PISTOL BAY MINING INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

For The Nine Months Ended

February 28, 2017

Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Section 4.3(3)(a) of the National Instrument 51-102, Continuous Disclosure Obligations, provides that if an auditor has not performed a review of the condensed interim financial statements, the interim financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditor, Manning Elliott LLP, have not performed a review of these condensed interim financial statements of Pistol Bay Mining Inc. for the nine-month period ended February 28, 2017.

April 20, 2017

PISTOL BAY MINING INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

	February 28, 2017 - $ -	May 31, 2016 - $ -
ASSETS		
CURRENT ASSETS		
Cash	2,620	2,094
Amounts receivable	18,943	13,020
Prepaid expenses and deposits	44,981	1,230
	66,544	16,344
PROPERTY AND EQUIPMENT (Note 4)	694	931
EXPLORATION AND EVALUATION ASSETS (Note 5)	372,711	56,000
	439,949	73,275
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 6,13 and 14)	995,692	922,916
Due to related parties (Note 9)	68,884	84,344
	1,064,576	1,007,260
SHAREHOLDERS' EQUITY (DEFICIENCY)		
SHARE CAPITAL (Note 7)	22,340,534	21,381,573
SHARE SUBSCRIPTION RECEIVED	42,000	47,217
RESERVES (Note 8)	1,253,603	1,107,573
DEFICIT	(24,260,764)	(23,470,348)
	(624,627)	(933,985)
	439,949	73,275

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY (Note 1)
COMMITMENTS (Note 5 and 13)
SUBSEQUENT EVENTS (Note 16)

APPROVED BY THE BOARD OF DIRECTORS ON APRIL 20, 2017

ON BEHALF OF THE BOARD

"Charles Desjardins"	Director
"Dave Bissoondatt"	Director

See Accompanying Notes

PISTOL BAY MINING INC.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	Nine Months Ended		Three Months Ended	
	February 28, 2017	**February 29, 2016**	**February 28, 2017**	**February 29, 2016**
	- $ -	**- $ -**	**- $ -**	**- $ -**
EXPENSES				
Amortization	237	388	79	129
Business development and shareholder communications	96,871	6,687	27,055	1,000
Consulting fees	375,513	68,824	169,779	23,524
Management fees (Note 9)	18,000	33,750	6,000	11,250
Office services and miscellaneous	16,970	6,381	5,765	3,643
Professional fees	29,337	8,010	5,392	6,296
Rent	23,850	1,985	7,950	-
Share-based payments (Notes 7,8 and 9)	202,518	19,121	38,742	-
Transfer agent and filing fees	29,769	13,158	17,235	6,373
	793,065	158,304	277,997	52,215
OTHER INCOME (EXPENSES)				
CRA penalties (Note 6)	(3,308)	-	(1,103)	-
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(796,373)**	**(158,304)**	**(279,100)**	**(52,215)**
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.04)	$ (0.02)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES	22,435,556	7,965,191	28,441,319	8,520,757

See Accompanying Notes

PISTOL BAY MINING INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(EXPRESSED IN CANADIAN DOLLARS)

	Share Capital			Reserves			
	Number of shares issued	Amount	Subscription Received	Warrant reserve	Share based payment reserve	Deficit	Total
		$	$	$	$	$	$
Balance, May 31, 2015	**6,870,757**	**21,165,235**	**16,940**	**580,716**	**551,716**	**(23,222,520)**	**(907,913)**
Comprehensive loss:							
Loss for the period	-	-	-	-	-	(158,304)	(158,304)
Total comprehensive loss for the period	6,870,757	21,165,235	16,940	580,716	551,716	(23,380,824)	(1,066,217)
Shares issued for exploration and evaluation properties	1,100,000	58,000	-	-	-	-	58,000
Subscription received	-	-	32,500	-	-	-	32,500
Stock options and warrants exercised	550,000	27,500	-	-	-	-	27,500
Subscription receivable	-	8,350	-	-	-	-	8,350
Fair value of options granted	-	-	-	-	19,121	-	19,121
Fair value of options cancelled and forfeited	-	-	-	-	(51,722)	51,722	-
Fair value of options exercised	-	26,565	-	-	(26,565)	-	-
Balance, February 29, 2016	**8,520,757**	**21,285,650**	**49,440**	**580,716**	**492,550**	**(23,329,102)**	**(920,746)**
Balance, May 31, 2016	**12,920,757**	**21,381,573**	**47,217**	**580,716**	**526,857**	**(23,470,348)**	**(933,985)**
Comprehensive loss:							
Loss for the period	-	-	-	-	-	(796,373)	(796,373)
Total comprehensive loss for the period	12,920,757	21,381,573	47,217	580,716	526,857	(24,266,721)	(1,730,358)
Private placements	13,075,000	765,300	(47,217)	-	-	-	718,083
Shares issued for exploration and evaluation assets	2,155,000	138,850	-	-	-	-	138,850
Share issuances costs	-	(34,168)	-	12,498	-	-	(21,670)
Subscription received	-	-	42,000	-	-	-	42,000
Subscription receivable	-	(69,300)	-	-	-	-	(69,300)
Stock options exercised	845,000	44,000	-	-	-	-	44,000
Stock warrants exercised	1,025,000	51,250	-	-	-	-	51,250
Fair value of options granted	-	-	-	-	202,518	-	202,518
Fair value of options cancelled and forfeited	-	-	-	-	(5,957)	5,957	-
Fair value of options exercised	-	63,029	-	-	(63,029)	-	-
Balance, February 28, 2017	**30,020,757**	**22,340,534**	**42,000**	**593,214**	**660,389**	**(24,260,764)**	**(624,627)**

See Accompanying Notes

PISTOL BAY MINING INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	Nine Months Ended	
	February 28, 2017	**February 29, 2016**
	- $ -	**- $ -**
CASH FLOW USED FOR OPERATING ACTIVITIES		
Net loss	(796,373)	(158,304)
Adjustments for non-cash items:		
Amortization	237	388
Share-based payments	202,518	19,121
	(593,618)	(138,795)
Changes in non-cash working capital:		
Deposit and prepaid expense	(43,750)	(623)
Taxes recoverable	(2,615)	(3,185)
Accounts payable and accrued liabilities	69,467	50,950
Net change in non-cash working capital accounts	23,102	47,142
Net cash flow used in operating activities	(570,516)	(91,653)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(177,861)	-
Net cash flow used in investing activities	(177,861)	-
FINANCING ACTIVITIES		
Related parties	(15,460)	32,750
Subscription received	42,000	32,500
Proceeds from the issuance of common shares and exercise of stock options and warrants, net of share issuance costs	722,363	35,850
Net cash flows provided by financing activities	748,903	101,100
INCREASE IN CASH	526	9,447
CASH, BEGINNING OF THE PERIOD	2,094	1,467
CASH, END OF THE PERIOD	$ 2,620	$ 10,914

ADDITONAL CASH FLOW INFOMRATION (Note 10)

See Accompanying Notes

PISTOL BAY MINING INC.

SCHEDULE OF EXPLORATION AND EVALUATION ASSETS

(EXPERESSED IN CANADIAN DOLLARS)

	Dixie Property, Ontario	Garland Peninsula Property, Newfoundland	Aurcrest Property, Ontario	Joy North Property, Ontario	Lucky 7 Property, Ontario (Note 16)	Total
	- $ -	- $ -	- $ -	- $ -	- $ -	- $ -
BALANCE MAY 31, 2015	-	-	-	-	-	-
ACQUISITION COSTS:						
Cash	-	1,500	-	-	-	1,500
Shares	49,000	25,000	-	-	-	74,000
Total acquisition costs	49,000	26,500	-	-	-	75,500
EXPLORATION COSTS:						
Ground work	7,000	-	-	-	-	7,000
Total exploration costs	7,000	-				7,000
IMPAIRMENT CHARGE	-	(26,500)	-	-	-	(26,500)
BALANCE MAY 31, 2016	56,000	-	-	-	-	56,000
ACQUISITION COSTS:						
Cash	18,000	-	25,000	3,000	3,000	49,000
Shares	75,000	-	60,000	3,850	-	138,850
Total acquisition costs	93,000	-	85,000	6,850	3,000	187,850
EXPLORATION COSTS:						
Advancement	2,600	-	-	-	-	2,600
Ground work	16,202	-	-	-	-	16,202
Consulting expenses	77,743	-	1,725	-	-	79,468
Supplies	6,400	-	-	-	-	6,400
Travel and transportation	24,191	-	-	-	-	24,191
Total exploration costs	127,136	-	1,725	-	-	128,861
IMPAIRMENT CHARGE	-	-	-	-	-	-
BALANCE FEBRUARY 28, 2017	276,136	-	86,725	6,850	3,000	372,711
TOTAL ACQUISITION COSTS:						
Cash	**18,000**	**1,500**	**25,000**	**3,000**	**3,000**	**50,500**
Shares	**124,000**	**25,000**	**60,000**	**3,850**	**-**	**212,850**
TOTAL EXPLORATION COSTS:	**134,136**	**-**	**1,725**	**-**	**-**	**135,861**
TOTAL IMPAIRMENT CHARGE	**-**	**(26,500)**	**-**	**-**	**-**	**(26,500)**
BALANCE FEBRUARY 28, 2017	**276,136**	**-**	**86,725**	**6,850**	**3,000**	**372,711**

See Accompanying Notes

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTY

Pistol Bay Mining Inc. (the "Company") was incorporated February 20, 1995 in the Province of British Columbia. On September 10, 1996, the Company changed its name to Solitaire Minerals Corp. On November 2, 2012, the Company changed its name to Pistol Bay Mining Inc. The Company's head office is: 700 – 838 West Hastings Vancouver, BC, V6C 0A6 and its registered address is 725 Granville Street, Pacific Centre, Suite 400, Vancouver, BC V7Y 1G5.

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in Ontario and Saskatchewan. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company's mineral property contains reserves that are economically recoverable. The recoverability of amounts recorded by the Company for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

These financial statements have been prepared with the assumption that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to meet its obligations and maintain its current operations through the ensuing twelve-month period and thereafter is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. As at February 28, 2017, the Company has a working capital deficiency of $998,032 (May 31, 2016 - $990,916) and a cumulative deficit of $24,260,764 (May 31, 2016 - $23,470,348). Consequently, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. BASIS OF PRESENTATION

Statement of compliance

The financial statements of the Company have been prepared in accordance with IAS 34 Interim Financial Reporting.

The financial statements of the Company should be read in conjunction with the Company's 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared using accounting policies consistent with those used in the Company's 2016 annual financial statements except for income tax expense which is recognized and disclosed for the full financial year in the audited annual financial statements.

Approval of the condensed interim financial statements

The financial statements of the Company for the nine months ended February 28, 2017, were reviewed by the Audit Committee, and approved and authorized for issue on April 20, 2017 by the Board of Directors of the Company.

Basis of Preparation

The financial statements of the Company have been prepared on the historical cost basis, except for certain financial instruments which are stated at their fair values. The Company's functional and presentation currency is Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

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

Significant Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

1) Deferred Income Taxes

The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

2) Provision

The recognition of provisions for restoration, rehabilitation and environmental obligations.

3) Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Estimates and Assumptions

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

1) Share Based Payments

Equity-settled share options are recognized as an expense based on their fair value at the date of grant. The fair value of share options is estimated through the use of the valuation model – Black-Scholes, which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life. Using different input estimates or models would produce different fair values, and result in the recognition of a higher or lower share-based payments.

2) Exploration and Evaluation Expenditures

The estimated value of the exploration and evaluation costs is capitalized in the statement of financial position.

<u>Foreign currency translation</u>

The financial statements are presented in Canadian dollar which is the Company's functional and presentation currency.

Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at the exchange rate prevailing at the reporting date. Gains and losses are included in net earnings.

<u>Cash</u>

Cash includes cash on hand and deposits held at call with financial institutions.

<u>Property and equipment</u>

Recognition and Measurement

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property and equipment are subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

Gains and Losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Amortization

One-half of the normal amortization is taken in the year of acquisition for equipment with declining balance method. The amortization rates applicable to each category of property and equipment are as follows:

Computer equipment	30% - 55% declining balance

Exploration and Evaluation Assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed in the period in which they are incurred.

Costs incurred to acquire the legal right to explore a property are capitalized. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized on a property-by-property basis. These direct expenditures include such costs as surveying costs, drilling costs, labor and contractor costs, materials used and licensing and permit fees.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of extracting the mineral resource have been determined the property is considered to be under development and is classified as development properties. The carrying value of exploration and evaluation assets is transferred to development properties after being tested for impairment.

Once commercial production has commenced all capitalized costs related to the property are transferred to producing properties and the costs of acquisition, exploration and development will be amortized over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in other income for the period. If a property is abandoned, the acquisition, deferred exploration and development costs will be written off to other expenses.

Currently, all mineral properties of the Company are at the exploration stage.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized; however, for corporate income tax purpose the Company has no right to claim these costs as tax deductible expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recorded costs of mineral properties and deferred exploration costs are not intended to reflect present or future values of resource properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge that changes in future conditions could require a material change in the recognized amount.

Payments on mineral property option agreements are made at the discretion of the Company and, accordingly, are recorded as incurred.

Impairment of Long-lived assets

1) Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the asset impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2) Non-financial assets

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount of reserve properties may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of the value in use and fair value less costs to sell. 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 discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount of an asset exceeds the recoverable amount, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate and its recoverable amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated between the common share and warrant component. 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 most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share capital (continued)

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Flow-through shares

The Company may from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company allocates the proceeds from flow-through shares into 1) share capital based on the fair value of the Company's shares at the date of issuance, and 2) a flow-through share premium, calculated based on the share issuance price and market price at the time of closing, if any, which is recognized as a liability. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. Upon expenditures being incurred, the flow-through share premium is drawn down proportionately and recorded to either other income or deferred tax recovery. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in profit or loss in the period of renunciation.

Proceeds received from the issuance of flow-through shares must be used only for Canadian resource property exploration expenditures within a two-year period.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-Back Rule, in accordance with Canada Revenue Agency flow-through regulations. When applicable, this tax is accrued as a financial expense.

Loss per share

Loss per share is calculated on the basis of the weighted average number of common shares outstanding during the year, adjusted for all periods presented for the 5-for-1 share consolidation effective October, 9, 2014. The Company follows the treasury share method to calculate the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Existing share options and share purchase warrants have not been included in the computation of diluted loss per share, as it would be anti-dilutive. Accordingly, basic and diluted loss per share is the same for the periods presented.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments

Equity-settled share options awarded to employees and other providing similar services are measured at the fair value of the options at the date of grant is charged to profit and loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received, unless the fair value of the goods and services received cannot be reasonably measured, in which case they are measured using the fair value of the equity instruments issued. Expenses are recorded in the statement of comprehensive loss. Amounts related to the cost of issuing shares are recorded as a reduction of share capital. Amounts related to the issuance of shares for mineral interests are capitalized in mineral interests on the statement of financial position.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by using a valuation model.

All equity-settled share-based payments are reflected in share based payments reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Deferred Income taxes

Deferred income tax is recorded using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial instruments and risks

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

i) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL")

Financial assets and financial liabilities classified as FVTPL are acquired or incurred principally for the purpose of selling or repurchasing them in the near term. They are recognized at fair value based on market prices, with any resulting gains and losses reflected in net income for the period in which they arise.

ii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the intention and ability to hold to maturity. They are measured at amortized cost using the effective interest method less any impairment loss. A gain or loss is recognized in net income when the financial asset is derecognized or impaired, and through the amortization process.

iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale, or that are not classified as loans and receivables, held-to-maturity investments, or FVTPL. They are measured at fair value. Fair value is determined based on market prices. Equity instruments that do not have a quoted market price in an active market are measured at cost. Gains and losses are recognized directly in other comprehensive income until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in accumulated other comprehensive income is recognized in net income for the year.

iv) Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

v) Financial liabilities

Financial liabilities are classified as other financial liabilities or FVTPL, based on the purpose for which the liability was incurred. The Company's liabilities comprise accounts payable and due to related parties, all of which are classified as other financial liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments and risks (continued)

Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Accounts payable represent liabilities for goods and services provided to the Company prior to the end of the year which are unpaid.

The Company has classified its financial instruments as follows:

- Cash is classified as FVTPL
- Marketable securities are classified as available-for-sale
- Accounts payable and amounts due to related parties are classified as other financial liabilities

Transaction costs related to financial instruments other than FVTPL are capitalized as part of the cost of the financial instrument. Where the Company has entered into net smelter royalties or other similar participatory arrangements with property vendors or purchasers, such arrangements are considered to be derivative instruments. Additionally, the Company may have purchase options associated with net smelter royalties which are derivative instruments. The fair value of these derivative instruments is not reliably measurable until proven economically recoverable reserves have been identified.

Per IFRS 7, three levels of the fair value hierarchy that reflects the significance of inputs used in making fair value adjustments are required. The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Provisions

The Company may be subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company would record the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The typical nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites. Management has assessed that there are no legal or constructive obligations presently and for all periods presented.

When a liability is recognized, the present value of the estimated rehabilitation cost is capitalized by increasing the carrying amount of the related exploration properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards, Amendments and Interpretations Not Yet Effective

Effective June 1, 2015, the Company adopted the following new accounting standards and interpretations. The Company determined that the adoption of these standards and interpretations did not result in any material changes in the financial statements.

IAS 32 *Financial Instruments: Presentation* - In December 2011, the IASB issued an amendment to clarify the meaning of the offsetting criterion and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. Earlier application is permitted when applied with corresponding amendment to IFRS 7.

IAS 36 *Impairment of Assets* - In May 2013, the IASB, as a consequential amendment to IFRS 13 *Fair Value Measurement*, modified some of the disclosure requirements in IAS 36 regarding measurement of the recoverable amount of impaired assets. The amendments resulted from the IASB's decision in December 2010 to require additional disclosures about the measurement of impaired assets (or a group of assets) with a recoverable amount based on fair value less costs of disposal.

IAS 39 *Financial Instruments: Recognition and Measurement* - In June 2013, the IASB issued a narrow scope amendment to IAS 39. Under the amendment, there would be no need to discontinue hedge accounting if a hedging derivative was novated, provided that certain criteria are met.

IFRIC 21 *Levies* - IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and those where the timing and amount of the levy is certain. The adoption of the above standards did not have a material impact on the Company's financial statements.

New Accounting Standards, Amendments and Interpretations Not Yet Effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for future accounting periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company has not yet assessed the impact, if any, that the new amended standards will have on its financial statements or whether to early adopt any of the new requirements.

The following standard will be effective for annual periods beginning on or after June 1, 2016:

IAS 16 *Property, Plant and Equipment* and IAS 36 *Intangible Assets* - In May 2014, the IASB issued an amendment to IAS 16 and IAS 36. The amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

The following standard will be effective for annual periods beginning on or after June 1, 2018:

IFRS 9 *Financial Instruments* - In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedge requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

4. PROPERTY AND EQUIPMENT

	February 28, 2017			May 31, 2016		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
	-$-	-$-	-$-	-$-	-$-	-$-
Computer	41,370	40,676	694	41,370	40,439	931
	41,370	40,676	694	41,370	40,439	931

5. EXPLORATION AND EVALUATION ASSETS

a) Dixie Property, Ontario

On May 26, 2015, the Company entered into an option agreement to acquire 100% Zinc-Copper properties located in the Red Lake, Ontario region. The Dixie 17-18-19 properties (“Dixie Claims”) consist of 67 claim units (1,072 hectares) located in the Confederation Lake greenstone belt, 35 kilometers southeast of Red Lake, Ontario.

Pursuant to the amended option agreement to acquire a 100% interest in the Dixie claims, the Company is required to make total cash payments of $76,000 and issue a total of 2,400,000 common shares of the Company over a four-year period as follows:

- Issue 1,000,000 shares (issued) to the optionors upon Exchange approval (Approved on July 3, 2015).
- Pay $10,000 (paid) and issue 600,000 shares (issued) to the optionors on or before the date that is one-year anniversary of Exchange approval (July 3, 2016).
- Pay $16,000 and issue 800,000 shares to the optionors on or before the date that is two-year anniversary of Exchange approval (July 3, 2017).
- Pay $20,000 to the optionors on or before the date that is three-year anniversary of Exchange approval (July 3, 2018).
- Pay $30,000 to the optionors on or before the date that is four-year anniversary of Exchange approval (July 3, 2019).

The vendors of the Dixie claims will retain a 0.5% net smelter royalty, which may be repurchased for $400,000 at any time up to when a production decision is made. Rubicon Mineral Corp. will also retain a 0.5% net smelter royalty.

On July 7, 2015, the Company issued 600,000 common shares with a fair value of $33,000 to the optionors pursuant to the option agreement.

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

a) Dixie Property, Ontario (Continued)

On March 22, 2016, the Company received Exchange approval to amend the terms of the option agreement for the Dixie Claims previously announced May 26, 2015. Under the amended agreement, the vendor will be receiving 400,000 additional shares of the Company in lieu of a $10,000 cash payment which was due upon execution of the original option agreement. As a result of the change, the Company is required to make total cash payments of $76,000 and issue a total of 2,400,000 shares over a four-year period. On March 24, 2016, the Company issued the 400,000 additional shares.

On June 7, 2016, the Company issued 600,000 common shares with a fair value of $30,000 to the optionors pursuant to the amended agreement.

On September 1, 2016, the Company executed an option agreement to acquire a 100% interest in additional Zinc-Copper claims located in the Red Lake, Ontario region. The 640 hectare (1,580 acre) Dixie 3 property is located in northwest Ontario, 45 kilometres southeast of Red Lake and 24 kilometres north of the town of Ear Falls. It is accessible by all-weather forestry access roads. The Dixie 3 property is within 8 kilometres of the Company’s Dixie 17,18, 19 properties and fits within the Company's exploration model.

Under the option agreement, to acquire a 100% interest in the Dixie 3 claims, the Company is required to make total cash payments of $56,000 and issue a total of 2,400,000 shares over a three-year period as follows:

- Pay $8,000 (paid) and issue 500,000 shares (issued) to the optionors upon Exchange approval (approved on October 7, 2016).
- Pay $12,000 and issue 600,000 shares to the optionors on or before the date that is one-year anniversary of Exchange approval (October 7, 2017).
- Pay $16,000 and issue 600,000 shares to the optionors on or before the date that is two-year anniversary of Exchange approval (October 7, 2018).
- Pay $20,000 and issue 700,000 shares to the optionors on or before the date that is three-year anniversary of Exchange approval (October 7, 2019).
- Pay $30,000 to the optionors on or before the date that is four-year anniversary of Exchange approval (October 7, 2020).

The vendors of the Dixie 3 claims will retain a 0.5% net smelter returns royalty, which may be repurchased for $400,000 at any time up to when a production decision is made. Rubicon Minerals Corp. will also retain a 0.5% net smelter returns royalty.

On October 14, 2016, the Company issued 500,000 common shares at a fair value of $45,000 pursuant to the option agreement.

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

b) Garland Peninsula Property, Newfoundland

In September 2015, the Company entered into an option agreement to acquire an undivided 100% interest in the Garland Peninsula Property ("Garland") consisting 4 mineral clams located in Labrador, Newfoundland.

Pursuant to the option agreement to acquire a 100% interest in the Garland, the Company is required to pay $3,500 ($1,500 paid) and issue 500,000 common shares within thirty days of the Exchange approval. On October 16, 2015, the Company issued 500,000 common shares with a fair value of $25,000 to the optionors pursuant to the option agreement.

On October 16, 2015, the Company entered into an option agreement to acquire additional 40 mineral claims by paying $15,000 in cash and issue 1,250,000 common shares of the Company. Prior to completing the submission to the Exchange, the parties mutually agreed not to proceed with the acquisition of additional 40 mineral claims. As of May 31, 2016, management decided not to pursue the Garland Property and has written down the property to $Nil.

c) AurCrest Property, Ontario

In November 2016, the Company entered into an option agreement with AurCrest Gold Inc. to acquire all the mining claims held by AurCrest in the Confederation Lake greenstone belt southeast of Red Lake, Ontario. The AurCrest property comprises 108 mining claims, being the Confederation Lake Property and the Fredart Lake Property.

Pursuant to the option agreement to acquire a 100% interest in the AurCrest properties, the Company is required to make total cash payments of $250,000 and issue a total of 5,000,000 common shares of the Company over a four-year period as follows:

- Pay $25,000 (paid) and issue 1,000,000 shares (issued) on closing (Conditionally approved by Exchange on December 6, 2016).
- Pay $25,000 (Note 16) within 90 days following closing

  Pay $50,000 and issue 1,000,000 shares on or before the date that is one-year anniversary from closing
- Issue 1,000,000 shares on or before the date that is two-year anniversary from closing
- Issue 1,000,000 shares on or before the date that is three-year anniversary from closing
- Issue 1,000,000 shares on or before the date that is four-year anniversary from closing

On January 12, 2017, the Company issued 1,000,000 common shares at a fair value of $60,000 pursuant to the option agreement.

d) Joy North Property, Ontario

In February 2017, the Company entered into an option agreement with an arm's length vendor to acquire a 100% interest in the Joy North Property, located in the Gerry Lake Area, approximately 50km southeast of Red Lake, Ontario. The Joy North Property consists of a single mining claim comprising 4 units (64 hectares).

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

d) Joy North Property, Ontario (Continued)

The Company can earn a 100% interest in the Property by issuing an aggregate 1,005,000 common shares and paying a total of $40,500 over a four-year period. A 2% net smelter returns royalty ("NSR") has been granted to the vendor, of which 1% may be purchased at any time by the Company for $500,000 and the remaining 1% at any time for $1,500,000. In addition, the Company must drill a minimum of two diamond drill holes to a minimum aggregate depth of 600 metres on the Property. All shares issued will be subject to a hold period expiring four months and one day from the day of issuance.

Pursuant to the option agreement to acquire a 100% interest in the Joy North property, the Company is required to make total cash payments of $40,500 and issue a total of 1,005,000 common shares of the Company over a four-year period as follows:

- Pay $3,000 (paid) and issue 55,000 shares (issued) to the optionors upon Exchange approval (approved on February 21, 2017).
- Issue 100,000 shares to the optionors on or before the date that is one-year anniversary of Exchange approval (February 21, 2018).
- Issue 100,000 shares to the optionors on or before the date that is two-year anniversary of Exchange approval (February 21, 2019).
- Issue 150,000 shares to the optionors on or before the date that is three-year anniversary of Exchange approval (February 21, 2020) and drill two diamond drill holes to 600 metre depth.
- Pay $37,500 and issue 600,000 shares to the optionors on or before the date that is four-year anniversary of Exchange approval (February 21, 2021).

On February 21, 2017, the Company issued 55,000 common shares at a fair value of $3,850, and on February 10, 2017, the Company paid $3,000 pursuant to the option agreement.

e) Summit Lake Project, British Columbia

The Company held a 100% interest in six claims in the Summits A and B properties located in northwestern British Columbia, Canada. During the year ended May 31, 2016, all six claims lapsed. The Company had written off the balance to $Nil in 2014.

f) Athabasca Basin, Saskatchewan

The Company retains a 25% interest in three mineral claims located in the eastern Athabasca Basin of Saskatchewan through an option agreement with Rio Tinto plc.

The C5 property, together with the C4 and C6 claims, is under option to Rio Tinto, which has earned a 75% interest, and has previously announced its intention to exercise the further option to acquire 100% interest by paying the Company C$5,000,000 within 5 years of December 31st 2014 and granting the Company a 5% net profits interest. Rio Tinto has, to date, completed 12 diamond drill holes totalling 6,104 metres on the C5 property and carried out a gravity survey and a DC resistivity. The 2017 diamond drilling program is scheduled to commence on January 20th (See Note 16).

(EXPRESSED IN CANADIAN DOLLARS)

5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

f) Athabasca Basin, Saskatchewan (Continued)

During the year ended May 31, 2015, the Company received $20,000 for the sale of the C3 property in the Athabasca Basin, Saskatchewan. As the Company had written down the property to a nominal value in a prior year, the proceeds of $20,000 was recorded as a gain on disposition of exploration and evaluation assets.

6. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

	February 28, 2017	May 31, 2016
Accounts payables	$ 407,261	$ 360,636
Accrued liabilites	114,708	92,098
Flow through tax liabilities	377,791	377,558
Penalties assessed (1)	95,932	92,624
	$ 995,692	$ 922,916

(1) During the year ended May 31, 2015, the Canada Revenue Agency conducted an audit of the Company's corporate and payroll records and assessed total penalties of $88,213 under the Income Tax Act. During the year ended May 31, 2016, the Company has accrued interest and penalties of $4,411 towards the amounts owing. During the nine months ended February 28, 2017, the Company accrued interest and penalties of $3,308 to the amounts owing.

7. SHARE CAPITAL

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

<u>During the nine months ended February 28, 2017:</u>

i. During the nine months ended February 28, 2017, the Company issued a total of 845,000 common shares, for gross proceeds of $44,000, for options exercised.

ii. On June 7, 2016, the Company issued 600,000 common shares valued at $30,000 for the acquisition of exploration and evaluation assets.

iii. On August 29, 2016, the Company closed the private placement previously announced April 20, 2016 and July 7, 2016. The Company issued 10,230,000 units for total gross proceeds of $563,450. 5,035,000 units were issued as non-flow-through units at a price of $0.05 per unit consisting of one common share and one whole warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.075 per share for 12 months from the date of closing. 5,195,000 units were issued as flow-through units at a price of $0.06 per unit consisting of one common share and one-half of one whole warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.075 for non-flow-through share and $0.08 for flow through share for 12 months from the date of closing.

    In connection with the private placement, the Company paid a cash commission totaling $20,970 and issued 196,000 Units to brokers. Each Unit consists of one non-flow-through share and one purchase warrant. Each warrant is convertible into a common share of the Company at $0.06 per share for 12 months from closing. Each unit consists of one share and one share purchase warrant exercisable at $0.06 per share for 12 months from closing.

7. SHARE CAPITAL (CONTINUED)

iv. On October 14, 2016, the Company issued 500,000 common shares valued at $45,000 for the acquisition of exploration and evaluation assets.

v. During the nine months ended February 28, 2017, the Company issued a total of 1,025,000 common shares, for gross proceeds of $51,250 for warrants exercised.

vi. On December 30, 2016, the Company closed the first tranche of its financing previously announced October 25, 2016 and amended November 25, 2016. The Company closed on 2,710,000 non-flow-through units at $0.07 for gross proceeds of $189,700. Each unit consists of one common share and one share purchase warrant. One warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.12 for 18 months expiring June 29, 2018.

    The Company also closed on 135,000 flow through units at $0.09 for gross proceeds of $12,150. Each unit consists of one common share and one half of one share purchase warrant. One whole warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.15 for 18 months expiring June 29, 2018.

    Shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period of four months expiring April 30, 2017. The proceeds of the private placement will be used for general working capital and exploration of the Company's mineral properties.

vii. On January 12, 2017, the Company issued 1,000,000 common shares valued at $60,000 for the acquisition of exploration and evaluation assets.

viii. On January 12, 2017, the Company issued 55,000 common shares valued at $3,850 for the acquisition of exploration and evaluation assets.

<u>During the year ended May 31, 2016:</u>

i. During the year ended May 31, 2016, the Company issued a total of 550,000 common shares, for gross proceeds of $27,500, for options exercised.

ii. On July 7, 2015, the Company issued 600,000 common shares valued at $33,000 for the acquisition of exploration and evaluation assets.

iii. On October 16, 2015, the Company issued 500,000 common shares valued at $25,000 for the acquisition of exploration and evaluation assets.

iv. On March 24, 2016, the Company issued 400,000 common shares valued at $16,000 for the acquisition of exploration and evaluation assets.

v. On April 25, 2016, the Company closed the private placement, previously announced February 11, 2016 and April 12, 2016. The Company issued 4,000,000 units at a price of $0.02 per unit for total gross proceeds of $80,000. Each unit consists of one common share and one transferable warrant, each warrant exercisable into one additional common share for a period of 18 months from the date of issue, at a price of $0.05 per share. In connection with the placement, the Company paid a cash commission totaling $800.

7. SHARE CAPITAL (CONTINUED)

Share Options

Under the Company's share option plan, the Company may grant options to employees, consultants and directors up to 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years or such longer term as permitted by the Exchange.

Share options granted to directors, employees and consultants, other than employees or consultants engaged in Investor Relations activities, will vest fully on the date of grant. Share options granted to employees or consultants engaged in Investor Relations activities will vest in stages over a minimum period of twelve months with no more than one-quarter of the share options vesting in any three-month period.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate. The pricing models adopted by management do not necessarily provide a consistent single measure of the fair value of the Company's share options and other share-based transactions.

<u>During the nine months ended February 28, 2017:</u>

i. On July 6, 2016, the Company granted 300,000 share options, which are exercisable for a period of five years, at a price of $0.055 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.06, volatility 184%, risk-free rate 0.52%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $17,321, which has been expensed with a corresponding credit to share-based payment reserve. During the nine months ended February 28, 2017, 150,000 share options were exercised for total proceeds of $8,250.

ii. On July 28, 2016, the Company granted 350,000 share options, which are exercisable for a period of five years, at a price of $0.055 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options

<u>During the nine months ended February 28, 2017: (Continued)</u>

granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.06, volatility 184%, risk-free rate 0.62%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $20,211, which has been expensed with a corresponding credit to share-based payment reserve. During the nine months ended February 28, 2017, 100,000 share options were exercised for total proceeds of $5,500.

iii. On August 18, 2016, the Company granted 400,000 share options, which are exercisable for a period of five years, at a price of $0.08 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.08, volatility 186%, risk-free rate 0.59%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $30,811, which has been expensed with a corresponding credit to share-based payment reserve.

7. SHARE CAPITAL (CONTINUED)

Share Options (Continued)

iv. On September 2, 2016, the Company granted 1,100,000 share options, which are exercisable for a period of five years, at a price of $0.085 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.09, volatility 186%, risk-free rate 0.58%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $95,433, which has been expensed with a corresponding credit to share-based payment reserve.

v. On December 13, 2016, the Company granted 200,000 share options, which are exercisable for a period of five years, at a price of $0.07 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.08, volatility 242%, risk-free rate 1.11%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $15,902, which has been expensed with a corresponding credit to share-based payment reserve.

vi. On January 12, 2017, the Company granted 250,000 share options, which are exercisable for a period of five years, at a price of $0.05 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.06, volatility 239%, risk-free rate 1.08%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $14,899, which has been expensed with a corresponding credit to share-based payment reserve. During the nine months ended February 28, 2017, 100,000 share options were exercised for total proceeds of $5,000.

vii. On February 22, 2017, the Company granted 100,000 share options, which are exercisable for a period of five years, at a price of $0.08 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-

<u>During the nine months ended February 28, 2017: (Continued)</u>

Scholes pricing model with estimated, stock price of $0.08, volatility 239%, risk-free rate 1.16%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $7,941, which has been expensed with a corresponding credit to share-based payment reserve.

viii. During the nine months ended February 28, 2017, 395,000 share options granted on April 20, 2016 were exercised at a price of $0.05 per unit for total proceeds of $19,750.

ix. During the nine months ended February 28, 2017, 100,000 share options granted on May 1, 2015 were exercised at a price of $0.055 per unit for total proceeds of $5,500.

x. During the nine months ended February 28, 2017, 100,000 fully vested share options were cancelled unexercised, resulting in the transfer of $5,957 from share-based payment reserve to deficit.

7. SHARE CAPITAL (CONTINUED)

Share Options (Continued)

During the year ended May 31, 2016:

i. On August 7, 2015, the Company granted 150,000 share options, which are exercisable for a period of five years, at a price of $0.05 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.05, volatility 239%, risk-free rate 0.78%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $7,164, which has been expensed with a corresponding credit to share-based payment reserve. During the year ended May 31, 2016, all 150,000 share options were exercised for total proceeds of $7,500.

ii. On August 26, 2015, the Company granted 250,000 share options, which are exercisable for a period of five years, at a price of $0.05 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.05, volatility 239%, risk-free rate 0.72%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $11,957, which has been expensed with a corresponding credit to share-based payment reserve. During the year ended May 31, 2016, all 250,000 share options were exercised for total proceeds of $12,500.

iii. On April 20, 2016, the Company granted 1,000,000 share options, which are exercisable for a period of five years, at a price of $0.05 per share. As the fair value of the services could not be reliably measured, the Company used the Black-Scholes model to estimate the fair value of the share options granted. The fair value of share options granted was estimated at the grant date using the Black-Scholes pricing model with estimated, stock price of $0.05, volatility 245%, risk-free rate 0.80%, dividend yield 0%, and expected life of 5 years. With these assumptions, the fair value of options was determined to be $50,683, which has been expensed with a corresponding credit to share-based payment reserve.

iv. During the year ended May 31, 2016, 150,000 share options granted on May 14, 2015 were exercised at a price of $0.05 per unit for total proceeds of $7,500.

v. During the year ended May 31, 2016, 37,000 fully vested share options expired or were cancelled unexercised, resulting in the transfer of $68,098 from share-based payment reserve to deficit.

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL (CONTINUED)

Share Options (Continued)

A summary of share options outstanding is as follows:

	Options	Weighted Average Exercise Price ($)	Weighted Average Years to Expiry
Balance at May 31, 2015	497,000	0.31	4.32
Granted	1,400,000		
Exercised	(550,000)		
Expired and Cancelled	(337,000)		
Balance at May 31, 2016	1,010,000	0.10	4.75
Granted	3,450,000		
Exercised	(845,000)		
Expired and Cancelled	(100,000)		
Balance at February 28, 2017	3,515,000	0.09	4.14

As at February 28, 2017, the Company had share purchase options outstanding to directors, officers, employees and consultants as follows:

Outstanding and Exercisable	Exercise Price	Expiry Date
40,000	$0.500	January 2, 2018
15,000	$0.700	March 20, 2018
20,000	$0.525	January 23, 2019
35,000	$0.275	April 8, 2019
305,000	$0.050	October 19, 2021
150,000	$0.055	July 6, 2021
250,000	$0.055	July 28, 2021
400,000	$0.080	August 18, 2021
1,100,000	$0.085	September 2, 2021
200,000	$0.070	December 13, 2021
150,000	$0.050	January 12, 2022
100,000	$0.080	February 22, 2022
750,000	$0.100	March 21, 2020
3,515,000		

Warrants

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its Agents' warrants granted with the assumptions. Typically share issuance cost for agents are calculated using the fair value of the goods or services received.

(EXPRESSED IN CANADIAN DOLLARS)

7. SHARE CAPITAL (CONTINUED)

Warrants (continue)

During the nine months ended February 28, 2017:

On August 19, 2016, the Company received approval from the TSX Venture Exchange to extend the expiry date of the warrants issued in connection with its February 24, 2015 private placement from August 24, 2016 to January 24, 2017. All other terms of the warrants remain the same, and the warrants can purchase 585,000 common shares at a price of $0.10 per share.

On August 29, 2016, the Company granted 7,632,500 warrants to its investors for the private placement closed on August 29, 2016.

The Company also granted 195,500 warrants to the agents involved in the Company's private placement closed on August 29, 2016. The warrants are exercisable for a one-year period, at a price of $0.06 per unit. Each unit consists of one share and one share purchase warrant exercisable at $0.06 per share for 12 months from closing. The warrants have an estimated fair value of $12,498, which has been included in warrant reserve. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 1 year, volatility 182%, risk-free rate 0.57%, dividend yield 0%.

On December 29, 2016, the Company granted 2,777,500 warrants to its investors for the private placement closed on December 29, 2016.

During the nine months ended February 28, 2017, 1,025,000 warrants, granted on April 12, 2016, were exercised at a price of $0.05 per unit for total proceeds of $51,250.

During the year ended May 31, 2016:

On April 25, 2016, the Company granted 4,000,000 warrants to its investors for the private placement closed on April 25, 2016.

A summary of changes in share purchase warrants outstanding is as follows:

	Warrants outstanding	Weighted average exercise price -$-	Weighted average number of year to expiry
Balance at May 31, 2015	585,000	0.10	1.49
Granted	4,000,000		
Balance at May 31, 2016	4,585,000	0.06	1.39
Granted	10,605,500		
Exercised	(1,025,000)		
Expired	(585,000)		
Balance at February 28, 2017	13,580,500	0.08	0.94

(EXPRESSED IN CANADIAN DOLLARS)

8. RESERVES

Share based payment reserve

The share option reserve records items recognized as share-based payments expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire or are forfeit, the corresponding amount previously recorded is transferred from share-based payments reserve to deficit.

	-$-
Balance, May 31, 2015	551,716
Granted	69,804
Fair value of share options expired and cancelled	(68,098)
Fair value of share options exercised	(26,565)
Balance, May 31, 2016	526,857
Granted	202,518
Fair value of share options expired and cancelled	(5,957)
Fair value of share options exercised	(63,029)
Balance, February 28, 2017	660,389

The warrant reserve records items recognized as warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount previously recorded remains in warrant reserves.

	-$-
Balance, May 31, 2016 and 2015	580,716
Agent warrants granted	12,498
Balance, February 28, 2017	593,214

9. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

Due to related parties:

	February 28, 2017	May 31, 2016
	- $ -	- $ -
Amount due to companies with directors in common	68,884	84,344
	68,884	84,344

These amounts are unsecured, no formal terms of repayment and are non-interest bearing.

(EXPRESSED IN CANADIAN DOLLARS)

9. RELATED PARTY TRANSACTIONS (CONTINUED)

During the nine months ended February 28, 2017 and February 29, 2016, the Company incurred the following amounts through transactions with directors and a company controlled by a director:

	February 28, 2017 **- $ -**	February 29, 2016 **- $ -**
Management fees	18,000	33,750
Share-based payment	36,588	-
	54,588	33,750

Key Management Compensation:

Key management includes directors (executive and non-executive) and officers of the Company. The compensation paid or payable to key management is as follows:

- During the nine months ended February 28, 2017 and 2016, the Company paid or accrued to the CFO of the Company $18,000 (2016 - $33,750) in management fees.
- During the nine months ended February 28, 2017, the Company issued a total of 245,000 common shares, for gross proceeds of $12,250, for options exercised by the CFO of the Company.
- During the year ended May 31, 2016, the Company wrote off a receivable of $38,525 due from an officer of the Company.

Share-based payment consisted of the following:

	February 28, 2017	
	Number of options	Share-based payment **- $ -**
CFO	400,000	27,928
Director	150,000	8,660
	550,000	36,588

10. ADDITIONAL CASH FLOW INFORMATION

During the nine months ended February 28, 2017 and 2016, the Company incurred non-cash financing and investing activities as follows:

	February 28, 2017	February 29, 2016
Non-cash financing activities:		
Fair value of options granted	202,518	19,121
Fair value of options cancelled and expired	(5,957)	(51,722)
Fair value of options exercised	(63,029)	(26,565)
Share issuance costs	12,498	-
Non-cash investing activities:		
Shares issued for exploration and evaluations assets	138,850	58,000

(EXPRESSED IN CANADIAN DOLLARS)

11. CAPITAL MANAGEMENT

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and receivables.

12. FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The following table outlines the Company's financial instruments measured at fair value by level with the fair value hierarchy described in Note 3. Assets and liabilities are classified based on the lowest level of input that is significant to the fair measurement.

As at February 28, 2017 and May 31, 2016, the Company's financial instruments measured at fair value are as follows:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
February 28, 2017				
Cash	2,620	-	-	2,620
Total	2,620	-	-	2,620
May 31, 2016				
Cash	2,094	-	-	2,094
Total	2,094	-	-	2,094

Financial Instrument Risks

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

a) Credit risk

The Company is exposed to credit concentration risk by holding cash and cash equivalents. This risk is minimized by holding the investments in large Canadian financial institutions. The Company has no accounts receivable exposure, and its various refundable credits are due from Canadian Government agencies.

b) Interest rate risk

The Company is exposed to minimal interest rate risk. Fluctuations in market interest rates do not have a significant impact on the Company's operations.

12. FINANCIAL INSTRUMENTS AND RISKS (CONTINUED)

c) Market risk

The Company is exposed to market risk for fluctuating values of its publicly traded marketable securities and other company investments. The Company has no control over these fluctuations and does not hedge its investments.

d) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. As at the nine months ended February 28, 2017, the Company manages this risk by monitoring its working capital to ensure its expenditures will not exceed available resources. As at February 28, 2017, the Company had cash of $2,620 (May 31, 2016 – $2,094) and net working capital deficit of $998,032 (May 31, 2016 - $990,916), and due to the net working capital deficit, the Company cannot settle accounts payable of $995,692 (May 31, 2016 - $922,916) which fall due for payment within twelve months of the statement of financial position date.

Currency risk is the risk to the Company's expenses that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. At February 28, 2017, the Company's cash is held in Canadian dollars and accordingly the Company's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

13. COMMITMENTS

The Company entered into Flow-through Share Subscription Agreements in the calendar year ended December 31, 2016 whereby it committed to incur on or before December 31, 2017 a total of $323,850 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada.

During the nine months ended February 28, 2017, the Company entered into Flow-through Share Subscription Agreements whereby it committed to incur on or before December 31, 2018 a total of $158,808 of qualifying CEE.

As of February 28, 2017, the Company had incurred a total of $131,902 CEE, and had unfulfilled CEE obligations of $191,948 and $158,808 that need to be expensed by December 31, 2017 and 2018, respectively, to avoid any taxes and penalties (Note 16).

<u>Lease commitments</u>

On August 15, 2012, the Company together with other three related companies entered into a joint tenancy for office premises with Pacific Center Lease Ltd. from May 1, 2013 to August 31, 2019.

On December 5, 2014, the lease and tenancy premises were terminated by Pacific Centre Leaseholds Limited (Note 14).

<u>Flow-through shares tax liabilities</u>

The Company entered into Flow-through Share Subscription Agreements in the calendar year ended December 31, 2010 whereby it was committed to incur on or before December 31, 2011 a total of $1,154,819 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada.

As at February 28, 2017, the Company has Canadian Exploration Expenditure obligations of $301,125 that was required to be fulfilled by December, 2012. As the Company did not fulfill the expenditure obligation, Canada Revenue Agency ("CRA") assessed penalties in the amount of $36,072. Furthermore, the

13. COMMITMENTS (CONTINUED)

Company may also have to indemnify shareholders for taxes and penalties related to the unspent portion of the commitment. An estimated amount totaling $130,000 has been accrued related to the indemnification on the unfulfilled commitments. The outcome of the amount of actual claims and penalties, if any, is contingent on future assessments of CRA.

The Company entered into Flow-through Share Subscription Agreements in the calendar year ended December 31, 2011 whereby it was committed to incur on or before December 31, 2012 a total of $347,900 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada. As at February 28, 2017, the Company has Canadian Exploration Expenditure obligations of $347,500 that was required to be fulfilled by December 31, 2012. CRA has assessed a penalty in the amount of $37,935 related to Part XII.6 tax penalties on the unfulfilled commitments. Furthermore, the Company may also have to indemnify shareholders for taxes and penalties related to the unspent portion of the commitment.

An estimated amount totaling $134,100 has been accrued related to the indemnification on the unfulfilled commitments. The outcome of the amount actual claims and penalties, if any, is contingent on future assessments of CRA.

14. LEGAL PROCEEDINGS

On June 8, 2015, Pacific Centre Leaseholds Limited (the "Landlord") filed a civil claim against the Company and three related companies for the unpaid lease payments and assessed damages pursuant to the amended lease agreements dated June 16, 2014. The assessed damages claimed by the Landlord for the breaches of the lease agreement are $156,424 for arrears of rent prior to termination of the lease, $70,316 for accelerated rent for December 2014, $52,737 for accrued rent from April 2015 to July 2015, cost on a full indemnity basis, and accruing interest on the assessed amounts. The total amount claimed is $279,477. As at February 28, 2017, the Company accrued $79,506 in connection with the outstanding amounts. In the Company's opinion, it will not be liable for the other related companies portion of the amount claimed.

15. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment: the acquisition, exploration and development of mineral properties in Canada. All of the Company's assets and expenditures are located in Canada. Since the Company does not have any revenue producing activities, there is no segment information by revenues.

16. SUBSEQUENT EVENTS

i) On March 20, 2017, the Company closed a non-brokered private placement financing for total gross proceeds of $548,437. The Company issued 5,566,126 units (the "**NFT Units**") at a price of $0.07 per NFT Unit and 1,764,534 flow-through units (the "**FT Units**") at the price of $0.09 per FT Unit.

The NFT Units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of up to eighteen months at a price of $0.12. The FT Units are comprised of one common share and one half of one transferable share purchase warrant, with each whole warrant entitling the holder to purchase one additional nonflow through common share of the Company for a period of up to eighteen months at a price of $0.15.

In addition, the Company has paid finder's fees of a total of $9,580 and issued 50,000 finder's warrants to a registered dealer authorizing the holder to acquire one common share of the Company for a period of eighteen months at a price of $0.12 and 72,000 finder's warrants to a registered dealer authorizing the holder to acquire one unit of the Company for a period of eighteen months at a price of $0.12. The unit

16. SUBSEQUENT EVENTS (CONTINUED)

consists of one common share and one nontransferable share purchase warrant exercisable at a price of $0.15 for eighteen months from issuance.

On April 19, 2017, the Company amended the non-brokered private placement announced on March 20, 2017. The amendment increases the NFT Units from 5,566,126 units to 5,568,857 units. The NFT Units are comprised of one common share and one transferable share purchase warrant, with each warrant entitling the holder to purchase one additional common share of the Company for a period of up to eighteen months at a price of $0.12.

ii) On March 22, 2017, the Company entered into an option agreement, subject to the approval of the TSX Venture Exchange, to acquire two additional claim groups in the Confederation Lake greenstone belt, southeast of Red Lake, Ontario. The two claim groups are called the Lucky 7 and Moth groups. The Lucky 7 Property (5 claims, 640 hectares, 1580 acres) covers a number of mineralized zones discovered by prospectors. The claims adjoin the Garnet Lake and Garnet East claim groups that are part of the group of properties acquired by the Company from AureCrest Gold Inc. The Moth group of 10 claims comprises 85 units (1360 hectares, 3360 acres). It is separated from the Lucky 7 claims by a 5 kilometre gap.

Pursuant to the option agreement to acquire a 100% interest in the Lucky 7 and Moth claims, the Company is required to make total cash payments of $72,000 and issue a total of 2,300,000 common shares over a three-year period. A Vendor of the Lucky 7 and Moth claims will retain a 1.5% net smelter returns royalty ("NSR"), of which one half or 0.75% of the NSR may be repurchased for the consideration of $400,000 at any time up to when a production decision is made.

iii) On March 28, 2017, the Company entered into an amending agreement with Rio Tinto Exploration Canada Inc. ("Rio Tinto"), with regards to the C4,5 and 6 Uranium properties, whereby Rin Tinto will make an initial cash payment of $750,000 to the Company.

The C block of Uranium properties, located in the Athabasca Basin of Saskatchewan, is under option to Rio Tinto, which to Rio Tinto, which has earned a 75% interest to date. Rio Tinto has previously indicated its intention to exercise the further option to acquire a 100% interest by paying the Company $5,000,000 on or before December 31, 2019, and granting the Company a 5% net profit interest.

Under the amending agreement, Rio Tinto will acquire an additional 25% interest in the Property (thereby increasing its aggregate interest to 100%), by:

a) Paying the Company $750,000 on or before April 17, 2017 (received as of this report); and
b) Paying the Company one of the following payments:
    i) $1,500,000 on or before December 31, 2017;
    ii) $2,000,000 on or before December 31, 2018; or
    iii) $2,250,000 on or before December 31, 2019.

The Company will retain a 5% net profits interest in the Property.

iv) On March 29, 2017, 195,500 agent warrants were exercised at a price of $0.06 per unit for total proceeds of $11,730, pursuant to the agent warrants granted on August 29, 2016. Each exercised agent warrant unit consists of one common share and one share purchase warrant exercisable at $0.06 per share, expiring on August 29, 2017.

v) As of this report, the Company has incurred additional qualifying Canadian Exploration Expenses of $111,173.

vi) Pursuant to the option agreement to acquire a 100% interest of AurCrest Property, the Company paid $25,000 the optionors in April 2017.