



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

**Notice to Readers of the Unaudited Condensed Consolidated Interim Financial Statements
For the three and nine months ended March 31, 2017**

The unaudited condensed consolidated interim financial statements of New Pacific Holdings Corp. (the “Company”) for the three and nine months ended March 31, 2017 (the “Financial Statements”) have been prepared by management and have not been reviewed by the Company’s independent auditors. The Financial Statements should be read in conjunction with the Company’s audited financial statements for the year ended June 30, 2016 which are available at the SEDAR website at www.sedar.com. The Financial Statements are stated in terms of Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

New Pacific Holdings Corp.

Unaudited Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	March 31, 2017	June 30, 2016
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 7,980,056	\$ 5,267,066
Bonds	4	13,060,074	17,201,630
Receivables		122,416	115,146
Deposits and prepayments		355,018	23,401
		21,517,564	22,607,243
Non-current Assets			
Reclamation deposits		15,075	15,075
Equity investments	5	7,906,862	3,700,345
Plant and equipment	6	33,708	60,454
Mineral property interests	7	4,364,002	4,415,900
TOTAL ASSETS		\$ 33,837,211	\$ 30,799,017
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		\$ 718,310	\$ 701,228
Provisions	8	-	83,000
Due to related parties	9	81,092	6,112
Total Liabilities		799,402	790,340
Equity			
Share capital	10	57,149,481	57,149,481
Share-based payment reserve		17,814,671	17,642,249
Accumulated other comprehensive income		1,178,846	1,225,698
Deficit		(43,252,085)	(46,176,203)
Equity attributable to the equity holders of the Company		32,890,913	29,841,225
Non-controlling interest	11	146,896	167,452
Total Equity		33,037,809	30,008,677
TOTAL LIABILITIES AND EQUITY		\$ 33,837,211	\$ 30,799,017

Approved on behalf of the Board:

(Signed) David Kong

Director

(Signed) Rui Feng

Director

See accompanying notes to the unaudited condensed consolidated interim financial statements

New Pacific Holdings Corp.

Unaudited Consolidated Interim Statements of Income (Loss)

(Expressed in Canadian dollars)

		Three months ended March 31		Nine month ended March 31,	
	Notes	2017	2016	2017	2016
Income from investments					
Gain on equity investments	5	\$ 2,096,479	\$ 1,366,121	\$ 2,774,305	\$ 1,238,523
Fair value change and interest earned on bonds	4	323,368	177,173	935,088	306,094
Dividend income	5	-	-	30,356	-
Interest income		275	512	1,605	46,525
		2,420,122	1,543,806	3,741,354	1,591,142
Operating expenses					
Audit and accounting		10,486	1,180	23,966	5,180
Consulting		40,445	1,050	40,445	3,140
Depreciation		7,072	10,234	26,321	30,637
Investment evaluation		253,004	-	300,653	-
Filing and listing		5,125	32,277	27,322	53,192
Investor relations		12,687	1,341	20,703	12,904
Legal and professional fees		9,284	6,586	15,993	44,284
Salaries and benefits		180,730	115,285	438,625	313,690
Office and administration		66,050	29,060	178,096	126,163
Rent		15,288	23,471	51,611	72,654
Share-based compensation		90,266	28,412	172,422	107,849
Travel and promotion		7,973	8,272	54,507	39,677
Income before other income and expenses		1,721,712	1,286,638	2,390,690	781,772
Other income (expenses)					
Gain on disposal of plant and equipment		-	-	-	53,605
Foreign exchange (loss) gain		(153,676)	(1,456,306)	445,152	800,270
Other (expenses) income		(747)	116	78,005	393
		(154,423)	(1,456,190)	523,157	854,268
Net income (loss)		\$ 1,567,289	\$ (169,552)	\$ 2,913,847	\$ 1,636,040
Attributable to:					
Equity holders of the Company		1,570,466	(165,165)	2,924,118	1,642,678
Non-controlling interests		(3,177)	(4,387)	(10,271)	(6,638)
		\$ 1,567,289	\$ (169,552)	\$ 2,913,847	\$ 1,636,040
Basic earnings (loss) per share		\$ 0.02	\$ (0.00)	\$ 0.04	\$ 0.02
Diluted earnings (loss) per share		\$ 0.02	\$ (0.00)	\$ 0.04	\$ 0.02
Weighted average number of common shares - basic		66,938,229	66,938,229	66,938,229	66,938,229
Weighted average number of common shares - diluted		68,067,402	66,938,229	67,157,639	66,938,229

See accompanying notes to the unaudited condensed consolidated interim financial statements

New Pacific Holdings Corp.

Unaudited Consolidated Interim Statements of Comprehensive Income (Loss)

(Expressed in Canadian dollars)

	<u>Three months ended March 31,</u>		<u>Nine months ended March 31,</u>	
	2017	2016	2017	2016
Net income (loss)	\$ 1,567,289	\$ (169,552)	\$ 2,913,847	\$ 1,636,040
Other comprehensive (loss) income				
Items that may subsequently be reclassified to net income or loss:				
Currency translation adjustment	9,778	(522,067)	(57,137)	(3,004)
Other comprehensive (loss) income	9,778	(522,067)	(57,137)	(3,004)
Attributable to:				
Equity holders of the Company	\$ 8,018	\$ (428,095)	\$ (46,852)	\$ (2,463)
Non-controlling interests	1,760	(93,972)	(10,285)	(541)
	9,778	(522,067)	(57,137)	(3,004)
Comprehensive income (loss)	\$ 1,577,067	\$ (691,619)	\$ 2,856,710	\$ 1,633,036
Attributable to:				
Equity holders of the Company	\$ 1,578,484	\$ (593,260)	\$ 2,877,266	\$ 1,640,215
Non-controlling interest	(1,417)	(98,359)	(20,556)	(7,179)
	\$ 1,577,067	\$ (691,619)	\$ 2,856,710	\$ 1,633,036

See accompanying notes to the unaudited condensed consolidated interim financial statements

New Pacific Holdings Corp.

Unaudited Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

		Three months ended March 31,		Nine months ended March 31,	
	Notes	2017	2016	2017	2016
Operating activities					
Net income (loss)		\$ 1,567,289	\$ (169,552)	\$ 2,913,847	\$ 1,636,040
Add (deduct) items not affecting cash :					
Gain on equity investments	5	(2,096,479)	(1,366,121)	(2,774,305)	(1,238,523)
Fair value change and interest earned on bonds	4	(323,368)	(177,173)	(935,088)	(306,094)
Interest income		(275)	(512)	(1,605)	(46,525)
Depreciation		7,072	10,234	26,321	30,637
Gain on disposal of plant and equipment		-	-	-	(53,605)
Share-based compensation		90,266	28,412	172,422	107,849
Unrealized foreign exchange loss (gain)		153,676	1,456,306	(445,152)	(800,270)
Coupon payments	4	124,890	-	644,788	-
Interest received		275	177,685	1,605	352,619
		(476,654)	(40,721)	(397,167)	(317,872)
Change in non-cash working capital					
Deposits and other receivables		(343,289)	6,648	(340,199)	(7,504)
Trade and other payables		35,617	10,684	18,043	(617,294)
Due to related parties		26,180	(256,748)	74,980	(52,185)
Provisions		-	-	(83,000)	-
Cash used in operating activities		(758,146)	(280,137)	(727,343)	(994,855)
Investing activities					
Bonds					
Dispositions	4	4,170,333	-	4,880,770	-
Equity investments					
Acquisitions	5	-	(350,150)	(4,367,120)	(1,235,428)
Dispositions	5	2,947,966	-	2,947,966	-
Expenditures on mineral property interests		-	(14,834)	-	(46,212)
Proceeds from disposition of plant and equipment		-	-	-	53,605
Net purchase of short-term investments		-	(6,833,887)	-	(7,798,692)
Cash provided by (used in) investing activities		7,118,299	(7,198,871)	3,461,616	(9,026,727)
Effect of exchange rate changes on cash and cash equivalents					
		(53,121)	(1,476,857)	(21,283)	821,967
Increase (decrease) in cash and cash equivalents		6,307,032	(8,955,865)	2,712,990	(9,199,615)
Cash and cash equivalents, beginning of the period					
		1,673,024	14,608,078	5,267,066	14,851,828
Cash and cash equivalents, end of the period		\$ 7,980,056	\$ 5,652,213	\$ 7,980,056	\$ 5,652,213

See accompanying notes to the unaudited condensed consolidated interim financial statements

New Pacific Holdings Corp.

Unaudited Consolidated Interim Statements of Change in Equity

(Expressed in Canadian dollars)

	Share Capital							
	Number of common shares issued	Amount	Share-based payment reserve	Accumulated other comprehensive income	Deficit	Equity attributable to equity holders of the Company	Non-controlling interest	Total equity
Balance, July 1, 2015	66,938,229	57,149,481	17,512,523	1,267,877	(46,058,036)	29,871,845	868,451	30,740,296
Share-based compensation	-	-	107,849	-	-	107,849	-	107,849
Net income	-	-	-	-	1,642,678	1,642,678	(6,638)	1,636,040
Currency translation adjustment	-	-	-	(2,463)	-	(2,463)	(541)	(3,004)
Balance, March 31, 2016	66,938,229	57,149,481	17,620,372	1,265,414	(44,415,358)	31,619,909	861,272	32,481,181
Share-based compensation	-	-	21,877	-	-	21,877	-	21,877
Net loss	-	-	-	-	(1,760,845)	(1,760,845)	(685,102)	(2,445,947)
Currency translation adjustment	-	-	-	(39,716)	-	(39,716)	(8,718)	(48,434)
Balance, June 30, 2016	66,938,229	57,149,481	17,642,249	1,225,698	(46,176,203)	29,841,225	167,452	30,008,677
Share-based compensation	-	-	172,422	-	-	172,422	-	172,422
Net income	-	-	-	-	2,924,118	2,924,118	(10,271)	2,913,847
Currency translation adjustment	-	-	-	(46,852)	-	(46,852)	(10,285)	(57,137)
Balance, March 31, 2017	66,938,229	\$ 57,149,481	\$ 17,814,671	\$ 1,178,846	\$ (43,252,085)	\$ 32,890,913	\$ 146,896	\$ 33,037,809

See accompanying notes to the unaudited condensed consolidated interim financial statements

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

1. CORPORATE INFORMATION

New Pacific Holdings Corp. along with its subsidiaries (collectively the “Company” or “New Pacific”), is a Canadian investment issuer engaged in investing in privately held and publicly traded corporations.

The investment objective for the Company as an investment issuer is to seek a high return on investment opportunities, primarily in the natural resource, industrial or technology sectors; and to preserve capital and limit downside risk while achieving a reasonable rate of return by focusing on opportunities with attractive risk to reward profiles. The nature and timing of the investment will depend, in part, on available capital at any particular time and the investment opportunities identified and available. Subject to the availability of capital, New Pacific intends to create a diversified portfolio of investments.

The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”). The Company was continued into the Province of British Columbia under the Business Corporation Act in November 2004. The head office, registered address and records office of the Company are located at 200 Granville Street, Suite 1378, Vancouver, British Columbia, Canada, V6C 1S4.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance and basis of preparation*

These unaudited condensed consolidated interim financial statements have been prepared in accordance with *IAS 34 – Interim Financial Reporting*. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended June 30, 2016. These unaudited condensed consolidated interim financial statements follow the same significant accounting policies set out in note 2 to the audited consolidated financial statements for the year ended June 30, 2016.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis. The Company has a history of losses and no operating revenues from its operations. As at March 31, 2017, the Company had a working capital position of \$20,718,162 and sufficient cash resources to meet the Company’s investment needs, for, but not limited to, the next 12 months. These financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The unaudited condensed consolidated interim financial statements of the Company as at and for the three and nine months ended March 31, 2017 were authorized for issue in accordance with a resolution of the Board of Directors dated on May 11, 2017.

(b) *Accounting standards issued but not yet in effect*

IFRS 15 – *Revenue from contracts with customers*, the standard on revenue from contracts with customers was issued in September 2015 and may be effective for annual reporting periods beginning on or after January 1, 2018 for public entities with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The Company is assessing the impact of this standard.

IAS 7 - *Statement of Cash Flows* has been revised to incorporate amendments issued by the International Accounting Standards Board ("IASB") in January 2016. The amendments require entities to provide

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is assessing the impact of this standard.

IAS 12 - *Income Taxes* has been revised to incorporate amendments issued by the IASB in January 2016. The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after January 1, 2017 with early adoption permitted. The Company is assessing the impact of this standard.

IFRS 16 - *Leases* was issued by the IASB and will replace *Leases* ("IAS 17"). IFRS 16 requires most leases to be reported on a company's balance sheet as assets and liabilities. IFRS 16 is effective for annual periods beginning on or after January 1, 2019 with early application permitted for companies that also apply IFRS 15 Revenue from Contracts with Customers. The Company is currently assessing the impact of this new standard.

3. ALCIRA ACQUISITION

On March 28, 2017, the Company has signed a binding share purchase agreement (the "Agreement") to acquire a 100% interest in Empresa Minera Alcira S.A., a private Bolivian incorporated mining company (the "Target Company") from its three shareholders (the "Vendors"), free of any debt. The Target Company has seven silver-polymetallic mineral properties or ATEs (Temporary Special Authorization) in Bolivia. The most significant property is the Silver Sand Property (the "Property"), located in the Potosi Department, which has been subjected to some small-scale, historic mining and was drilled during the period 2012 through 2015 by the Target Company. The other six are early-stage exploration projects, which have either been subject to limited small-scale mining or historical drilling.

Major Terms of the Agreement are summarized as follows:

- The Company has paid an initial non-refundable down-payment of \$334,325 (US\$250,000) to the Vendors on March 28, 2017. This amount was included in deposits and prepayments as at March 31, 2017;
- Subsequent to period end on April 6, 2017, the Company made a loan of \$4.67 million (US\$3.5 million) to one of the Vendors. The loan has a term of 120 days, bears an annual interest rate of 5%, and is secured by 30% interest in the outstanding shares of the Target Company;
- The Company will carry out confirmation drilling to twin three drill holes drilled by the Target Company within three and a half months of the signing of the Agreement;
- If the results of the confirmation drilling matches to 70% of the Target Company's drill results, the Company shall notify the Vendors within 7 days after 3.5 months of signing this agreement that it will proceed with the completion of the Agreement and the Company shall make the second payment of US\$35,750,000 (the "Closing Payment") to the Vendors to acquire 100% of the shares of the Target Company. In this case, the above US\$3.5 million loan will be offset against the Closing Payment;
- If the confirmation drilling results are not acceptable to the Company, the transaction shall not proceed, and the Company will forfeit its initial US\$250,000 down-payment;
- Within 90 days after the closing or completion of acquiring the 100% interest of the Target Company, the Company will make further payments of US\$4,000,000; and

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

- A final payment of US\$5,000,000 will be due to the Vendors once the Company has received certain specified permits and licenses from the authorities of Bolivia necessary for mining and milling operations, or once the Target Company has commenced commercial production.

Closing of the transaction is subject to shareholder approval, regulatory approval, and other conditions as set out in the Agreement.

4. BONDS

The Company acquired bonds issued by other companies from various industries through the open market. These bonds were held to receive coupon interest payments as well as to realize potential gains. The bonds may also be disposed on demand through the open market should the Company require funds for other operational or investment needs. The Company accounts for the bonds at fair value at each reporting date.

The bonds portfolio is summarized as follows:

Issuer	Coupon rate	Gain	Rate of return	Moody's or S&P rating	Fair value	
					March 31, 2017	June 30, 2016
Huarong Finance Co., Ltd.	3.00%	\$ 25,694	1.35%	Baa1	\$ -	\$ 2,659,751
Grand China Air Hong Kong Co., Ltd.	5.50%	57,785	5.76%	N.R.	1,368,706	1,315,409
Shui On Development Holding Ltd.	8.70%	96,088	9.11%	N.R.	1,456,028	1,383,767
Central China Real Estate Ltd.	6.50%	49,530	4.94%	Ba3, B+	1,353,441	1,315,138
Evergrande Real Estate Group	8.75%	66,783	13.44%	B3, CCC+	705,705	651,805
CITIC Envirotech Limited	5.45%	54,701	5.35%	N.R.	1,393,642	1,342,471
eHi Car Services Ltd.	7.50%	40,284	3.91%	BB-	1,373,942	1,350,768
Zhiyuan Group (BVI) Co., Ltd.	6.20%	33,020	3.12%	BB	1,371,641	1,387,547
Blue Sky Fliers Co., Ltd.	6.90%	21,463	4.08%	N.R.	683,030	690,724
Credit Agricole S.A.	6.63%	179,639	19.91%	A1, A	1,327,255	1,183,778
Standard Chartered Bank	6.50%	157,254	17.14%	Ba1, BB-	1,348,371	1,204,086
Stats Chippac Ltd.	8.50%	122,688	12.56%	B3, B+	-	1,360,741
Unigroup International Holdings Ltd.	6.00%	30,159	5.88%	N.R.	678,312	1,355,645
Total or weighted average	6.73%	\$ 935,088	8.48%		\$ 13,060,074	\$ 17,201,630

The continuity of bonds is summarized as follows:

	Amount
Balance, July 1, 2015	\$ 8,826,997
Acquisition	15,750,827
Interest earned	659,876
Loss on fair value change	(82,338)
Coupon payment	(604,950)
Disposition	(7,010,931)
Foreign currency translation impact	(337,851)
Balance, June 30, 2016	\$ 17,201,630
Interest earned	781,657
Gain on fair value change	153,431
Coupon payment	(644,788)
Disposition	(4,880,770)
Foreign currency translation impact	448,914
Balance, March 31, 2017	\$ 13,060,074

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

5. EQUITY INVESTMENTS

Equity investments represent equity interests of other publicly-trading or privately-held companies that the Company has acquired through the open market or through private placements. These equity interests consist of common shares and warrants. Equity investments are classified as FVTPL and are measured at fair value on initial recognition and subsequent measurement. The fair value of warrants was determined using the Black-Scholes pricing model as at the acquisition date as well as at each period end.

The equity investments portfolio is summarized as follows:

		March 31, 2017	June 30, 2016
Common shares			
Silvercorp Metals Inc.	(a)	\$ 3,917,760	\$ 3,375,120
Cozystay Holdings Inc.	(b)	333,050	325,225
Aton Resources Inc.	(c)	630,000	-
Avesoro Resources Inc.	(d)	260,000	-
Prophecy Development Corp.	(e)	196,900	-
Treck Mining Inc.	(f)	775,000	-
VanEck Vectors Junior Gold Miners	(g)	958,651	-
Warrants			
Prophecy Development Corp.	(e)	134,750	-
Treck Mining Inc.	(f)	700,751	-
		\$ 7,906,862	\$ 3,700,345

(a) Silvercorp Metals Inc.

Silvercorp Metals Inc. ("SVM") is a publicly traded mining company based in Canada. The Company acquired a total of 1,148,000 shares of SVM through the open market at a weighted average cost of \$0.764 per share. During the three months ended March 31, 2017, the Company sold a total of 300,000 SVM's shares through the open market at a weighted average price of \$5.2233 per share for total proceeds of \$1,566,989. The Company's total investment in SVM represented 0.5% of SVM's total outstanding shares as at March 31, 2017. SVM was traded at \$4.62 per share as at March 31, 2017.

SVM's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market gain included in net income
Balance, July 1, 2015	\$ -	\$ -
Purchase from open market	876,667	-
Change in fair value	2,498,453	2,498,453
Balance, June 30, 2016	\$ 3,375,120	\$ 2,498,453
Proceeds on disposal	(1,566,989)	-
Change in fair value	2,109,629	2,109,629
Balance, March 31, 2017	\$ 3,917,760	\$ 4,608,082

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

(b) Cozystay Holdings Inc.

Cozystay Holdings Inc. ("Cozystay") is a private Canadian company. The Company acquired a total of 750,750 shares of Cozystay through a private placement at a cost of \$0.466 (USD \$0.333) per share. The Company's total investment in Cozystay represented 7% of Cozystay's total outstanding shares as at March 31, 2017.

Cozystay's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2015	\$ -	\$ -
Purchase through private placement	350,150	-
Change in fair value	(24,925)	(24,925)
Balance, June 30, 2016	\$ 325,225	\$ (24,925)
Change in fair value	7,825	7,825
Balance, March 31, 2017	\$ 333,050	\$ (17,100)

As at March 31, 2017, fair value of Cozystay's shares approximates its carrying value except for the changes caused by foreign exchange.

(c) Aton Resources Inc.

Aton Resources Inc. ("AAN") is a publicly traded mining company based in Canada. The Company acquired a total of 14,000,000 shares of AAN through a private placement at a cost of \$0.05 per share for a total consideration of \$700,000. During the three months ended March 31, 2017, the Company sold a total of 1,400,000 AAN's shares through the open market at a weighted average price of \$0.0678 per share for total proceeds of \$95,000. The Company's total investment in AAN represented 7.9% of AAN's total outstanding shares as at March 31, 2017. AAN was traded at \$0.05 per share as at March 31, 2017.

AAN's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	700,000	-
Proceeds on disposal	(95,000)	-
Change in fair value	25,000	25,000
Balance, March 31, 2017	\$ 630,000	\$ 25,000

(d) Avesoro Resources Inc. (Formerly "Aureus Mining Inc.")

Avesoro Resources Inc. ("ASO") is a publicly traded mining company based in Canada. The Company acquired a total of 6,500,000 shares of ASO through the open market at a weighted average cost of \$0.0564 per share for a total consideration of \$366,860. The Company's total investment in ASO represented 0.5% of ASO's total outstanding shares as at March 31, 2017. ASO was traded at \$0.04 per share as at March 31, 2017.

New Pacific Holdings Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements for the three and nine months ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

ASO's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	366,860	-
Change in fair value	(106,860)	(106,860)
Balance, March 31, 2017	\$ 260,000	\$ (106,860)

(e) Prophecy Development Corp.

Prophecy Development Corp. ("PCY") is a publicly traded mining company based in Canada. The Company acquired a total of 90,000 units (each unit contains one common share and half warrant) of PCY through a private placement at a cost of \$3.80 per unit for a total consideration of \$342,000. The consideration was allocated to common share and warrants based on their relative fair value at the acquisition date. The 90,000 common shares were valued at \$238,521 (\$2.65 per share) and the 45,000 warrants were valued at \$103,479 (\$2.3 per warrant) based on the allocation. The warrants have an exercise price of \$4.40 per share and expire on August 15, 2021. During the three months ended March 31, 2017, the Company sold a total of 35,000 PCY's shares through the open market at a weighted average price of \$5.423 per share for total proceeds of \$189,805. The Company's total investment in PCY represented 1.1% of PCY's total outstanding shares as at March 31, 2017. PCY was traded at \$3.58 per share as at March 31, 2017.

PCY's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	238,521	-
Proceeds on disposal	(189,805)	-
Change in fair value	148,184	148,184
Balance, March 31, 2017	\$ 196,900	\$ 148,184

Warrants	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	103,479	-
Change in fair value	31,271	31,271
Balance, March 31, 2017	\$ 134,750	\$ 31,271

(f) Trek Mining Inc.

Trek Mining Inc. ("JDL"), formerly JDL Gold Corp., is a publicly traded mining company based in Canada. The Company acquired a total of 500,000 units (each unit contains 6.45 common shares and one warrant) of JDL through a private placement at a cost of \$2.00 per unit for a total consideration of \$1,000,000. The consideration was allocated to common share and warrants based on their relative fair value at the

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acquisition date. The 3,225,000 common shares were valued at \$535,837 (\$0.1662 per share) and the 500,000 warrants were valued at \$464,163 (\$0.93 per warrant) based on the allocation. The warrants have an exercise price of \$3.00 for 6.45 common shares and expire on September 11, 2021. In connection with the business combination on October 6, 2016, JDL Gold has consolidated its share capital on a 6.45 for 1 basis with corresponding adjustment to its convertible securities. Following the completion of the transaction, the Company's total investment in JDL represented 0.5% of JDL's total outstanding shares as at March 31, 2017. JDL was traded at \$1.55 per share as at March 31, 2017.

JDL's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	535,634	-
Change in fair value	239,366	239,366
Balance, March 31, 2017	\$ 775,000	\$ 239,366

Warrants	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase through private placement	464,366	-
Change in fair value	236,385	236,385
Balance, March 31, 2017	\$ 700,751	\$ 236,385

(g) VanEck Vectors Junior Miners ETF

VanEck Vectors Junior Miners ETF ("GDXJ") tracks a market-cap-weighted index of global gold and silver mining firms, focusing on small caps. The Company acquired a total of 20,000 shares of GDXJ through the open market at a weighted average cost of \$50.04 per share for a total consideration of \$1,000,768. During the three and nine months ended March 31, 2017, the Company received dividend income of \$nil and \$28,556, respectively from GDXJ. GDXJ was traded at \$47.93 per share as at March 31, 2017.

GDXJ's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	1,000,768	-
Change in fair value	(55,175)	(55,175)
Impact of foreign currency translation	13,059	
Balance, March 31, 2017	\$ 958,651	\$ (55,175)

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(h) Dalradian Resources Inc.

Dalradian Resources Inc. ("DNA") is a publicly traded mining company based in Canada. The Company acquired a total of 300,000 shares of DNA through the open market at a cost of \$1.03 per share for a total consideration of \$309,000. During the three months ended March 31, 2017, the Company sold a total of 300,000 DNA's shares through the open market at a weighted average price of \$1.3753 per share for total proceeds of \$412,600.

DNA's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market gain included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	309,000	-
Proceeds on disposal	(412,600)	
Change in fair value	103,600	103,600
Balance, March 31, 2017	\$ -	\$ 103,600

(i) Centerra Gold Inc.

Centerra Gold Inc. ("CG") is a publicly traded mining company based in Canada. The Company acquired a total of 60,000 shares of CG through the open market at a cost of \$7.8559 per share for a total consideration of \$471,354. During the three months ended March 31, 2017, the Company sold a total of 60,000 CG's shares through the open market at a weighted average price of \$6.8022 per share for total proceeds of \$408,132.

CG's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	471,354	-
Proceeds on disposal	(408,132)	
Change in fair value	(63,222)	(63,222)
Balance, March 31, 2017	\$ -	\$ (63,222)

(j) Goldquest Mining Corp.

Goldquest Mining Corp. ("GQC") is a publicly traded mining company based in Canada. The Company acquired a total of 500,000 shares of GQC through the open market at a weighted average cost of \$0.3543 per share for a total consideration of \$177,138. During the three months ended March 31, 2017, the Company sold a total of 500,000 GQC's shares through the open market at a weighted average price of \$0.5509 per share for total proceeds of \$275,440.

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GQC's fair value movements were summarized as follows:

Common share	Fair value	Accumulated mark-to-market loss included in net income
Balance, July 1, 2016	\$ -	\$ -
Purchase from open market	177,138	-
Proceeds on disposal	(275,440)	
Change in fair value	98,302	98,302
Balance, March 31, 2017	\$ -	\$ 98,302

6. PLANT AND EQUIPMENT

Cost	Buildings	Machinery	Motor vehicles	Office equipment and furniture	Computer software	Total
Balance, July 1, 2015	\$ 890,754	\$ 1,124,576	\$ 123,046	\$ 153,118	\$ 126,276	\$ 2,417,770
Disposals	-	-	(32,465)	-	-	(32,465)
Foreign currency translation impact	-	(205)	247	(1,647)	(10)	(1,615)
Balance, June 30, 2016	\$ 890,754	\$ 1,124,371	\$ 90,827	\$ 151,471	\$ 126,266	\$ 2,383,689
Foreign currency translation impact	-	(86)	(200)	(689)	(4)	(979)
Balance, March 31, 2017	\$ 890,754	\$ 1,124,285	\$ 90,627	\$ 150,782	\$ 126,262	\$ 2,382,710

Accumulated depreciation and amortization

Balance as at July 1, 2015	\$ (890,754)	\$ (1,119,269)	\$ (93,902)	\$ (109,101)	\$ (97,883)	\$ (2,310,909)
Depreciation and amortization	-	(492)	(7,197)	(15,850)	(16,972)	(40,511)
Disposals	-	-	27,196	-	-	27,196
Foreign currency translation impact	-	84	(447)	1,344	8	989
Balance, June 30, 2016	\$ (890,754)	\$ (1,119,677)	\$ (74,350)	\$ (123,607)	\$ (114,847)	\$ (2,323,235)
Depreciation and amortization	-	(349)	(5,099)	(11,260)	(9,613)	(26,321)
Foreign currency translation impact	-	32	26	491	5	554
Balance, March 31, 2017	\$ (890,754)	\$ (1,119,994)	\$ (79,423)	\$ (134,376)	\$ (124,455)	\$ (2,349,002)

Carrying amount

Balance, June 30, 2016	\$ -	\$ 4,694	\$ 16,477	\$ 27,864	\$ 11,419	\$ 60,454
Balance, March 31, 2017	\$ -	\$ 4,291	\$ 11,204	\$ 16,406	\$ 1,807	\$ 33,708

7. MINERAL PROPERTY INTERESTS

(a) Tagish Lake Gold Property

The Tagish Lake Gold Property, covering an area of 254 square kilometres, is located in Yukon Territory, Canada, and consists of 1,510 mining claims with three identified gold and gold-silver mineral deposits: Skukum Creek, Goddell Gully and Mount Skukum.

(b) RZY Project

The RZY Project, located in Qinghai, China is an early stage silver-lead-zinc exploration project, situated on a high plateau with an average elevation of 5,000 metres above sea level. The RZY Project is located approximately 237 kilometres via paved and gravel roads from the capital city of Yushu Tibetan Autonomous Prefecture, or 820 kilometres via paved highway from Qinghai Province's capital city of

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Xining. In 2016, the Qinghai Provincial Government issued a moratorium which temporarily suspends exploration for twenty six mining projects including the Company's RZY project. RZY's exploration permit expired on November 19, 2016. The application for the renewal of the exploration permit is in the final stage and subject to the Government's approval.

The continuity schedule of mineral property acquisition costs and deferred exploration and development costs is summarized as follows:

Cost	Tagish Lake	RZY Project	Total
Balance, July 1, 2015	\$ -	\$ 8,253,673	\$ 8,253,673
<u>Capitalized exploration expenditures</u>			
Camp services	-	43,132	43,132
Permitting	-	8,639	8,639
Impairment of RZY Project	-	(3,850,343)	(3,850,343)
Foreign currency translation impact	-	(39,201)	(39,201)
Balance, June 30, 2016	\$ -	\$ 4,415,900	\$ 4,415,900
Foreign currency translation impact	-	(51,898)	(51,898)
Balance, March 31, 2017	\$ -	\$ 4,364,002	\$ 4,364,002

8. PROVISIONS

The Company is involved in legal action associated with the normal course of operations. The Company had a provision of \$83,000 for the labour dispute case related to Paul Whelan Mining Contractors ("Whelan Mining") from prior years. On August 8, 2016, the Company reached an agreement with Whelan Mining to settle the case with an all-inclusive sum of \$83,000. On August 18, 2016, the Supreme Court of Yukon issued a consent order to dismiss the case after the Company made the settlement payment. As at March 31, 2017, the Company had no provision (June 30, 2016 - \$83,000).

9. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

Transactions with related parties	Three month ended March 31,		Nine months ended March 31,	
	2017	2016	2017	2016
Silvercorp Metals Inc. (a)	\$ 112,674	\$ 55,818	\$ 239,822	\$ 207,223

Related party transactions are entered into based on normal market conditions at the amounts agreed on by the parties. As at March 31, 2017, the balances with related parties, which are unsecured, non-interest bearing, and due on demand, are as follows:

Due to related parties	March 31, 2017	June 30, 2016
Silvercorp Metals Inc. (a)	\$ 81,092	\$ 6,112

(a) Silvercorp has two common directors and officers with the Company and shares office space and provides various general and administrative services to the Company. During the three and nine months ended March 31, 2017, the Company recorded total expenses of \$112,674 and \$239,822, respectively (three and nine months ended March 31, 2016 - \$55,818 and \$207,223, respectively) for services rendered and expenses incurred by Silvercorp on behalf of the Company.

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10. SHARE CAPITAL

(a) Share Capital - authorized share capital

Unlimited number of common shares without par value.

Unlimited number of Class A preferred shares without par value.

(b) Stock Options

The continuity schedule of stock options, as at March 31, 2017, is as follows:

	Number of options	Weighted average exercise price
Balance, July 1, 2015	2,950,000	0.74
Options cancelled	(125,000)	0.60
Options expired	(420,000)	1.56
Balance, June 30, 2016	2,405,000	0.61
Options granted	2,010,000	0.55
Options cancelled	(605,000)	0.61
Balance, March 31, 2017	3,810,000	0.58

Option pricing model requires the input of subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. The Company's expected volatility is based on the historical volatility of the Company's share price on the Toronto Stock Exchange.

The fair value of the options granted were estimated using the Black Scholes options pricing model with the following assumptions:

	Nine Months ended March 31,	
	2017	2016
Risk free interest rate	0.58%	-
Expected volatility	95.89%	-
Expected life of options in years	2.75	-
Expected dividend yield	-	-
Estimated forfeiture rate	16.99%	-

During the nine months ended March 31, 2017, a total of 2,010,000 options with a life of five years were granted to officers and employees at an exercise price of CAD\$0.55 per share subject to a vesting schedule over a three-year term with 1/6 of the options vesting every six months from the date of grant.

For the three and nine months ended March 31, 2017, a total of \$90,266 and \$172,422, respectively (three and nine months ended March 31, 2016 - \$28,412 and \$107,849, respectively) were recorded as share-based compensation expense.

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The following table summarizes information about stock options outstanding as at March 31, 2017:

	Exercise prices	Number of options outstanding as at 3/31/2017	Weighted average remaining contractual life (years)	Number of options exercisable as at 3/31/2017	Weighted average exercise price
\$	0.55	1,745,000	4.59	-	-
	0.57	410,000	1.48	358,750	0.57
	0.61	1,040,000	0.48	1,040,000	0.61
	0.62	615,000	1.02	538,125	0.62
	0.55-0.62	3,810,000	2.56	1,936,875	\$0.61

11. NON-CONTROLLING INTEREST

		Qinghai Found
Balance, July 1, 2015	\$	868,451
Share of net income		1,322
Share of impairment loss on RZY Project		(693,062)
Share of other comprehensive loss		(9,259)
Balance, June 30, 2016	\$	167,452
Share of net loss		(10,271)
Share of other comprehensive loss		(10,285)
Balance, March 31, 2017	\$	146,896

As at March 31, 2017 and 2016, the non-controlling interest in Qinghai Found Mining Co. Ltd. was 18%.

12. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk, interest rate risk, credit risk and equity price risk in accordance with its risk management framework. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair Value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures ("IFRS 7").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

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The following table sets forth the Company's financial assets that are measured at fair value on a recurring basis by level within the fair value hierarchy at March 31, 2017 and June 30, 2016 that are not otherwise disclosed. As required by IFRS 7, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Recurring measurements	Fair value as at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	\$ 7,980,056	\$ -	\$ -	\$ 7,980,056
Bonds	13,060,074	-	-	13,060,074
Common shares ⁽¹⁾	6,738,311	-	333,050	7,071,361
Warrants	-	835,501	-	835,501

⁽¹⁾ Investment in Cozystay is a Level 3 financial instrument

Recurring measurements	Fair value as at June 30, 2016			
	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash and cash equivalents	\$ 5,267,066	\$ -	\$ -	\$ 5,267,066
Bonds	17,201,630	-	-	17,201,630
Common shares ⁽¹⁾	3,375,120	-	325,225	3,700,345

⁽¹⁾ Investment in Cozystay is a Level 3 financial instrument

Fair value of other financial instruments excluded from the table above approximates their carrying amount as of March 31, 2017 and June 30, 2016, respectively.

There were no transfers into or out of level 3 during the periods.

(b) Liquidity Risk

The Company has a history of losses and no operating revenues from its operations. Liquidity risk is the risk that the Company will not be able to meet its short term business requirements. As at March 31, 2017, the Company had a working capital position of \$20,718,162 and sufficient cash resources to meet the Company's short-term financial liabilities and its planned investment activities as well as exploration and development expenditures for the foreseeable future, for, but not limited to, the next 12 months.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	March 31, 2017	June 30, 2016
	Due within a year	
Trade and other payables	\$ 718,310	\$ 701,228
Due to related parties	81,092	6,112
	\$ 799,402	\$ 707,340

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(c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk when it undertakes transactions and holds assets and liabilities denominated in foreign currencies other than its functional currencies. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to foreign exchange risk is summarized as follows:

The amounts are expressed in CAD equivalents	March 31, 2017		June 30, 2016	
United States dollars	\$	20,281,470	\$	22,505,852
Chinese RMB		188,817		243,484
Financial assets in foreign currency	\$	20,470,287	\$	22,749,336
Chinese RMB	\$	79,988	\$	82,494
Financial liabilities in foreign currency	\$	79,988	\$	82,494

As at March 31, 2017, with other variables unchanged, a 1% strengthening (weakening) of the U.S. Dollar against the CAD would have increased (decreased) net income by approximately \$203,000.

As at March 31, 2017, with other variables unchanged, a 1% strengthening (weakening) of the Chinese RMB against the CAD would have increased (decreased) net income by approximately \$1,100.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash and cash equivalents primarily include highly liquid investments that earn interest at market rates that are fixed to maturity. The Company also holds a portion of cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of March 31, 2017. The Company also owns bonds that earn coupon payments at fixed rates to maturity. Fluctuation in market interest rates usually will have an impact on bond's fair value. An increase in market interest rates will generally reduce bond's fair value while a decrease in market interest rates will generally increase it. The Company monitors market interest rate fluctuations closely and adjusts the investment portfolio accordingly.

(e) Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk primarily associated with cash and cash equivalents, bonds, and receivables. The carrying amount of financial assets included on the statement of financial position represents the maximum credit exposure.

The Company has deposits of cash equivalents that meet minimum requirements for quality and liquidity as stipulated by the Company's Board of Directors. Management believes the risk of loss to be remote, as majority of its cash and cash equivalents are held with major financial institutions. Bonds by nature are exposed to more credit risk than cash. The Company manages its risk associated with bonds by only investing in large globally recognized corporations from diversified industries. As at March 31, 2017, the Company has a receivables balance of \$122,416 (June 30, 2016 - \$115,146).

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(f) Equity Price Risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on global financial markets. As the Company's marketable securities holding are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio at March 31, 2017, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign exchange effects would have resulted in an increase (decrease) to net income of approximately \$790,000.

13. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal investing and operating requirement on an ongoing basis, continue the investment in high quality assets along with safeguarding the value of its development and exploration mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity. The Board of Directors does not establish a quantitative return on capital criteria for management. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's overall strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirement as at March 31, 2017.

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14. SEGMENTED INFORMATION

The Company operates in two reportable operating segments, one being the investment segment focused on investing in other privately-held and publicly-traded corporations; the other being the mining segment focused on safeguarding the value of its exploration and development mineral properties. These reporting segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer, the chief operating decision maker.

(a) Segment information for assets and liabilities are as follows:

March 31, 2017				
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Cash and cash equivalents	\$ 7,627,157	\$ 2,217	\$ 350,682	\$ 7,980,056
Bonds	13,060,074	-	-	13,060,074
Equity investments	7,906,862	-	-	7,906,862
Plant and equipment	5,861	-	27,847	33,708
Mineral property interests	-	-	4,364,002	4,364,002
Other assets	367,273	15,347	109,889	492,509
Total Assets	\$ 28,967,227	\$ 17,564	\$ 4,852,420	\$ 33,837,211
Total Liabilities	\$ (607,014)	\$ (112,400)	\$ (79,988)	\$ (799,402)
June 30, 2016				
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Cash and cash equivalents	\$ 4,849,953	\$ 18,231	\$ 398,882	\$ 5,267,066
Bonds	17,201,630	-	-	17,201,630
Equity investments	3,700,345	-	-	3,700,345
Plant and equipment	18,041	-	42,413	60,454
Mineral property interests	-	-	4,415,900	4,415,900
Other assets	26,023	15,672	111,927	153,622
Total Assets	\$ 25,795,992	\$ 33,903	\$ 4,969,122	\$ 30,799,017
Total Liabilities	\$ (596,637)	\$ (111,209)	\$ (82,494)	\$ (790,340)

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(b) Segment information for operating results are as follows:

Three months ended March 31, 2017				
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Gain on equity investments	\$ 2,096,479	\$ -	\$ -	\$ 2,096,479
Fair value change and interest earned on bonds	323,368	-	-	323,368
Dividend income	-	-	-	-
Interest income	275	-	-	275
	<u>2,420,122</u>	<u>-</u>	<u>-</u>	<u>2,420,122</u>
Salaries and benefits	170,846	-	9,884	180,730
Share-based compensation	90,266	-	-	90,266
Foreign exchange loss	153,634	-	42	153,676
Other operating expenses	404,444	15,378	7,592	427,414
Income (loss) before other income and expenses	1,600,932	(15,378)	(17,518)	1,568,036
Other expense	615	-	132	747
Net income (loss)	1,600,317	\$ (15,378)	\$ (17,650)	\$ 1,567,289
Attributed to:				
Equity holders of the Company	\$ 1,600,317	\$ (15,378)	\$ (14,473)	\$ 1,570,466
Non-controlling interests	-	-	(3,177)	(3,177)
Net income (loss)	<u>\$ 1,600,317</u>	<u>\$ (15,378)</u>	<u>\$ (17,650)</u>	<u>\$ 1,567,289</u>

Three months ended March 31, 2016				
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Gain on equity investments	\$ 1,366,121	\$ -	\$ -	\$ 1,366,121
Fair value change and interest earned on bonds	177,173	-	-	177,173
Interest income	512	-	-	512
	<u>1,543,806</u>	<u>-</u>	<u>-</u>	<u>1,543,806</u>
Salaries and benefits	111,370	(2,016)	5,931	115,285
Share-based compensation	28,412	-	-	28,412
Foreign exchange loss	1,455,028	-	1,278	1,456,306
Other operating expenses	82,800	13,391	17,280	113,471
Loss before other income and expenses	(133,804)	(11,375)	(24,489)	(169,668)
Other income	-	-	(116)	(116)
Net loss	\$ (133,804)	\$ (11,375)	\$ (24,373)	\$ (169,552)
Attributed to:				
Equity holders of the Company	\$ (133,804)	\$ (11,375)	\$ (19,986)	\$ (165,165)
Non-controlling interests	-	-	(4,387)	(4,387)
Net loss	<u>\$ (133,804)</u>	<u>\$ (11,375)</u>	<u>\$ (24,373)</u>	<u>\$ (169,552)</u>

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Nine month ended March 31, 2017				
	Investment	Mining		Total
	Canada and BVI	Canada	China	
Gain on equity investments	\$ 2,774,305	\$ -	\$ -	\$ 2,774,305
Fair value change and interest earned on bonds	935,088	-	-	935,088
Dividend income	30,356	-	-	30,356
Interest income	1,605	-	-	1,605
	3,741,354	-	-	3,741,354
Salaries and benefits	408,505	-	30,120	438,625
Share-based compensation	172,422	-	-	172,422
Foreign exchange gain	(437,645)	-	(7,507)	(445,152)
Other operating expenses	644,118	60,929	34,570	739,617
Income (loss) before other income and expense	2,953,954	(60,929)	(57,183)	2,835,842
Other income	(77,881)	-	(124)	(78,005)
Net income (loss)	\$ 3,031,835	\$ (60,929)	\$ (57,059)	\$ 2,913,847
Attributed to:				
Equity holders of the Company	\$ 3,031,835	\$ (60,929)	\$ (46,788)	\$ 2,924,118
Non-controlling interests	-	-	(10,271)	(10,271)
Net income (loss)	\$ 3,031,835	\$ (60,929)	\$ (57,059)	\$ 2,913,847

Nine months ended March 31, 2016				
	Investment	Mining		Total
	Canada	Canada	China	
Gain on equity investments	\$ 1,238,523	\$ -	\$ -	\$ 1,238,523
Fair value change and interest earned on bonds	306,094	-	-	306,094
Interest income	46,471	-	54	46,525
	1,591,088	-	54	1,591,142
Salaries and benefits	296,321	-	17,369	313,690
Share-based compensation	107,849	-	-	107,849
Foreign exchange gain	(761,435)	-	(38,835)	(800,270)
Other operating expenses	267,859	61,234	58,738	387,831
Income before other income and expenses	1,680,494	(61,234)	(37,218)	1,582,042
Gain on disposal of plant and equipment	-	(53,605)	-	(53,605)
Other income	-	-	(393)	(393)
Net income	\$ 1,680,494	\$ (7,629)	\$ (36,825)	\$ 1,636,040
Attributed to:				
Equity holders of the Company	\$ 1,680,494	\$ (7,629)	\$ (30,241)	\$ 1,642,678
Non-controlling interests	-	-	(6,638)	(6,638)
Net income (loss)	\$ 1,680,494	\$ (7,629)	\$ (36,825)	\$ 1,636,040