WHITE METAL RESOURCES CORP.

Condensed Consolidated Interim Financial Statements
Third Quarter ended January 31, 2017

(Expressed in Canadian Dollars)
(Unaudited)

WHITE METAL RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These condensed consolidated interim financial statements of the Company for the period ending January 31, 2017 have been prepared by management and have not been subject to review by the Company's auditors.

WHITE METAL RESOURCES CORP.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	January 31, 2017	April 30, 2016
	$	$
Assets		
Current assets		
Cash	176,145	70,811
Cash – restricted (Note 3)	56,477	-
Amounts receivable	37,037	4,774
Prepaid expenses	5,356	1,793
Marketable securities (Note 4)	10,875	25,375
	285,890	102,753
Exploration and evaluation assets (Note 5)	1,046,382	687,083
	1,332,272	789,836
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	20,136	73,961
	20,136	73,961
Equity		
Share capital (Note 6)	739,158	436,300
Reserves	961,234	609,834
Accumulated other comprehensive income	1,000	10,250
Deficit	(389,256)	(340,509)
	1,312,136	715,875
	1,332,272	789,836

See accompanying notes to the condensed consolidated interim financial statements

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on March 22, 2017.

"Michael Stares"
Michael Stares, Director

"Elliot Strashin"
Elliot Strashin, Director

WHITE METAL RESOURCES CORP.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended Jan. 31, 2017	Three Months Ended Jan. 31, 2016	Nine Months Ended Jan. 31, 2017	Nine Months Ended Jan. 31, 2016
	$	$	$	$
Operating costs and expenses				
Advertising and promotion	1,932	-	13,378	1,476
Bank charges and interest	51	38	667	151
Consulting	-	-	-	996
General exploration	253	301	253	10,496
Insurance	2,559	1,986	6,589	3,840
Legal and accounting (Note 7)	1,755	6,000	21,042	16,722
Office and miscellaneous	27	93	661	2,025
Trust and filing fees	1,755	601	11,132	5,620
Loss for the period before other items	8,332	9,019	53,722	41,326
Gain on disposal of marketable securities (Note 4)	-	-	(4,975)	-
Net loss for the period	8,332	9,019	48,747	41,236
Other comprehensive loss				
Unrealized loss on marketable securities	(750)	250	9,250	4,750
Comprehensive loss for the period	7,582	9,269	57,997	46,076
Weighted average number of common shares outstanding	30,669,334	19,316,076	25,267,763	19,316,076
Basic and diluted loss per share	$ 0.00	$ 0.00	$ 0.00	$ 0.00

See accompanying notes to the condensed consolidated interim financial statements

WHITE METAL RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Nine Months Ended Jan. 31, 2017	Nine Months Ended Jan. 31, 2016
	$	$
Cash provided by (used for):		
Operating activities		
Net loss for the period	(48,747)	(41,326)
Changes in non-cash operating capital:		
Amounts receivable	(32,263)	4,853
Prepaid expenses	(3,563)	(1,944)
Accounts payable and accrued liabilities	(53,825)	(2,327)
	(138,398)	(40,744)
Investing activities		
Exploration and evaluation expenditures	(341,549)	(2,885)
Gain on disposal of marketable securities	(4,975)	-
Proceeds from disposal of marketable securities	15,475	50,000
	(331,049)	47,115
Financing activities		
Cash from shares issued	667,500	-
Share issue costs	(36,242)	-
	631,258	-
Increase in cash	161,811	6,371
Cash, beginning of the period	70,811	18,988
Cash, end of the period	232,622	25,359
Cash consists of the following:		
Cash	176,145	25,359
Cash - restricted	56,477	-
	232,622	25,359

Supplemental information

Shares issued for exploration and evaluation assets	23,000	-
Shares received for exploration and evaluation assets	5,250	-

See accompanying notes to the condensed consolidated interim financial statements

WHITE METAL RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Accumulated other comprehensive income	Deficit	Total Equity
		$	$	$	$	$
April 30, 2015	19,316,076	436,300	596,441	(4,375)	(419,789)	608,577
Unrealized loss on available-for-sale investment	-	-	-	(4,750)	-	(4,750)
Net loss for the period	-	-	-	-	(41,326)	(41,326)
January 31, 2016	19,316,076	436,300	596,441	(9,125)	(461,115)	562,501
April 30, 2016	19,316,076	436,300	609,834	10,250	(340,509)	715,875
Issued for cash:						
Private placement	11,124,997	316,100	351,400	-	-	667,500
Share issue costs	-	(36,242)	-	-	-	(36,242)
Issued in connection with property option agreements	400,000	23,000	-	-	-	23,000
Unrealized loss on available-for-sale investment	-	-	-	(9,250)	-	(9,250)
Net loss for the period	-	-	-	-	(48,747)	(48,747)
January 31, 2017	30,841,073	739,158	961,234	1,000	(389,256)	1,312,136

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in British Columbia, Canada and has been primarily involved in the acquisition and exploration of mineral properties in the Province of Ontario, Canada. The address of its corporate office and principal place of business is 684 Squier Street, Thunder Bay, Ontario, Canada, P7B 4A8.

At the date of these financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its properties. The ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. Although the Company is unaware of any defects in its title to its mineral properties, no guarantee can be made that none exist.

These financial statements have been prepared on the basis of a going concern, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as going concern as described in the following paragraph. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

The Company has a need for financing for working capital, and the exploration and development of its properties. The ability of the Company to continue operations is dependent upon the continued financial support of its shareholders, other investors and lenders, and the successful development of the Company’s interests in the mineral properties in which it holds interests. The Company has not determined whether any of the properties contain mineral reserves that are economically recoverable. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. Since inception, the Company has incurred cumulative operating losses of $389,256 and expects to incur further losses in the development of its business, and at January 31, 2017 has no source of operating revenue. These financial statements include no adjustments which might become necessary if the Company cannot meet its obligations and continue on a going-concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The accounting policies followed in these condensed interim financial statements are the same as those applied in the audited annual consolidated financial statements of the Company for the year ended April 30, 2016.

The policies applied in these interim condensed financial statements are based on IFRS issued and outstanding as of March 22, 2017, the date the Audit Committee approved the statements. Any subsequent change to IFRS after this date could result in changes to the financial statements for the period ended January 31, 2017.

The condensed interim financial statements do not contain all disclosures required under IFRS and should be read in conjunction with the audited annual financial statements and the notes thereto for White Metal Resources for the year ended April 30, 2016.

(Unaudited - Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar. These financial statements include the accounts of the Company and its wholly-owned subsidiary 1191557 Ontario Corp.

All transactions and balances between the Company and its subsidiary are eliminated on consolidation. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting principles adopted by the Company.

c) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies:

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 these financial statements:

- The determination that the Company will continue as a going concern for the next year; and
- The determination that there have been no events or changes in circumstances that indicate that the carrying amounts of exploration and evaluation assets may not be recoverable.

3. RESTRICTION ON THE USE OF CASH

During the period ended January 31, 2017, the Company issued common shares that were designated as being flow-through shares. One of the conditions of issuing flow-through shares is that the Company is required to retain the gross proceeds for the exclusive purpose of paying for qualified Canadian exploration expenditures associated with its exploration and evaluation assets.

	January 31, 2017	April 30, 2016
Restricted cash, beginning of period	$ -	$ -
Gross proceeds received upon issuance of flow-through shares	356,500	-
Qualified exploration expenditures paid from these funds	(300,023)	-
Restricted cash, end of period	$ 56,477	$ -

(Unaudited - Expressed in Canadian dollars)

4. MARKETABLE SECURITIES

	January 31, 2017		April 30, 2016	
	Number of Shares	Market Value	Number of Shares	Market Value
		$		$
Alset Energy Corp.	25,000	2,500	25,000	1,500
Benton Resources Inc.	25,000	3,375	25,000	1,375
Minfocus Exploration Corp.	250,000	5,000	450,000	22,500
Balance, end of period		10,875		25,375

All marketable securities are classified as available for sale.

During the period ended January 31, 2017, the Company disposed of 350,000 shares of Minfocus Exploration Corp. ("Minfocus") for net proceeds of $15,475. The shares sold had a carrying value of $10,500 and the resulting gain of $4,975 was recorded as income in the current period. The Company received an additional 150,000 shares of Minfocus International during the current period related to the Seagull property option agreement. The shares were valued at $5,250 and were recorded as a reduction in the deferred exploration and evaluation assets during the current period.

5. EXPLORATION AND EVALUATION ASSETS

For the nine month period ended January 31, 2017

		Shebandowan (a)	Pickle Lake (b)	Seagull/Disraeli (c)	Other (d)	Total
April 30, 2016 - Acquisition Costs	$	-	-	-	-	-
Additions		24,525	40,000	-	-	64,525
Writedowns/Recoveries		-	-	-	-	-
Subtotal	$	24,525	40,000	-	-	64,525
January 31, 2017- Acquisition Costs	$	**24,525**	**40,000**	**-**	**-**	**64,525**
April 30, 2016 - Exploration and Evaluation Expenditures	$	-	-	687,083	-	687,083
Assaying		124	-	-	-	124
Geology		10,392	8,513	-	-	18,905
Drilling		-	280,995	-	-	280,995
Writedowns/Recoveries		-	-	(5,250)	-	(5,250)
Subtotal	$	10,516	289,508	-	-	294,774
January 31, 2017 - Exploration and Evaluation Expenditures	$	**10,516**	**289,508**	**681,833**	**-**	**981,857**
January 31, 2017 - Total	$	**35,041**	**329,508**	**681,833**	**-**	**1,046,382**

(Unaudited - Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

For the year ended April 30, 2016

		Shebandowan (a)	Pickle Lake (b)	Seagull/Disraeli (c)	Other (d)	Total
April 30, 2015- Acquisition Costs	$	-	-	-	-	-
Additions		-	-	-	-	-
Writedowns/Recoveries		-	-	-	-	-
Subtotal	$	-	-	-	-	-
April 30, 2016- Acquisition Costs	$	**-**	**-**	**-**	**-**	**-**
April 30, 2015 - Exploration and Evaluation Expenditures	$	-	-	687,083	(17,926)	669,157
Writedowns/Recoveries/Adjustments		-	-	-	17,926	17,926
Subtotal	$	-	-	-	17,926	17,926
April 30, 2016 - Exploration and Evaluation Expenditures	$	**-**	**-**	**687,083**	**-**	**687,083**
April 30, 2016 - Total	$	**-**	**-**	**687,083**	**-**	**687,083**

a) Shebandowan, Ontario

The Shebandowan project consists of the Company's 100% owned Vanguard property as well as the recently acquired and contiguous claim group known as the Shebandowan gold project ("Shebandowan").

The Vanguard claims consist of 16 claims totaling 1,942 hectares located in the in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas in the Thunder Bay mining district, Northwestern Ontario, approximately 100km west of the City of Thunder Bay, Ontario.

In December 2016, the Company executed an option agreement with Benton Resources Inc. ("Benton") (a company related by common director Michael Stares) to acquire Shebandowan from Benton which consists of 135 units in 12 claims totaling 2,185 hectares and adjoins the Vanguard claims to the south and east in the Burchell Lake, Greenwater Lake and Kashabowie Lake areas in the Thunder Bay mining district. The Company will have the option to earn a 100% interest in the Shebandowan property under the following terms:

- Paying Benton $15,000 cash and issuing 200,000 shares of White Metal on signing, acceptance and approval by the TSX Venture Exchange (paid and issued);
- Benton will retain a 2% NSR on the Shebandowan property with White Metal having the option to buy-back 1% for $1 million;
- White Metal agrees to keep all claims in good standing and should White Metal elect to drop any claims contained within the option agreement, they will do so with at least 6 months of assessment credit; and
- Paying Benton $500,000 in cash, shares or a combination of cash and shares at White Metal's election upon completion of a NI 43-101 compliant resource on any claims contained within the option agreement.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

b) Pickle Lake, Ontario

The Pickle lake properties consist of four claims packages in the Pickle lake area, Ontario:

- Dorothy-Dobie Lake Property
- Kasagiminnis Lake Property
- South Limb Property
- Pickle Lake West Property

Dorothy-Dobie Lake Property

The Dorothy-Dobie Lake property consists of two separate option agreements and claim groups and is more fully described below.

On July 4, 2016, the Company secured an Option Agreement (the "Murchison Option") with its Joint Venture Partner, Murchison Minerals (CSE:MUR) ("Murchison"), formerly Manicouagan Minerals Inc., to acquire Murchison's joint venture interest in certain mining claims located in the Pickle Lake area of northwestern Ontario. The Murchison Option requires the Company to pay Murchison $45,000 ($10,000 paid) over the first two years of the three year option period and expend $1,200,000 over three years (work commitment) to acquire Murchison's 51% ownership of the Pickle Lake Claims (the "claims"). Once the option is completed, Murchison would retain a 1% NSR royalty, of which one-half could be bought by the Company for $2,500,000, with the second 50% purchasable for $1,500,000. Included in the Murchison Option are certain claims held 100% by Murchison and also all claims that were included in the Joint Venture Agreement with the Company.

The Company secured a second Option Agreement (the "Kukkee Option") for certain mining claims located in the Pickle Lake area of northwestern, Ontario. The Kukkee Option requires the Company to issue to the vendor 1,500,000 common shares over the four-year option period (200,000 common shares were issued on July 11, 2016) and also make cash payments to the vendor that total $110,000 ($15,000 paid) over the first three years of the four-year option period. The Property is subject to a 2% NSR of which 1% can be bought out at any time by the Company for $1,000,000. Annual advance royalty payments of $50,000 cash are due and payable to the Optionor commencing April 15, 2026 and will continue until commencement of commercial-scale production.

Kasagiminnis Lake Property

The Kasagiminnis Lake property is located in northwestern Ontario approximately 25 kilometres southwest of the Town of Pickle Lake, and approximately 15 kilometres west of Mishkeegogamang First Nation Community of New Osnaburgh. The claim group consists of a contiguous block of 3 staked claims totaling 7.6 square kilometres that is situated in the Little Ochig Lake Area (G-2114). It is also located approximately 25 kilometres southwest of the past producing Dona Lake Mine, south of Pickle Lake, Ontario.

South Limb Property

The South Limb property consists of 66 units in 7 claims and is located in the Dona Lake area near Pickle Lake, Ontario.

Pickle Lake West Property

The Pickle Lake West property consists of 68 units in 5 claims and is located in the Kapkichi Lake area near Pickle Lake, Ontario.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

c) Seagull/Disraeli Property, Ontario

The Seagull/Disraeli property is owned 40% by Canadian International Pharma Corp. (formerly Black Panther Mining Corp.), with the Company and Rainy Mountain Royalty Corp. ("Rainy Mountain") each owning 30% interests (the three owners consolidated to be, collectively, the "Companies"). The Seagull/Disraeli Property consists of 191 mineral claim units in the Anders Lake and Leckie Lake areas and is subject to an aggregate 2.4% NSR royalty, of which 1.4% can be purchased by the Company or Rainy Mountain at any time for $2,000,000.

On February 17, 2011, the Companies granted an option to Minfocus International Inc. (subsequently renamed Minfocus Exploration Corp.) ("Minfocus" or the "Optionee") of Toronto, Ontario, entitling the Optionee to earn an interest in the Seagull/Disraeli property. Under this agreement, the Optionee has the initial option to earn a 55% interest in the Seagull/Disraeli property from the Companies upon paying each its pro-rata share of $55,000 cash and 50,000 common shares of Minfocus (of which the Company received $15,000 in cash and 63,559 common shares valued at $12,000, based on the reorganized share capital of Minfocus). Additionally, the Optionee is required to pay the Companies an aggregate of $25,000 (in cash and/or common shares of the Optionee) on each of the 12, 24 and 36 month anniversaries of the agreement (an aggregate of $3,750 in cash and 211,441 shares of Minfocus received by the Company). The Optionee is also required to incur minimum exploration expenditures on the Seagull/Disraeli property of $250,000 in each year of the four-year initial option term (the first three years of expenditures have been completed). The Optionee could acquire a further 15% interest in the property (to 70%) by incurring an additional $2,000,000 in expenditures during the initial four-year option term. Finally, the Optionee has the right to increase its interest to 85% by completing a feasibility study on the property. By an amending agreement, dated February 11, 2015, the Companies agreed to allow the Optionee to extend the four-year exploration period to September 30, 2015 and to extend the additional 70% earn in option period to September 30, 2016 in return for the Optionee issuing 1,000,000 Minfocus shares to the Companies (300,000 shares received by the Company on February 27, 2015, valued at $6,000, representing the Company's 30% pro rata share of such issuance).

During the period ended January 31, 2017, the Companies granted another extension of the option period to September 30, 2017, with Minfocus able to extend the option period to September 30, 2018 by paying the Companies $30,000. With this extension, Minfocus is required to incur $250,000 in exploration expenditures (originally required to be incurred during the fourth year of the option) by September 30, 2017, or by September 30, 2018 if the option period is extended, to earn the initial 55% interest in the Seagull/Disraeli property and can earn a 70% interest by incurring cumulative expenditures of $3,000,000 and issuing 1,000,000 Minfocus shares to the Companies prior to September 30, 2019. Minfocus is to issue 500,000 Minfocus common shares to the Companies as consideration for this extension.

d) Other Properties

The Company also retains certain other early stage mineral property interests that were originally owned by Trillium North Minerals ("Trillium") and were booked at nominal amounts on the acquisition of Trillium by the Company. Property interests and noteworthy transactions in "Other" properties include the following below:

West Timmins Property

In the 2016 fiscal year, the Company sold its West Timmins Property (also known as the West Porcupine Property) to Probe Metals Inc. for the sum of $120,000. White Metal Resources will retain a 1% NSR on the property which can be purchased at any time for $1,000,000. The $120,000 received was recorded as a gain on the disposition of exploration and evaluation assets.

Norton Lake Project

In the 2016 fiscal year, the Company entered into an agreement with Copper Lake Resources Ltd. ("Copper Lake") pursuant to which Copper Lake issued 2,000,000 shares to White Metal Resources to obtain the Company's 9.09% stake

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

in the Norton Lake Project. The shares were valued at $80,000, with the value of this consideration received recorded in the current year as a gain on the disposition of exploration and evaluation assets.

In fiscal 2016, the Company entered into an agreement to sell 2,000,000 common shares of Copper Lake, received pursuant to the Norton Lake Project sale, to a director for $50,000. As a result, a loss of $30,000 on the disposition of the shares was recorded in the 2016 fiscal year.

Senecal Lake Property

The 100% owned Senecal Lake Property was acquired by the Company through staking and is located in the Natashquan River and Senecal Lake area of southwest Labrador. The property originally consisted of 416 claims, plus an additional 210 claims subject to an option agreement as described below.

In the fiscal 2014 year, the Company entered into an option agreement with Metals Creek Resources Corp. ("Metals Creek"), a public company related by a director in common, to acquire a 100% interest in 210 claims located in the Senecal Lake area by issuing 500,000 post-consolidation common shares (1,250,000 pre-consolidation shares issued) to Metals Creek and reimbursing Metals Creek's staking costs. Metals Creek retains a 1% NSR on the claims and the Company also granted Metals Creek a 1% NSR on certain of the Senecal Lake claims originally staked by the Company.

After entering into the Metals Creek option agreement, the Company agreed in January 2014 to option 367 of the original staked claims and sub-option the 210 Metals Creek claims to Platinum Metals Group Ltd. ("Platinum"). Platinum could have acquired a 71% interest in these claims by paying $40,000 to the Company and incurring $1,300,000 in exploration expenditures on the property over four years as follows:

(i) $40,000 cash payment (received) on January 23, 2014;
(ii) Incurring $150,000 in exploration expenditures by January 23, 2015;
(iii) Incurring a further $150,000 in exploration expenditures by January 23, 2016;
(iv) Incurring a further $250,000 in exploration expenditures by January 23, 2017; and
(v) Incurring a further $750,000 in exploration expenditures by January 23, 2018.

After completion of the option, Platinum and the Company were to form a joint venture through terms to be negotiated. The property was to be subject to a 2% NSR, as to 1% to each of the Company and Metals Creek. Platinum could have purchased up to 1% of the NSR by making payments of $500,000 to each of the Company and Metals Creek.

In the 2016 fiscal year, Platinum served notice of termination of the option to the Company. The Company retained a 100% interest in the property.

The Company has since let the property lapse and currently holds no mining claims in the area. Historical recoveries received in excess of capitalized expenditures related to this property of $23,197 were recognized as a gain on the disposition of exploration and evaluation assets in the 2016 fiscal year.

6. SHARE CAPITAL

a) The authorized share capital of the Company consists of an unlimited number of common shares.

Details of the Company's share capital transactions during the nine month period ended January 31, 2017 are as follows:

(i) On July 11, 2016 the Company issued 200,000 common shares valued at $0.075 per share related to the on-signing share payment on the Kukkee option described in note 4.

(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL *(continued)*

(ii) The Company closed a non-brokered private placement in two tranches by issuing 6,041,666 flow-through units ("FT") at a price of $0.06 per FT unit and 5,083,331 non flow-through units ("NFT") at a price of $0.06 per NFT unit for gross proceeds of $667,500. Each FT unit consists of one flow-through common share and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire one additional common share at a price of $0.15 per share expiring between July and August 2018. Each NFT unit consists of one common share and one common share purchase warrant, each warrant entitling the holder to acquire an additional common share of the Company at a price of $0.15 expiring between July and August 2018. The warrants are subject to an acceleration clause if the Company trades at or above $0.25 for a period of 10 consecutive days. In addition, the shares issued in the private placement are subject to a four-month hold period.

The Company also paid cash finders' fees, commissions and expenses totaling $36,242 related to the private placement and issued a total of 397,333 broker warrants with each warrant entitling the holder to acquire a common share of the Company at a price of $0.15 per share for a period of 24 months following closing.

(iii) On January 18, 2017, the Company issued 200,000 shares valued at $0.04 per share to Benton Resources Inc. related to the Shebandowan property option described in Note 5 above.

b) Share-based payments and share purchase options

The Company applies the fair value method of accounting for share-based payments using the Black Scholes valuation model.

For options granted on April 12, 2016, the fair value of each vested option is $0.0487 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 210%, a risk-free interest rate of 0.88% and an expected life of approximately 5 years.

For options granted on August 27, 2014, the fair value of each vested option is $0.0621 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 147.8%, a risk-free interest rate of 1.52% and an expected life of approximately 5 years.

The continuity of share purchase options is as follows:

	Number of Options	Weighted Average Exercise Price
		$
Outstanding, April 30, 2015	1,610,000	0.10
Granted	275,000	0.10
Expired/Cancelled	(500,000)	0.10
Outstanding, April 30, 2016/January 31, 2017	1,385,000	0.10

(1) At January 31, 2017, the weighted-average remaining contractual life of stock options outstanding is 2.94 years (April 30, 2016 – 3.65 years)

As at January 31, 2017, the following options are outstanding:

Number of Options	Exercise Price	Expiry Date
	$	
1,110,000	0.10	August 27, 2019
275,000	0.10	April 12, 2021
1,385,000		

(Unaudited - Expressed in Canadian dollars)

6. SHARE CAPITAL *(continued)*

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
		$
Outstanding, April 30, 2015	1,760,000	0.20
Expired/Cancelled	(660,000)	0.28
Outstanding, April 30, 2016	1,100,000	0.15
Expired	(1,100,000)	0.15
Issued to investors in private placement	8,104,164	0.15
Issued to finders' in private placement	397,333	0.15
Outstanding, January 31, 2017	8,501,497	0.15

As at January 31, 2017, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
	$	
2,160,000	0.15	July 18, 2018
6,341,497	0.15	August 18, 2018

For warrants issued on July 18, 2016, the fair value of each warrant is $0.041 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 149%, a risk-free interest rate of 0.50% and an expected life of approximately 2 years using the Black Scholes valuation model. As a result, the value ascribed to the warrants in the private placement amounted to $89,054 and was recorded as Reserves in equity during the period ended January 31, 2017.

For warrants issued on August 18, 2016, the fair value of each warrant is $0.041 and was estimated on the grant date with the following assumptions: dividend yield of 0%, expected volatility of 128%, a risk-free interest rate of 0.57% and an

expected life of approximately 2 years using the Black Scholes valuation model. As a result, the value ascribed to the warrants in the private placement amounted to $262,346 and was recorded as Reserves in equity during the period ended January 31, 2017.

(Unaudited - Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS

Key management personnel compensation:

	2017	2016
	$	$
Share-based payments	-	-
Accounting, prospecting and drilling services, and office rent	-	-
Total key management personnel compensation	-	-

All transactions with related parties have occurred in the normal course of operations and management represents that they have occurred on a basis consistent with those involving unrelated parties, and accordingly that they are measured at fair value.

Michael Stares, President of the Company is owed nil at January 31, 2017 (January 31, 2016 - $13,533) for the unpaid portion of field consulting fees and reimbursable administration expenses. In addition, the Company was invoiced $23,773 (excluding HST) by Benton Resources Inc., a Company Michael Stares is a director and employee of, to cover field consulting provided by Michael Stares to the Company.

A director of the Company is owed nil at January 31, 2017 (January 31, 2016 - $2,491) for the unpaid portion of advances, mineral property expenditures and administration expense reimbursements.

8. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments entered into pursuant to flow-through share purchase agreements.