a)]	$1.50	47,150	-	-	-	-	47,150
October 9, 2015 [(b)]	$1.50	-	56,500	-	-	-	56,500
April 29, 2016	$0.25	-	-	6,000	-	-	6,000
Outstanding		74,030	56,500	6,000	-	(26,880)	109,650
Weighted average exercise price		$1.10	$1.50	$0.25	$Nil	$0.50	$1.43

[(a)] Each finder's warrant consists of one common share and one warrant with each warrant being exercisable into one common share at $2.50 and subsequently expired on October 3, 2015.
[(b)] Each finder's warrant consists of one common share and one warrant with each warrant being exercisable into one common share at $2.50 and subsequently expired on October 9, 2015.

The remaining outstanding stock options, warrants and finder's warrants, if all exercised, would increase the Company's cash by $5,627,125. However, the strike prices of the options, warrants and finder's warrants are greater than the current share price, and this may influence whether options, warrants and finder's warrants that expire in the near future will be exercised.

As at the date of this MD&A, there were 13,779,078 common shares issued and outstanding and 22,670,411 common shares outstanding on a diluted basis.

6(f) Off-Balance Sheet Arrangements

None at this time.

6(g) Transactions with Related Parties

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended September 30, 2015

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jason Weber Chief Executive Officer, Director [d]	$ 50,000	$ Nil	$ Nil	$ Nil	$ 28,590	$ 78,590
Winnie Wong Chief Financial Officer [d]	$ Nil	$ Nil	$ Nil	$ Nil	$ 28,590	$ 28,590
Marc G. Blythe Director [c]	$ 127,500	$ Nil	$ Nil	$ Nil	$ 28,590	$ 156,090
Mark T. Brown Director [a]	$ Nil	$ Nil	$ Nil	$ Nil	$ 28,590	$ 28,590
Adrian Fleming Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060
Craig Lindsay Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060
John Wilson Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060

For the year ended September 30, 2014

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Marc G. Blythe Chief Executive Officer, Director [c]	$ 175,000	$ Nil	$ Nil	$ Nil	$ 35,301	$ 210,301
Mark T. Brown Chief Financial Officer, Director [a]	$ Nil	$ Nil	$ Nil	$ Nil	$ 35,301	$ 35,301
Adrian Fleming Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689
Craig Lindsay Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689
Jason Weber Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689

For the year ended September 30, 2013

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Marc G. Blythe Chief Executive Officer, Director [c]	$ 171,150	$ Nil	$ Nil	$ Nil	$ Nil	$ 171,150

Related party transactions and balances

		Years ended		Balance due	
	Services	September 30, 2015	September 30, 2014	As at September 30, 2015	As at September 30, 2014
Amounts due to:					
Jason Weber [(d)]	Consulting fee and share-based payment	$ 78,590	$ -	$ 10,500	$ -
Marc G. Blythe [(c)]	Wages, consulting fee and share-based payment	$ 156,090	$ 210,301	$ -	$ 3,594
Pacific Opportunity Capital Ltd. [(a)]	Accounting, financing, and shareholder communication services	$ 229,200	$ 155,857	$ 314,676	$ 21,840
Almaden Minerals Ltd. [(b)]	Rent, insurance, office facilities and expenses	$ -	$ 49,200	$ -	$ 13,024
TOTAL:				$ 325,176	$ 38,458

(a) Mark T. Brown, a director of the Company, is the president of Pacific Opportunity Capital Ltd., a private company. Mr. Brown resigned from being the Chief Financial Officer effective April 29, 2015 but remains as a director of the Company. The Company has received notification from the related party that they will not collect the amount within the next 12 months.
(b) Mark T. Brown, a director of the Company, is a director of Almaden Minerals Ltd., a public company.
(c) Marc Blythe resigned from being the Chief Executive Officer effective April 29, 2015. Mr. Blythe remains as a director of the Company.
(d) Jason Weber was appointed as the Chief Executive Officer and Winnie Wong was appointed as the Chief Financial Officer effective April 29, 2015.

6(h) Financial Instruments

The Company's financial instruments consists of cash, receivables, marketable securities (classified as available-for-sale), accounts payable and accrued liabilities and due to related parties which are all in the normal course of business. Available for sale securities are recognized at fair value due to their ability for prompt liquidation or short term maturity.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, market risk and commodity price risk.

(a) Currency risk

The Company's property interests in Mexico, Peru and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company's exploration program, some of its general and administrative expenses and financial instruments denoted in a foreign currency are exposed to currency risk. A 10% change in the Mexican peso, Peruvian nuevo sol and US dollar over the Canadian dollar would change the results of operations by approximately $3,200.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

(c) 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 ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company does not have sufficient cash to settle its current liabilities, and further funding will be required to meet the Company's short-term and long-term operating needs. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

(d) Market risk

Market risks to which the Company is exposed include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As at September 30, 2015, the Company has no producing assets and holds the majority of its cash in secure, Canadian dollar-denominated deposits. Consequently, its exposure to these risks has been significantly reduced, but as the Company redeploys its cash, exposure to these risks may increase. The objective of the Company is to mitigate exposure to these risks while maximizing returns.

The Company may from time-to-time own available-for-sale marketable securities, in the mineral resource sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further develop and to determine the commercial viability of its resource properties. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis.

i) Interest rate risk

As at September 30, 2015, the Company's exposure to movements in interest rates was limited to potential decreases in interest income from changes to the variable portion of interest rates for its cash. Market interest rates in Canada are at historically low levels, so management does not consider the risk of interest rate declines to be significant, but should such risks increase the Company may mitigate future exposure by entering into fixed-rate deposits.

ii) Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company may maintain cash and other financial instruments, or may incur revenues and expenditures in currencies other than the Canadian dollar. Significant changes in the currency exchange rates between the Canadian dollar relative to these foreign currencies, which may include but are not limited to US dollars, Mexican peso and Peruvian nuevo sol, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

(e) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of minerals such as gold, zinc, lead and copper. The Company's input costs are also affected by the price of fuel. The Company closely monitors mineral and fuel prices to determine the appropriate course of action to be taken by the Company.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 17,000	$ -	$ -	$ 17,000

6(i) Management of Capital Risk

The Company considers its capital to be its shareholders' equity. 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 acquisition and exploration of mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

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 attempt to issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period and the Company is not subject to any externally imposed capital requirements.

<u>7. Events after the Reporting Period</u>

None other than disclosed already in other sections.

8. Policies and Controls

8(a) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

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

- the determination that the Company will continue as a going concern for the next year;
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable; and
- the determination that the functional currency of parent is the Canadian dollar, the functional currency of its subsidiary in Mexico is the Mexican peso, the functional currency of its subsidiaries in Peru is the Peruvian neuvo sole and the functional currency of its subsidiary in the USA is the US dollar.

8(b) Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of its mineral claims and crediting all proceeds received against the cost of related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

Upon transfer of “Exploration and evaluation costs” into “Mine Development”, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within “Mine development”. After production starts, all assets included in “Mine development” are transferred to “Producing Mines”.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

9. Internal Control Over Financial Reporting

Changes in Internal Control over Financial Reporting (“ICFR”)

In connection with National Instrument 52-109, *Certification of Disclosure in Issuer’s Annual and Interim Filings* (“NI 52-109”) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of the Company will file a Venture Issuer Basic Certificate with respect to financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management’s Discussion and Analysis. The Venture Issue Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI52-109.

Disclosure Controls and Procedures

The Company’s CEO and CFO are responsible for establishing and maintaining the Company’s disclosure controls and procedures. Management, including the CEO and CFO, have evaluated the procedures of the Company and have concluded that they provide reasonable assurance that material information is gathered and reported to senior management in a manner appropriate to ensure that material information required to be disclosed in reports filed or submitted by the Company is recorded, processed, summarized and reported within the appropriate time periods.

While management believes that the Company’s disclosure controls and procedures provide reasonable assurance, they do not expect that the controls and procedures can prevent all errors, mistakes, or fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

10. Information on the Officers and Board of Directors

Directors:
Mark T. Brown, B.Comm, CPA, CA, Executive Chairman
Jason Weber, BSc, P.Geo
Marc G. Blythe, MBA, P.Eng.
John R. Wilson, BSc, MS, CPG
Craig T. Lindsay, CFA
Adrian Fleming, BSc, P.Geo

Audit Committee members:
Marc G. Blythe, Craig T. Lindsay and Adrian Fleming

Management:
Jason Weber, BSc, P. Geo – Chief Executive Officer, President
Winnie Wong, CPA, CA – Chief Financial Officer and Corporate Secretary

ALIANZA MINERALS LTD.

(formerly known as Tarsis Resources Ltd.)

Consolidated Financial Statements

For the years ended September 30, 2015, 2014 and 2013

325 Howe Street, Suite 410, Vancouver B.C. V6C 1Z7, Canada, TSXV: ANZ; Tel: 604-687-3520

DeVISSER GRAY LLP
CHARTERED ACCOUNTANTS

401-905 West Pender St
Vancouver BC V6C 1L6
t 604.687.5447
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REPORT OF INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS

To the Shareholders of Alianza Minerals Ltd. (formerly known as Tarsis Resources Ltd.),

We have audited the accompanying consolidated financial statements of Alianza Minerals Ltd. (formerly known as Tarsis Resources Ltd.), which comprise the consolidated statement of financial position as at September 30, 2015, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alianza Minerals Ltd. (formerly known as Tarsis Resources Ltd.) as at September 30, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matters

The financial statements of Alianza Minerals Ltd. (formerly known as Tarsis Resources Ltd.) as at and for the years ended September 30, 2014 and 2013 were audited by other auditors, who expressed an unmodified opinion on those statements in their report to the shareholders dated December 18, 2014.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has limited working capital, losses since inception and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

De Visser Gray LLP

INDEPENDENT REGISTERED CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
December 21, 2015

CONTENTS

ALIANZA MINERALS LTD.
(Formerly Tarsis Resources Ltd.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars, unless otherwise stated

	Note		September 30, 2015		September 30, 2014
Assets					
Current assets					
Cash		$	17,000	$	228,579
Marketable securities	4		-		1,625
Receivables			16,952		4,199
Prepaid expenses			5,055		4,368
			39,007		238,771
Non-current assets					
Equipment	5, 6		15,361		2,492
Exploration and evaluation assets	6, 7		2,932,718		4,086,063
Investment in associates	8		561,254		-
			3,509,333		4,088,555
Total assets		$	3,548,340	$	4,327,326
Current liabilities					
Accounts payable and accrued liabilities		$	115,805	$	105,775
Due to related party	11		10,500		38,458
			126,305		144,233
Non-current liabilities					
Deferred income tax liability	14		-		532,000
Due to related party	11		314,676		-
			314,676		532,000
Shareholders' equity					
Share capital	9		13,653,601		11,693,260
Reserves	9, 10		2,377,941		2,130,562
Accumulated other comprehensive income (loss)			77,217		(2,135)
Deficit			(13,001,400)		(10,170,594)
			3,107,359		3,651,093
Total shareholders' equity and liabilities		$	3,548,340	$	4,327,326

Nature of operations and going concern (Note 1)

These consolidated financial statements are authorized for issue by the Board of Directors on December 21, 2015.

On behalf of the Board of Directors:

Director "Jason Weber"

Director "Mark T. Brown"

See accompanying notes to the consolidated financial statements

ALIANZA MINERALS LTD.
(Formerly Tarsis Resources Ltd.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Presented in Canadian Dollars)

		Years ended September 30		
	Note	2015	2014	2013
Expenses				
Accounting and legal fees	11	$ 231,067	$ 130,042	$ 150,752
Depreciation	5	2,629	1,772	1,731
Investor relations and shareholder information	11	61,648	46,271	87,936
Office facilities and administrative services	11	13,500	49,688	49,908
Office expenses		38,733	16,779	22,822
Property investigation expenses		29,360	731	32,507
Share-based payments	11	246,424	167,091	-
Transfer agent, listing and filing fees		34,954	18,324	19,844
Travel		14,357	34,454	38,415
Wages, benefits and consulting fees	11	226,058	180,424	174,754
		(898,730)	(645,576)	(578,669)
Interest income and other income		21,271	1,712	3,592
Foreign exchange loss		(191)	-	-
Loss on marketable securities	4	(1,625)	-	-
Realized loss on marketable securities transferred from other comprehensive income		(18,375)	-	-
Write-down of exploration and evaluation assets	7	(2,465,156)	-	(704,581)
Impairment allowance on exploration and evaluation assets	7	-	(3,439,175)	-
Loss before income taxes		(3,362,806)	(4,083,039)	(1,279,658)
Deferred income tax recovery (expense)	14	532,000	(35,000)	(37,000)
Net loss for the year		$ (2,830,806)	$ (4,118,039)	$ (1,316,658)
Other comprehensive income (loss)				
Unrealized gain (loss) on available-for-sale securities	4	-	375	(10,000)
Realized loss on marketable securities transferred to net loss		18,375	-	-
Exchange difference arising on the translation of foreign subsidiary		60,977	29,078	6,062
Total comprehensive loss for the year		$ (2,751,454)	$ (4,088,586)	$ (1,320,596)
Basic and diluted loss per common share		$ (0.30)	$ (0.84)	$ (0.33)
Weighted average number of common shares outstanding - basic and diluted		9,297,924	4,886,120	3,981,489

See accompanying notes to the consolidated financial statements

ALIANZA MINERALS LTD.
(Formerly Tarsis Resources Ltd.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Presented in Canadian Dollars)

		Share Capital			Reserves			Accumulated Other Comprehensive Income (Loss)			
	Note	Number of shares	Amount	Share subscription	Equity settled employee benefits	Warrants	Finders' warrants	Available-for-sale securities	Foreign exchange reserve	Deficit	Total equity
Balance, September 30, 2012		**3,226,712**	**$ 9,730,252**	**$ 997,316**	**$ 1,143,194**	**$ 459,805**	**$ 174,310**	**$ (8,750)**	**$ (18,900)**	**$ (4,735,897)**	**$ 7,741,330**
Private placement	9(c)(i)	687,000	893,100	(1,003,500)	-	137,400	-	-	-	-	27,000
Purchase of exploration and evaluation assets	9(c)(ii)	400,000	220,000	-	-	-	-	-	-	-	220,000
Share issue costs		-	(91,564)	6,184	-	-	40,015	-	-	-	(45,365)
Net loss		-	-	-	-	-	-	(10,000)	6,062	(1,316,658)	(1,320,596)
Balance, September 30, 2013		**4,313,712**	**10,751,788**	**-**	**1,143,194**	**597,205**	**214,325**	**(18,750)**	**(12,838)**	**(6,052,555)**	**6,622,369**
Private placements	9(c)(iii),(iv),(v)	1,650,334	1,012,750	-	-	-	-	-	-	-	1,012,750
Share issue costs		-	(71,278)	-	-	-	8,747	-	-	-	(62,531)
Share-based payments		-	-	-	167,091	-	-	-	-	-	167,091
Net loss		-	-	-	-	-	-	375	29,078	(4,118,039)	(4,088,586)
Balance, September 30, 2014		**5,964,046**	**11,693,260**	**-**	**1,310,285**	**597,205**	**223,072**	**(18,375)**	**16,240**	**(10,170,594)**	**3,651,093**
Purchase of exploration and evaluation assets	9(c)(vi)	150,000	60,000	-	-	-	-	-	-	-	60,000
Shares issued for the acquisition of Estrella	9(c)(vii)	4,665,032	1,166,258	-	-	-	-	-	-	-	1,166,258
Private placement	9(c)(viii)	3,000,000	750,000	-	-	-	-	-	-	-	750,000
Share issue costs		-	(15,917)	-	-	-	955	-	-	-	(14,962)
Share-based payments		-	-	-	246,424	-	-	-	-	-	246,424
Net loss		-	-	-	-	-	-	18,375	60,977	(2,830,806)	(2,751,454)
Balance, September 30, 2015		**13,779,078**	**$ 13,653,601**	**$ -**	**$ 1,556,709**	**$ 597,205**	**$ 224,027**	**$ -**	**$ 77,217**	**$ (13,001,400)**	**$ 3,107,359**

See accompanying notes to the consolidated interim financial statements

ALIANZA MINERALS LTD.
(Formerly Tarsis Resources Ltd.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Presented in Canadian Dollars)

	Years ended September 30 2015	2014	2013
Cash flows from (used in) operating activities			
Net loss for the year	$ (2,830,806)	$ (4,118,039)	$ (1,316,658)
Items not affecting cash:			
Depreciation	2,629	1,772	1,731
Loss on marketable securities	1,625	-	-
Realized loss on marketable securities transferred from other comprehensive income	18,375	-	-
Share-based payments	246,424	167,091	-
Write-down of exploration and evaluation assets	2,465,156	-	704,581
Impairment allowance on exploration and evaluation assets	-	3,439,175	-
Deferred income tax (recovery) expense	(532,000)	35,000	37,000
Changes in non-cash working capital items:			
Receivables	(12,753)	1,362	12,787
Prepaid expenses	(687)	8,083	10,290
Accounts payable and accrued liabilities	(229,396)	(16,907)	(15,699)
Due to related parties	286,718	(9,150)	(33,786)
Net cash (used in) operating activities	(584,715)	(491,613)	(599,754)
Cash flows from (used in) investing activities			
Purchase of equipment	-	-	(2,722)
Exploration and evaluation assets	(420,065)	(296,149)	(464,339)
Cash received from option agreements	-	-	49,500
Net cash (used in) investing activities	(420,065)	(296,149)	(417,561)
Cash flows from (used in) financing activities			
Proceeds from issuance of common shares	750,000	1,012,750	27,000
Share issue costs	(22,962)	(46,531)	(45,365)
Net cash provided by financing activities	727,038	966,219	(18,365)
Effect of exchange rate changes on cash	66,163	29,078	6,062
Change in cash for the year	(211,579)	207,535	(1,029,618)
Cash, beginning of the year	228,579	21,044	1,050,662
Cash, end of the year	$ 17,000	$ 228,579	$ 21,044

Supplemental disclosure with respect to cash flows (Note 12)

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Alianza Minerals Ltd. (formerly Tarsis Resources Ltd., "Tarsis") (the "Company" or "Alianza") was incorporated in Alberta on October 21, 2005 under the Business Corporations Act of Alberta and its registered office is Suite 410, 325 Howe Street, Vancouver, BC, Canada, V6C 1Z7. On April 25, 2008 the Company filed for a certificate of continuance and is continuing as a BC Company under the Business Corporations Act (British Columbia).

The Company is an exploration stage company and is engaged principally in the acquisition and exploration of mineral properties. The recovery of the Company's investment in its exploration and evaluation assets is dependent upon the future discovery, development and sale of minerals, upon the ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statement of financial position. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

As at September 30, 2015, the Company had working capital deficit of $87,298 (September 30, 2014: working capital of $94,538) and shareholders' equity of $3,107,359 (September 30, 2014: $3,651,093).

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance and compliance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(Presented in Canadian Dollars)

2. BASIS OF PREPARATION - continued

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the September 30, 2015 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of the Company include the accounts of Alianza Minerals Ltd. and the following entities:

Name of Subsidiaries	% of ownership	Jurisdiction	Principal Activity
Alianza Holdings Ltd.	100%	Canada	Holding Company
Canadian Shield Explorations (Int'l) Ltd.	100%	Canada	Holding Company
Canadian Shield Explorations Ltd.	100%	Canada	Holding Company
Estrella Gold Peru S.A.C.	100%	Peru	Exploration Company
Estrella Gold DR, S.R.L. (2)	100%	Dominican Republic	Holding Company
Minera Tarsis, S.A. de C.V.(1)	100%	Mexico	Exploration Company
Tarsis Resources US Inc.	100%	Nevada, USA	Holding Company
Gallant Minerals Peru Ltd. S.A. (2)	90%	Peru	Exploration Company
Yanac Peru Exploration LLC (3)	50%	Delaware, USA	Holding Company
Yanac Minera Peru S.A.C. (3)	50%	Peru	Exploration Company

(1) Effective September 30, 2015, the Company applied to windup Minera Tarsis S.A. de C.V. and wrote off the subsidiary (Note 17).
(2) The companies are in the process of being wound up.
(3) The option partner's shares are subject to forfeiture (Note 7 (Peru)).

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Presentation – continued

All subsidiaries are entities that we control, either directly or indirectly. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All of the intra-group balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full. For subsidiaries that the Company controls, but does not own 100% of, the net assets and net profit attributable to outside shareholders are presented as amounts attributable to non-controlling interests in the consolidated statements of financial position and consolidated statements of comprehensive loss.

Certain of our business activities are conducted through associates (see below).

Interests in Joint Arrangements

A joint arrangement can take the form of a joint venture or joint operation. All joint arrangements involve a contractual arrangement that establishes joint control, which exists only when decisions about the activities that significantly affect the returns of the investee require unanimous consent of the parties sharing control. A joint operation is a joint arrangement in which the Company has rights to the assets and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement in which the Company has rights to only the net assets of the arrangement.

Joint ventures are accounted for in accordance with the policy "Investments in Associates and Joint Ventures." Joint operations are accounted for by recognizing the Company's share of the assets, liabilities, revenue, expenses and cash flows of the joint operation in the consolidated financial statements.

Investments in Associates and Joint Ventures

Investments over which the Company exercises significant influence and which it does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale. Investments in joint ventures as determined in accordance with the policy "Interests in Joint Arrangements" are also accounted for using the equity method.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's or joint venture's net assets such as dividends.

The Company's proportionate share of the associate's or joint venture's profit or loss and other comprehensive income or loss is based on its most recent financial statements. Adjustments are made to align any inconsistencies between the Company's accounting policies and the associate's or joint venture's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Investments in Associates and Joint Ventures – continued

If the Company's share of the associate's or joint venture's losses equals or exceeds the investment in the associate or joint venture, recognition of further losses is discontinued. After the Company's interest is reduced to zero, additional losses will be provided for and a liability recognized only to the extent that the Company has incurred legal or constructive obligations to provide additional funding or make payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

At each statement of financial position date, management considers whether there is objective evidence of impairment in associates and joint ventures. If there is such evidence, management determines if there is a need to record an impairment in relation to the associate or joint venture.

Foreign currencies

The functional and presentation currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rate of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The Company has determined that the functional currency of its subsidiary in Mexico is the Mexican peso, the functional currency of its subsidiaries in Peru is the Peruvian nuevo sole and the functional currency of its subsidiary in USA is the US dollar. Exchange differences arising from the translation of the subsidiaries' functional currencies into the Company's presentation currency are taken directly to the foreign exchange reserve.

Marketable securities

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Unrealized gains and losses due to period end revaluation to fair value, other than those determined to be due to significant or prolonged losses, are recorded as other comprehensive income or loss.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Exploration and evaluation

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of its mineral claims and crediting all proceeds received against the cost of related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received or receivable are in excess of the carrying amount.

Upon transfer of “Exploration and evaluation costs” into “Mine Development”, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalized within “Mine development”. After production starts, all assets included in “Mine development” are transferred to “Producing Mines”.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditures are not expected to be recovered, they are charged to operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the declining balance method at a rates ranging from 30% to 55% per year.

The cost of an item of equipment consists of the purchase price, plus any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Decommissioning, restoration, and similar obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when an environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

As at September 30, 2015, the Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive loss. The Company's cash has been classified as fair value through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company's receivables have been classified as loans and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the consolidated statement of comprehensive loss. No financial assets have been classified as held-to-maturity.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the consolidated statement of comprehensive loss. The Company's marketable securities have been classified as available-for-sale.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive loss. No financial liabilities have been classified as fair value through profit or loss.

Other financial liabilities - This category includes amounts due to related parties and accounts payable and accrued liabilities, which are recognized at amortized cost.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical judgments

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

- the determination that the Company will continue as a going concern for the next year;
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable; and
- the determination that the functional currency of parent is the Canadian dollar, the functional currency of its subsidiary in Mexico is the Mexican peso, the functional currency of its subsidiaries in Peru is the Peruvian neuvo sole and the functional currency of its subsidiary in the USA is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of comprehensive loss for the period. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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

Share-based payment transactions

The Company's stock option plan allows the Company's employees and consultants to acquire shares of the Company through the exercise of granted stock options. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when such individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Warrants with the right to acquire common shares in the Company are typically issued through the Company's equity financing activities. Where finders' warrants are issued on a stand-alone basis, their fair values are measured on their issuance date using the Black-Scholes option pricing model and are recorded as both an increase to reserves and as a share issue cost.

When warrants are exercised, the cash proceeds along with the amount previously recorded in equity reserves are recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

Common shares, which by agreement are designated as flow-through shares, are usually issued at a premium to non-flow-through common shares. On issue, share capital is increased only by the non-flow-through share equivalent value. Any premium is recorded as a flow-through share premium liability. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income on settlement of flow-through share premium liability.

Loss per share

The Company presents basic and diluted loss per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for own shares held and for the effects of all potential dilutive common shares related to outstanding stock options and warrants issued by the Company.

(Presented in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Income taxes

Income tax on the loss for the periods presented comprises current and deferred tax. Income tax is recognized in the loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Income tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

4. MARKETABLE SECURITIES

The Company held shares of a publicly traded company which are held as available-for-sale and valued in accordance with the quoted market price of the common shares.

		September 30, 2015		September 30, 2014
Balance, beginning of the year	$	1,625	$	1,250
Loss on disposal		(1,625)		-
Unrealized gain		-		375
Balance, end of the year	$	-	$	1,625

During the year ended September 30, 2015, the Company determined that there is a prolonged decline in the fair value of the available-for-sale securities, and the full amount of the impairment, including any amount previously recognized in other comprehensive income, has been recognized in net loss for the year.

(Presented in Canadian Dollars)

5. EQUIPMENT

	Office equipment and furniture	Vehicles and other field equipment	Total
Cost			
As at September 30, 2013	$ 2,722	$ 5,500	$ 8,222
Assets acquired	-	-	-
As at September 30, 2014	2,722	5,500	8,222
Assets acquired through plan of arrangement	3,535	10,987	14,522
Foreign exchange movement	1,570	6,219	7,789
As at September 30, 2015	$ 7,827	$ 22,706	$ 30,533
Accumulated depreciation			
As at September 30, 2013	$ 749	$ 3,209	$ 3,958
Depreciation for the year	1,085	687	1,772
As at September 30, 2014	1,834	3,896	5,730
Depreciation for the year	1,038	1,591	2,629
Foreign exchange movement	1,338	5,475	6,813
As at September 30, 2015	$ 4,210	$ 10,962	$ 15,172
Net book value			
As at September 30, 2014	$ 888	$ 1,604	$ 2,492
As at September 30, 2015	**$ 3,617**	**$ 11,744**	**$ 15,361**

(Presented in Canadian Dollars)

6. ACQUISITION OF ALIANZA HOLDINGS LTD.

On April 29, 2015, the Company completed a Plan of Arrangement to acquire all of the issued and outstanding shares of Alianza Holdings Ltd. (formerly Estrella Gold Corporation, “Estrella”). Based on 46,650,304 Estrella shares outstanding, the Company issued 46,650,304 (ratio of 1) of its common shares to complete the transaction. In connection with the Plan of Arrangement, the Company effected a consolidation of its issued share capital on a ten old shares for one new share basis and raised $750,000 by way of financing and issued 3 million units (Note 9(c)(viii)). On the post-consolidation basis, the shares issued to Estrella represent approximately 33.9% of the Company’s issued and outstanding common shares.

Estrella is an exploration company operating in Peru. Estrella owns a 100% interest in Canadian Shield Explorations (Int’l) Ltd., Canadian Shield Explorations Ltd. and Estrella Gold Peru S.A.C., a 36% interest in Pucarana S.A.C. and a 50% interest in Yanac Peru Exploration LLC and Yanac Minera Peru S.A.C.

As Estrella is in the early stage of exploration and does not yet have any processes or outputs, the acquisition was accounted for as a purchase of assets. The difference between the purchase consideration and the adjusted book values of Estrella’s assets and liabilities was assigned to “exploration and evaluation assets”. The purchase price of the acquisition and the assets acquired are described below:

Purchase price		
46,650,304 common shares of Estrella by issue of 46,650,304 Alianza shares @ $0.025	$	1,166,258
Transaction costs		173,608
Total purchase price	$	1,339,866

Assets acquired		
Net working capital deficiency	$	(194,867)
Equipment		14,522
Investment in associate		567,416
Exploration and evaluation assets		952,795
Net identifiable assets of Estrella	$	1,339,866

7. EXPLORATION AND EVALUATION ASSETS

The Company follows the prospect generator model whereby it acquires projects on attractive terms, adds value through preliminary exploration efforts and then vends or options the project for further advancement.

Although the Company has taken steps to verify title to its unproven mineral right interests, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company has properties in Mexico (the “Mexico Properties”), in Nevada, USA (the “USA Properties”), in Peru (the “Peru Properties”) and in the Yukon Territory of Canada (the “Canada Properties”). Following are summary tables of exploration and evaluation assets and brief summary descriptions of each of the exploration and evaluation assets:

(Presented in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS – continued

Exploration and Evaluation Assets for the year ended September 30, 2015

	Mexico		USA		Peru		Canada	
	Yago	Others	East Walker	Others	Yanac	Others		Total
Balance at September 30, 2014	**$ 422,415**	**$ 2,307,486**	**$ -**	**$ 181,993**	**$ -**	**$ -**	**$ 1,174,169**	**$ 4,086,063**
Additions during the year								
Acquisition costs:								
Holding	44,825	5,475	-	6,036	-	35,198	-	91,534
Property acquisition	-	-	7,500	52,500	-	-	-	60,000
Acquired through plan of arrangement	-	-	-	-	476,397	476,398	-	952,795
	44,825	5,475	7,500	58,536	476,397	511,596	-	1,104,329
Exploration expenditures:								
Camp, travel and meals	9,337	32	-	5,156	-	323	-	14,848
Community relations	-	(602)	-	-	-	-	-	(602)
Field supplies and maps	1,765	94	-	750	-	-	-	2,609
Geological consulting	300	-	2,785	15,778	3,771	6,611	-	29,245
Ground geophysics	-	(165)	-	-	-	-	-	(165)
Legal	-	-	377	2,639	-	-	-	3,016
Licence and permits	-	-	-	57,078	-	-	-	57,078
Office and administrative fees	-	-	-	-	2,446	553		2,999
Rent	1,442	1,192	-	7,389	-	748	-	10,771
Reporting, drafting, sampling and analysis	-	-	-	2,160	-	-	-	2,160
	12,844	551	3,162	90,950	6,217	8,235	-	121,959
Less:								
Write-down of properties	-	(2,272,049)	(6,681)	(186,426)	-	-	-	(2,465,156)
Net additions / (subtractions)	57,669	(2,266,023)	3,981	(36,940)	482,614	519,831	-	(1,238,868)
Foreign currency translation	-	(23,063)	-	-	10,958	97,628	-	85,523
Balance at September 30, 2015	**$ 480,084**	**$ 18,400**	**$ 3,981**	**$ 145,053**	**$ 493,572**	**$ 617,459**	**$ 1,174,169**	**$ 2,932,718**

(Presented in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS – continued

Exploration and Evaluation Assets for the year ended September 30, 2014

	Mexico		**USA**	**Canada**	
	Yago	Others			**Total**
Balance at September 30, 2013	**$ 214,500**	**$ 2,270,228**	**$ 117,782**	**$ 4,600,972**	**$ 7,203,482**
Additions during the year					
Acqusition Costs:					
Holding	19,087	4,266	-	1,224	24,577
	19,087	4,266	-	1,224	24,577
Exploration expenditures:					
Camp, travel and meals	34,797	-	-	949	35,746
Drilling	88,820	-	-	-	88,820
Field supplies and overhead	5,219	105	-	513	5,837
Geological consulting	36,848	3,112	20,000	2,000	61,960
Licence and permits	-	-	44,211	-	44,211
Reporting, drafting, sampling and analysis	23,144	919	-	7,686	31,749
	188,828	4,136	64,211	11,148	268,323
Less:					
Impairment allowance	-	-	-	(3,439,175)	(3,439,175)
Net additions / (subtractions)	207,915	8,402	64,211	(3,426,803)	(3,146,275)
Foreign currency translation	-	28,856	-	-	28,856
Balance at September 30, 2014	**$ 422,415**	**$ 2,307,486**	**$ 181,993**	**$ 1,174,169**	**$ 4,086,063**

7. EXPLORATION AND EVALUATION ASSETS – continued

Mexico

On July 23, 2007, the Company purchased from Almaden Minerals Ltd. ("Almaden") the Erika property, along with 4 other existing properties in the Yukon. The Erika property is located in Guerrero State, Mexico, south of Mexico City. Almaden has a 2% NSR royalty on future production from mineral claims purchased from them.

During the year ended September 30, 2015, the Company dropped the Erika property and wrote off all capitalized amounts of $2,242,889 associated with it (Note 17).

On June 10, 2013, the Company purchased from Almaden five properties in Mexico and two properties in Nevada USA by issuing 400,000 common shares (post 10:1 share consolidation) at a price of $0.55 per share to Almaden on July 25, 2013. Pursuant to the agreement, the Company is responsible for paying claim taxes relating to the Mexico properties until such time as title to the properties has been transferred to the Company. Claim taxes totaling approximately $203,000 ($63,000 for 2014 and $140,000 for 2015) have not been paid. As a result, the agreement is not in good standing but remains in effect. Title to the properties cannot be transferred to the Company until these, and future, claims taxes have been settled (Note 17).

Almaden retains a 2% Net Smelter Return ("NSR") royalty on future production on all these properties.

- Yago
- Gallo de Oro *(this is part of the Yago property)*
- San Pedro
- Mezquites
- Llano Grande

In addition, areas of influence have been outlined in Mexico, where Almaden has provided its proprietary data and concepts to the Company. In return, the Company will issue 20,000 shares (post 10:1 share consolidation) to Almaden for each new property acquired within the area of influence. The Company will issue a further 80,000 shares (post 10:1 share consolidation) to Almaden upon the first time disclosure of a mineral resource on each and any of the new properties.

The value of the 400,000 common shares (post 10:1 share consolidation) issued to Almaden on acquisition of these seven properties was allocated amongst the properties on a pro-rata basis, based on Almaden's total capitalized carrying value of the properties immediately preceding transfer.

In August 2015, the Company reduced the size of the Mezquites property and dropped the Llano Grande property and wrote off $29,160.

a) *Yago*

The Yago property is located 50 km north of Tepic, the state capital of Nayarit. As of September 30, 2015, the Company had spent $480,084 on advancing this property to joint-venture ready status.

7. EXPLORATION AND EVALUATION ASSETS – continued

USA

On June 10, 2013, the Company purchased from Almaden two properties in Nevada, USA and five properties in Mexico by issuing 400,000 common shares (post 10:1 share consolidation) at a price of $0.55 per share to Almaden on July 25, 2013. Almaden also retains a 2% NSR royalty on future production on all these properties.

- BP
- Black Jack Springs ("BJS")

In addition, areas of influence have been outlined in Nevada, where Almaden has provided its proprietary data and concepts to the Company. In return, the Company will issue 20,000 shares (post 10:1 share consolidation) to Almaden for each new property acquired within the area of influence. The Company will issue a further 80,000 shares (post 10:1 share consolidation) to Almaden upon the first time disclosure of a mineral resource on each and any of the new properties.

In August 2015, the Company reduced the size of the BP property and dropped the BJS property and wrote off $116,207.

On January 27, 2015, the Company signed a binding agreement to acquire eight gold properties in Nevada, USA from Sandstorm Gold Ltd. ("Sandstorm") by issuing 150,000 shares (post 10:1 share consolidation) to Sandstorm (Note 9(c)(vi)) and granting a net smelter returns royalty ranging from 0.5% to 1.0%. The Company also granted Sandstorm a right of first refusal on any future metal streaming agreements on these properties.

- Ashby
- Bellview
- Columbia
- East Walker
- Fri Gold
- Horsethief
- Hot Pot
- Kobeh

In August 2015, the Company reduced the size of each of the Ashby, Bellview, Columbia, East Walker, Fri Gold and Horsethief properties as well as dropping the Hot Pot property and wrote off $76,900.

a) *East Walker*

The East Walker property is located in Lyon County, west of Hawthorne. A 2% NSR is payable to a previous owner of the property from production from some claims on the property.

As of September 30, 2015, the Company had spent $3,981 on advancing this property.

7. EXPLORATION AND EVALUATION ASSETS – continued

Peru

On April 29, 2015, the Company acquired the Yanac, Isy and La Estrella properties in Peru through the Plan of Arrangement with Estrella (Note 6).

- Yanac – located in Chincha region of the Department of Ica, south-central Peru.
- Isy – located in the Department of Ayucucho, Peru.
- La Estrella – located 130 kilometers south of Huancayo in the Department of Huancavelica, Peru.

a) *Yanac*

On February 27, 2013, Cliffs Natural Resources Exploration Inc., a wholly owned subsidiary of Cliffs Natural Resources Inc. (NYSE: CLF) ("Cliffs") and Estrella entered into a Limited Liability Company Membership Agreement in respect of the Yanac property. Subsequent to year end, Cliffs' interest in Yanac was acquired by a private company ("Priv. Corp") which has hereby taken over all previous obligations of Cliffs.

Priv. Corp and Estrella each now hold a 50% interest in the property. Previously, Cliffs was required to spend a firm commitment of US$500,000 in year one on exploration or pay the same amount to Estrella, with an additional US$250,000 (not firm) to a total of US$750,000 to maintain Cliffs' interest beyond year one. Cliffs met the US$750,000 commitment by December 31, 2013.

Priv. Corp can acquire an additional 20% interest in the Yanac property, to a total 70% interest, by spending a minimum of US$4,000,000 (including the above mentioned US$750,000) and completing 3,000 meters of drilling by February 27, 2017. If Priv. Corp fails to acquire the additional 20%, 100% of the property reverts to Estrella, subject in certain circumstances to a potential NSR royalty in favor of Priv. Corp. Upon earning 70%, Priv. Corp can acquire an additional 10% interest in the Yanac property, to a total 80% by completing an NI 43-101 Compliant Pre-Feasibility Study or by defining a compliant Inferred Mineral Resource containing a minimum of 1,000,000 ounces of gold or gold equivalent, within four years of earning its 70% interest. If Priv. Corp elects not to earn an additional 10% interest, Priv. Corp will pay Estrella US$2,000,000 within 60 days and the parties will fund their proportional interest, subject to conventional dilution. If either party's interest in the Yanac property is reduced to 10% or less, that interest will be converted to a 2% NSR royalty.

As of September 30, 2015, Cliffs had spent a total of US$1,818,290 on the Yanac property.

Canada

In 2010, the Company acquired the White River property through staking. The White River property is located in the Yukon, northwest of Whitehorse.

On July 23, 2007, the Company purchased from Almaden certain properties in the Yukon and one property in Mexico (Erika) and Almaden has a 2% NSR royalty on future production from these mineral claims:

- Goz Creek – located 180 kilometers north east of Mayo, Yukon.
- MOR – located 35 kilometers east of Teslin, Yukon and is 1.5 kilometers north of the paved Alaska Highway.
- Tim – located 72 kilometers west of Watson Lake, Yukon and 12 kilometers northeast of the Silvertip/Midway deposit.

7. EXPLORATION AND EVALUATION ASSETS – continued

Canada – continued

On June 10, 2008 the Company signed another agreement with Almaden to acquire a 100% interest in the Prospector Mountain gold-silver-copper property, located in central Yukon. The Company issued 10,000 fully paid common shares (post 10:1 share consolidation) to Almaden and made a cash payment of $30,000 for a 100% interest in the property. Almaden will retain a 2% net smelter royalty (NSR) over any minerals produced from the property, however, half of the NSR may be purchased by the Company at any time after the production commences for fair value as determined by an independent valuator. The Company will also issue to Almaden 50,000 fully paid common shares (post 10:1 share consolidation) upon receipt of a positive bankable feasibility study for the property.

On September 9, 2009 the Company acquired a 100% interest in the Highway property from Strategic Metals Ltd. ("Strategic"). The Company has granted Strategic a 2% NSR royalty on any future production from the mineral claims acquired from them. The Company has incorporated the Highway property as an expansion to the MOR property. In March 2014, the Highway property expired.

8. INVESTMENT IN ASSOCIATE

On April 29, 2015, the Company owned a 36% interest in Pucarana S.A.C. ("Pucarana"), an exploration company in Peru, through the Plan of Arrangement with Estrella (Note 6).

On May 22, 2015, Pucarana signed an Assignment Agreement with Compania de Minas Buenaventura S.A.A. ("Buenaventura") whereby Pucarana assigned to Buenaventura the rights to the Pucarana property. In consideration, Buenaventura granted a 3% NSR royalty to Pucarana that is then distributed as to 60% to Alamos Gold Inc. (1.8% NSR), 36% to Estrella (1.08% NSR) and 4% to Gallant Minerals Ltd (0.12% NSR).

Prior to the Company's investment in Pucarana, Estrella Gold Corporation had capitalized, as exploration and evaluation assets, $566,782 in exploration and evaluation expenditures incurred on its Pucarana property. This amount, with minor adjustments, has been carried forward as the cost of the Company's 36% investment. The investment is accounted for using the equity method. To date, no dividends have been received from the associate. As at September 30, 2015, summarized financial information for the associate is as follows:

- Current assets - $52,400
- Non-current assets - $52,800
- Non-current liabilities - $62,300

To date, no revenues have been generated and any expenses incurred, which are currently limited to exploration and evaluation expenses and related administration expenses, are reimbursed by Buenaventura. Accordingly, there is no profit or loss from continuing operations.

9. SHARE CAPITAL

a) Authorized:

As at September 30, 2015, the authorized share capital is comprised of an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series. All issued shares are fully paid.

b) Share consolidation

On April 29, 2015, the Company consolidated its share capital on the basis of one new share for every 10 old shares. All references to the number of shares and per share amounts have been retroactively restated to reflect the consolidation.

c) Issued:

During the year ended September 30, 2013, the Company:

i) Completed a non-brokered private placement on October 3, 2012 by issuing 687,000 units ("Unit") at a price of $1.50 per Unit for gross proceeds of $1,030,500. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 36 month period at a price of $2.50. In connection with the financing, the Company paid $35,363 as a cash finder's fee and issued 47,150 finder's warrants, each of which is exercisable into a Unit at a price of $1.50 for a period of 36 months. The value of the finder's warrants was determined to be $40,015 and was calculated using the Black-Scholes option pricing model. Insiders participated in the offering for a total of 40,000 Units for gross proceeds of $60,000. Under the residual value approach, $137,400 was assigned to the warrant component of the Units. The Company incurred additional share issue costs of $16,186 in connection with this financing.

ii) Issued 400,000 common shares to Almaden at a price of $0.55 per share for a total consideration of $220,000 to pay for seven exploration and evaluation asset properties (Note 7).

During the year ended September 30, 2014, the Company:

iii) Completed a non-brokered private placement on December 16, 2013 by issuing 483,667 units ("Unit") at a price of $0.75 per Unit for gross proceeds of $362,750. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 36 month period at a price of $1.50. Insiders participated in the offering for a total of 210,000 Units for gross proceeds of $157,500. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred share issue costs of $15,689 in connection with this financing.

iv) Completed a non-brokered private placement on March 17, 2014 by issuing 266,667 units ("Unit") at a price of $0.75 per Unit for gross proceeds of $200,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 36 month period at a price of $1.50. Insiders participated in the offering for a total of 94,333 Units for gross proceeds of $70,750. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred share issue costs of $11,521 in connection with this financing.

9. SHARE CAPITAL – continued

c) Issued: – continued

v) Completed a non-brokered private placement on September 11, 2014 by issuing 900,000 units ("Unit") at a price of $0.50 per Unit for gross proceeds of $450,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 36 month period at a price of $1.00. In connection with the financing, the Company paid $9,600 as a cash finder's fee and issued 26,880 finder's warrants, each of which is exercisable into one common share at a price of $0.50 for a period of 12 months. The value of the finder's warrants was determined to be $8,747 and was calculated using the Black-Scholes option pricing model. Insiders participated in the offering for a total of 207,000 Units for gross proceeds of $103,500. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred additional share issue costs of $25,721 in connection with this financing.

During the year ended September 30, 2015, the Company:

vi) Issued 150,000 common shares to Sandstorm at a price of $0.40 per share for a total consideration of $60,000 to pay for eight exploration and evaluation asset properties in Nevada, USA (Note 7 USA).

vii) Completed the acquisition of all of the outstanding common shares of Estrella on April 29, 2015. As part of the consideration, the Company issued 4,665,032 common shares (post 10:1 share consolidation) with a fair value of $1,166,258 (Note 6).

viii) Completed a non-brokered private placement on April 29, 2015 by issuing 3,000,000 units ("Unit") at a price of $0.25 per Unit for gross proceeds of $750,000. Each Unit consists of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one additional common share for a 36 month period at a price of $0.40. In connection with the financing, the Company paid $1,500 as a cash finder's fee and issued 6,000 finder's warrants, each of which is exercisable into one common share at a price of $0.25 for a period of 12 months. The value of the finder's warrants was determined to be $955 and was calculated using the Black-Scholes option pricing model. Insiders participated in the offering for a total of 172,000 Units for gross proceeds of $43,000. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred additional share issue costs of $12,662 in connection with this financing.

(Presented in Canadian Dollars)

10. STOCK OPTIONS AND WARRANTS

a) Stock option compensation plan

The Company grants stock options to directors, officers, employees and consultants pursuant to the Company's Stock Option Plan (the "Plan"). The number of options that may be issued pursuant to the Plan are limited to 10% of the Company's issued and outstanding common shares and to other restrictions with respect to any single participant (not greater than 5% of the issued common shares) or any one consultant (not greater than 2% of the issued common shares).

Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one quarter of the options vesting in any 3 month period.

Vesting provisions may also be applied to other option grants, at the discretion of the directors. Options issued pursuant to the Plan will have an exercise price as determined by the directors, and permitted by the TSX-V, at the time of the grant. Options have a maximum expiry date of 5 years from the grant date.

Stock option transactions and the number of stock options for the year ended September 30, 2015 are summarized as follows:

Expiry date	Exercise price	September 30, 2014	Granted	Exercised	Expired / cancelled	September 30, 2015
October 5, 2014	$3.00	10,000	-	-	(10,000)	-
June 23, 2015	$2.00	10,000	-	-	(10,000)	-
October 1, 2015	$5.90	86,500	-	-	(86,500)	-
May 4, 2016	$6.10	42,500	-	-	(42,500)	-
May 7, 2017	$2.60	63,500	-	-	(63,500)	-
February 25, 2019	$1.00	212,500	-	-	(212,500)	-
October 1, 2015*	$0.25	-	6,000	-	-	6,000
May 7, 2017	$0.25	-	4,500	-	-	4,500
February 25, 2019	$0.25	-	22,500	-	-	22,500
April 29, 2020	$0.25	-	1,265,500	-	-	1,265,500
Options outstanding		425,000	1,298,500	-	(425,000)	1,298,500
Options exercisable		425,000	1,298,500	-	(425,000)	1,298,500
Weighted average exercise price		$2.80	$0.25	$Nil	$2.80	$0.25

*Subsequently, 6,000 stock options expired.

As at September 30, 2015, the weighted average contractual remaining life of options is 4.53 years (September 30, 2014 – 2.97 years; September 30, 2013 – 2.28 years). The weighted average fair value of stock options granted during the year ended September 30, 2015 was $0.22 (2014 - $0.80; 2013 - $Nil).

(Presented in Canadian Dollars)

10. STOCK OPTIONS AND WARRANTS – continued

a) Stock option compensation plan – continued

Stock option transactions and the number of stock options for the year ended September 30, 2014 are summarized as follows:

Expiry date	Exercise price	September 30, 2013	Granted	Exercised	Expired / cancelled	September 30, 2014
December 11, 2013	$1.00	27,500	-	-	(27,500)	-
October 5, 2014	$3.00	10,000	-	-	-	10,000
June 23, 2015	$2.00	10,000	-	-	-	10,000
October 1, 2015	$5.90	86,500	-	-	-	86,500
May 4, 2016	$6.10	42,500	-	-	-	42,500
May 7, 2017	$2.60	64,500	-	-	(1,000)	63,500
February 25, 2019	$1.00	-	213,000	-	(500)	212,500
Options outstanding		241,000	213,000	-	(29,000)	425,000
Options exercisable		241,000	213,000	-	(29,000)	425,000
Weighted average exercise price		$4.20	$1.00	$Nil	$1.10	$2.80

Stock option transactions and the number of stock options for the year ended September 30, 2013 are summarized as follows:

Expiry date	Exercise price	September 30, 2012	Granted	Exercised	Expired / cancelled	September 30, 2013
January 25, 2013	$7.00	16,500	-	-	(16,500)	-
December 11, 2013	$1.00	27,500	-	-	-	27,500
October 5, 2014	$3.00	10,000	-	-	-	10,000
June 23, 2015	$2.00	10,000	-	-	-	10,000
October 1, 2015	$5.90	86,500	-	-	-	86,500
May 4, 2016	$6.10	42,500	-	-	-	42,500
May 7, 2017*	$2.60	64,500	-	-	-	64,500
Options outstanding		257,500	-	-	(16,500)	241,000
Options exercisable		257,500	-	-	(16,500)	241,000
Weighted average exercise price		$4.40	$Nil	$Nil	$7.00	$4.20

The weighted average assumptions used to estimate the fair value of options for the years ended September 30, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
Risk-free interest rate	1.18%	1.67%	n/a
Expected life	5 years	5 years	n/a
Expected volatility	143.00%	136.51%	n/a
Expected dividend yield	nil	nil	n/a

(Presented in Canadian Dollars)

10. STOCK OPTIONS AND WARRANTS – continued

b) Warrants

On April 29, 2015, the Company's warrants were consolidated on a 10 for 1 basis and the exercise prices were reflected as such (Note 9(b)).

The continuity of warrants for the year ended September 30, 2015 is as follows:

Expiry date	Exercise price	September 30, 2014	Issued per Plan of Arrangement	Issued	Exercised	Expired	September 30, 2015
December 16, 2016	$1.50	483,666	-	-	-	-	483,666
March 17, 2017	$1.50	266,667	-	-	-	-	266,667
May 15, 2017	$1.00	-	1,200,000	-	-	-	1,200,000
September 11, 2017	$1.00	900,000	-	-	-	-	900,000
October 3, 2017*	$0.40	687,000	-	-	-	-	687,000
October 9, 2017**	$0.40	-	755,500	-	-	-	755,500
December 24, 2017	$1.00	-	300,000	-	-	-	300,000
April 29, 2018	$0.40	-	-	3,000,000	-	-	3,000,000
Outstanding		2,337,333	2,255,500	3,000,000	-	-	7,592,833
Weighted average exercise price		$0.98	$0.80	$0.40	$Nil	$Nil	$0.70

*The Company extended the expiry date of 687,000 share purchase warrants with original price of $2.50 to October 3, 2017 at the price of $0.40.
**The Company extended the expiry date of 755,500 share purchase warrants with original price of $2.50 to October 9, 2017 at the price of $0.40.

As at September 30, 2015, the weighted average contractual remaining life of warrants is 2.11 years (September 30, 2014 – 2.17 years; September 30, 2013 – 2.01 years).

The continuity of warrants for the year ended September 30, 2014 is as follows:

Expiry date	Exercise price	September 30, 2013	Issued	Exercised	Expired	September 30, 2014
October 3, 2015	$2.50	687,000	-	-	-	687,000
December 16, 2016	$1.50	-	483,666	-	-	483,666
March 17, 2017	$1.50	-	266,667	-	-	266,667
September 11, 2017	$1.00	-	900,000	-	-	900,000
Outstanding		687,000	1,650,333	-	-	2,337,333
Weighted average exercise price		$2.50	$1.20	$Nil	$Nil	$1.60

The continuity of warrants for the year ended September 30, 2013 is as follows:

Expiry date	Exercise price	September 30, 2012	Issued	Exercised	Expired	September 30, 2013
April 1, 2013	$5.00	410,000	-	-	(410,000)	-
August 10, 2013	$4.00	240,000	-	-	(240,000)	-
October 3, 2015	$2.50	-	687,000	-	-	687,000
Outstanding		650,000	687,000	-	(650,000)	687,000
Weighted average exercise price		$4.60	$2.50	$Nil	$4.60	$2.50

(Presented in Canadian Dollars)

10. STOCK OPTIONS AND WARRANTS – continued

c) Finder's warrants

On April 29, 2015, the Company's finder's warrants were consolidated on a 10 for 1 basis and the exercise prices were reflected as such (Note 9(b)).

The continuity of finder's warrants for the year ended September 30, 2015 is as follows:

Expiry date	Exercise price	September 30, 2014	Issued per Plan of Arrangement	Issued	Exercised	Expired	September 30, 2015
September 11, 2015	$0.50	26,880	-	-	-	(26,880)	-
October 3, 2015 [a]	$1.50	47,150	-	-	-	-	47,150
October 9, 2015 [b]	$1.50	-	56,500	-	-	-	56,500
April 29, 2016	$0.25	-	-	6,000	-	-	6,000
Outstanding		74,030	56,500	6,000	-	(26,880)	109,650
Weighted average exercise price		$1.10	$1.50	$0.25	$Nil	$0.50	$1.43

[a] Each finder's warrant consists of one common share and one warrant with each warrant being exercisable into one common share at $2.50 and subsequently expired on October 3, 2015.
[b] Each finder's warrant consists of one common share and one warrant with each warrant being exercisable into one common share at $2.50 and subsequently expired on October 9, 2015.

As at September 30, 2015, the weighted average contractual remaining life of finder's warrants is 0.05 years (September 30, 2014 – 0.99 years; September 30, 2013 – 2.01 years).

The continuity of finder's warrants for the year ended September 30, 2014 is as follows:

Expiry date	Exercise price	September 30, 2013	Issued	Exercised	Expired	September 30, 2014
October 3, 2015	$1.50	47,150	-	-	-	47,150
September 11, 2015	$0.50	-	26,880	-	-	26,880
Outstanding		47,150	26,880	-	-	74,030
Weighted average exercise price		$1.50	$0.50	$Nil	$Nil	$1.10

The continuity of finder's warrants for the year ended September 30, 2013 is as follows:

Expiry date	Exercise price	September 30, 2012	Issued	Exercised	Expired	September 30, 2013
August 10, 2013	$2.50	10,500	-	-	(10,500)	-
October 3, 2015	$1.50	-	47,150	-	-	47,150
Outstanding		10,500	47,150	-	(10,500)	47,150
Weighted average exercise price		$2.50	$1.50	$Nil	$2.50	$1.50

The weighted average assumptions used to estimate the fair value of finder's warrants for the years ended September 30, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
Risk-free interest rate	0.90%	1.14%	1.14%
Expected life	1 year	1 year	3 years
Expected volatility	181.06%	132.93%	112.71%
Expected dividend yield	nil	nil	nil

(Presented in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the year ended September 30, 2015

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jason Weber Chief Executive Officer, Director [d]	$ 50,000	$ Nil	$ Nil	$ Nil	$ 28,590	$ 78,590
Winnie Wong Chief Financial Officer [d]	$ Nil	$ Nil	$ Nil	$ Nil	$ 28,590	$ 28,590
Marc G. Blythe Director [c]	$ 127,500	$ Nil	$ Nil	$ Nil	$ 28,590	$ 156,090
Mark T. Brown Director [a]	$ Nil	$ Nil	$ Nil	$ Nil	$ 28,590	$ 28,590
Adrian Fleming Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060
Craig Lindsay Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060
John Wilson Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 19,060	$ 19,060

For the year ended September 30, 2014

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Marc G. Blythe Chief Executive Officer, Director [c]	$ 175,000	$ Nil	$ Nil	$ Nil	$ 35,301	$ 210,301
Mark T. Brown Chief Financial Officer, Director [a]	$ Nil	$ Nil	$ Nil	$ Nil	$ 35,301	$ 35,301
Adrian Fleming Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689
Craig Lindsay Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689
Jason Weber Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 15,689	$ 15,689

For the year ended September 30, 2013

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Marc G. Blythe Chief Executive Officer, Director [c]	$ 171,150	$ Nil	$ Nil	$ Nil	$ Nil	$ 171,150

(Presented in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS – continued

Related party transactions and balances

		Years ended		Balance due	
	Services	September 30, 2015	September 30, 2014	As at September 30, 2015	As at September 30, 2014
Amounts due to:					
Jason Weber [d]	Consulting fee and share-based payment	$ 78,590	$ -	$ 10,500	$ -
Marc G. Blythe [c]	Wages, consulting fee and share-based payment	$ 156,090	$ 210,301	$ -	$ 3,594
Pacific Opportunity Capital Ltd. [a]	Accounting, financing, and shareholder communication services	$ 229,200	$ 155,857	$ 314,676	$ 21,840
Almaden Minerals Ltd. [b]	Rent, insurance, office facilities and expenses	$ -	$ 49,200	$ -	$ 13,024
TOTAL:				$ 325,176	$ 38,458

(a) Mark T. Brown, a director of the Company, is the president of Pacific Opportunity Capital Ltd., a private company. Mr. Brown resigned from being the Chief Financial Officer effective April 29, 2015 but remains as a director of the Company. The Company has received notification from the related party that they will not collect the amount within the next 12 months.
(b) Mark T. Brown, a director of the Company, is a director of Almaden Minerals Ltd., a public company.
(c) Marc Blythe resigned from being the Chief Executive Officer effective April 29, 2015. Mr. Blythe remains as a director of the Company.
(d) Jason Weber was appointed as the Chief Executive Officer and Winnie Wong was appointed as the Chief Financial Officer effective April 29, 2015.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the year ended September 30, 2015 were as follows:

- The Company recorded $60,000 in share capital related to the issue of common shares pursuant to the acquisition of exploration and evaluation assets (Note 7 USA);
- The Company recorded $1,166,258 in share capital, $14,522 in equipment, $567,416 in investment in associate, working capital deficiency of $194,867, and $952,795 in exploration and evaluation assets related to the completion of the Plan of Arrangement with Estrella (Note 6); and
- As at September 30, 2015, a total of $123,134 in exploration and evaluation assets and a total of 8,000 in share issue costs were included in accounts payable and accrued liabilities.

The significant non-cash investing and financing transactions during the year ended September 30, 2014 were as follows:

- As at September 30, 2014, a total of $70,575 in exploration and evaluation asset costs and a total of $16,000 in share issue costs were included in accounts payable and accrued liabilities.
- The Company recorded $8,747 in share issue costs related to the issue of finder's warrants pursuant to the private placement financing completed.

(Presented in Canadian Dollars)

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS – continued

The significant non-cash investing and financing transactions during the year ended September 30, 2013 were as follows:

- As at September 30, 2013, a total of $44,968 in exploration and evaluation asset costs were included in accounts payable and accrued liabilities.
- The Company recorded $40,015 in share issue costs related to the issue of finder's warrants pursuant to the private placement financing completed.
- The Company recorded $137,400 as the residual fair value of share purchase warrants associated with a private placement financing completed.
- The Company recorded $220,000 in share capital related to the issue of common shares pursuant to the acquisition of exploration and evaluation assets.

13. SEGMENTED INFORMATION

The Company has one reportable operating segment, that being the acquisition and exploration of mineral properties. Geographical information is as follows:

	September 30, 2015	September 30, 2014
Non-current assets		
Mexico	$ 498,484	$ 2,729,901
USA	149,034	181,993
Peru	1,686,124	-
Canada	1,175,691	1,176,661
	$ 3,509,333	$ 4,088,555

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2015	2014
Loss before income taxes	$ (3,362,806)	$ (4,083,039)
Expected income tax recovery	$ (871,000)	$ (1,062,000)
Change in statutory, foreign tax, and other	-	(42,000)
Permanent differences	65,000	(43,000)
Share issue costs	(10,000)	(16,000)
Change in unrecognized deductible temporary differences	816,000	1,198,000
Recovery of prior years' deferred income tax liabilities	(532,000)	-
Total deferred income tax (recovery) expense	**$ (532,000)**	**$ 35,000**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2015	2014
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	$ -	$ (628,000)
Non-capital losses, net of recognized amounts	-	96,000
Net deferred tax liability	**$ -**	**$ (532,000)**

(Presented in Canadian Dollars)

14. INCOME TAXES – continued

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2015	Expiry Date Range	2014	Expiry Date Range
Temporary Differences	$		$	
Exploration and evaluation assets	3,319,000	No expiry date	3,681,000	No expiry date
Property and equipment	114,000	No expiry date	6,000	No expiry date
Share issue costs	80,000	2036 to 2039	103,000	2035 to 2038
Marketable securities	-	No expiry date	16,000	No expiry date
Allowable capital losses	577,000	No expiry date	3,000	No expiry date
Non-capital losses available for future periods	13,361,000	2016 to 2035	4,225,000	2015 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, market risk and commodity price risk.

(a) Currency risk

The Company's property interests in Mexico, Peru and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company's exploration program, some of its general and administrative expenses and financial instruments denoted in a foreign currency are exposed to currency risk. A 10% change in the Mexican peso, Peruvian nuevo sol and US dollar over the Canadian dollar would change the results of operations by approximately $3,200.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

(c) 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 ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company does not have sufficient cash to settle its current liabilities, and further funding will be required to meet the Company's short-term and long-term operating needs. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

15. FINANCIAL INSTRUMENTS – continued

(d) Market risk

Market risks to which the Company is exposed include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As at September 30, 2015, the Company has no producing assets and holds the majority of its cash in secure, Canadian dollar-denominated deposits. Consequently, its exposure to these risks has been significantly reduced, but as the Company redeploys its cash, exposure to these risks may increase. The objective of the Company is to mitigate exposure to these risks while maximizing returns.

The Company may from time-to-time own available-for-sale marketable securities, in the mineral resource sector. Changes in the future pricing and demand of commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further develop and to determine the commercial viability of its resource properties. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis.

i) Interest rate risk

As at September 30, 2015, the Company's exposure to movements in interest rates was limited to potential decreases in interest income from changes to the variable portion of interest rates for its cash. Market interest rates in Canada are at historically low levels, so management does not consider the risk of interest rate declines to be significant, but should such risks increase the Company may mitigate future exposure by entering into fixed-rate deposits.

ii) Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company may maintain cash and other financial instruments, or may incur revenues and expenditures in currencies other than the Canadian dollar. Significant changes in the currency exchange rates between the Canadian dollar relative to these foreign currencies, which may include but are not limited to US dollars, Mexican peso and Peruvian nuevo sol, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

(e) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of minerals such as gold, zinc, lead and copper. The Company's input costs are also affected by the price of fuel. The Company closely monitors mineral and fuel prices to determine the appropriate course of action to be taken by the Company.

(Presented in Canadian Dollars)

15. FINANCIAL INSTRUMENTS – continued

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

As at September 30, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 17,000	$ -	$ -	$ 17,000

As at September 30, 2014	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 228,579	$ -	$ -	$ 228,579
Marketable securities	$ 1,625	$ -	$ -	$ 1,625
	$ 230,204	$ -	$ -	$ 230,204

16. MANAGEMENT OF CAPITAL RISK

The Company considers items included in shareholders' equity as capital. 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.

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 attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations. The Company's approach to managing capital remains unchanged from the year ended September 30, 2014.

17. CONTINGENT LIABILITIES

As a result of the administrative practices with respect to mining taxation in Mexico, there can be significant uncertainty, in regards to when, or if, taxes are payable and the amount that may ultimately be payable. As at September 30, 2015, Mexican claim taxes totalling approximately $766,000 have been levied. Of this amount, $563,000 ($193,000 for 2014 and $370,000 for 2015) relates to properties that were held by Minera Tarsis, S.A. de C.V., which the Company has applied to wind up, and $203,000 ($63,000 for 2014 and $140,000 for 2015) relates to properties being acquired. Management is currently in the process of exploring various strategies to eliminate, reduce or transfer the claim taxes that have been levied. These taxes will never be paid in full and any amount that will, or might, be payable cannot realistically be determined at this time. Accordingly, these taxes have been disclosed as a contingent liability, and not recognized as a liability or provision (Note 3 (Basis of Presentation) and Note 7 (Mexico)).