



LAURION
MINERAL EXPLORATION INC.

**FINANCIAL STATEMENTS FOR
THREE MONTHS ENDED MARCH 31, 2017
AND MARCH 31, 2016**

LAURION MINERAL EXPLORATION INC.

For the Three Month Periods Ended March 31, 2017 and 2016
(expressed in Canadian Dollars)

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Laurion Mineral Exploration Inc.

Condensed Interim Statements of Operations

For the Three Month Periods Ended March 31, 2017 and 2016

(expressed in Canadian Dollars)

	March 31, 2017	March 31, 2016
Administrative expenses (Note 3)	\$ (75,180)	\$ (23,772)
Amortization	(271)	(489)
Exploration expenses	(3,280)	(4,124)
Loss on foreign exchange	-	(53)
Net loss and comprehensive loss for the period	\$ (78,731)	\$ (28,438)
Basic and diluted loss per share	\$ (0.000)	\$ (0.000)
Weighted average number of common shares outstanding	108,233,002	105,766,051

The accompanying notes form part of the unaudited condensed consolidated interim financial statements
These unaudited condensed consolidated interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Condensed Interim Statements of Financial Position
As at March 31, 2017 and December 31, 2016
(expressed in Canadian Dollars)

	March 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash	\$ 16,495	\$ 21,483
Other receivables	6,434	11,931
Prepaid expenses	9,903	2,961
	32,832	36,375
Non-current assets		
Property and equipment (Note 5)	2,186	2,457
	2,186	2,457
TOTAL ASSETS	\$ 35,018	\$ 38,832
DEFICIENCY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 8)	\$ 662,401	\$ 596,484
Loan payable (Note 8)	9,000	-
	671,401	596,484
Deficiency		
Share capital (Note 7)	13,891,054	13,891,054
Warrants reserve	2,429,274	2,429,274
Share based payments reserve	3,970,155	3,970,155
Deficit	(20,926,866)	(20,848,135)
	(636,383)	(557,652)
TOTAL DEFICIENCY AND LIABILITIES	\$ 35,018	\$ 38,832

Going concern (Note 1)
Contingencies and Commitments (Note 11)
Subsequent events (Note 12)

Approved by: "Cynthia Le Sueur-Aquin"
Cynthia Le Sueur-Aquin, CEO

Approved by: "Douglas Bolton"
Douglas Bolton, CFO

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These unaudited condensed consolidated interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Condensed Interim Statements of Changes in Deficiency
 For the Three Month Periods Ended March 31, 2017 and 2016
 (expressed in Canadian Dollars)

	Share capital (Note 10)	Warrants Reserve	Share Based Payments Reserve	Deficit	Total
Deficiency as at December 31, 2015	\$ 13,788,019	\$ 2,411,947	\$ 3,966,120	\$(20,478,269)	\$ (312,183)
Share based payments	-	-	1,009	-	1,009
Net loss for the period	-	-	-	(28,438)	(28,438)
Deficiency as at March 31, 2016	\$ 13,788,019	\$ 2,411,947	\$ 3,967,129	\$(20,506,707)	\$ (339,612)
Deficiency as at December 31, 2016	\$ 13,788,019	\$ 2,429,274	\$ 3,970,155	\$(20,848,135)	\$ (557,652)
Net loss for the period				(78,731)	(78,731)
Deficiency as at March 31, 2016	\$ 13,788,019	\$ 2,429,274	\$ 3,970,155	\$(20,926,866)	\$ (636,383)

The accompanying notes form part of the unaudited condensed consolidated interim financial statements
 These unaudited condensed consolidated interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Condensed Interim Statements of Cash Flows

For the Three Month Periods Ended March 31, 2017 and 2016

(expressed in Canadian Dollars)

	March 31, 2017	March 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (78,731)	\$ (28,438)
Amortization	271	489
Share-based payments	-	1,009
Net changes in non-cash working capital		
Other receivables	5,497	(1,545)
Prepaid expenses	(6,942)	(10,220)
Trade and other payables	65,917	10,300
NET CASH USED IN OPERATING ACTIVITIES	(13,988)	(28,405)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Loan advance from related party	9,000	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	9,000	-
Net change in cash	(4,968)	(28,405)
Cash at beginning of period	21,483	105,145
Cash at end of period	\$ 16,495	\$ 76,740

The accompanying notes form part of the unaudited condensed consolidated interim financial statements
These unaudited condensed consolidated interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Notes to the Condensed Interim Financial Statements
For the Three Month Periods Ended March 31, 2017 and 2016
(expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

a. Nature of Operations

Laurion Mineral Exploration Inc. is focused on the upside of high impact projects with a primary focus on gold and a secondary focus on base metals. The address of the Corporation's registered office is 333 Bay Street, Suite 2400, Toronto, Ontario. The Corporation is a public company listed on the TSX Venture Exchange under the symbol LME and the OTC PINK under the symbol LMEFF.

The Corporation has key interests in prospective mining properties located in Ontario, Canada. The Corporation holds title and interest in two resource properties, as follows:

- I) The Ishkoday Property ("Ishkoday") is situated in the Onaman-Tashota Greenstone Camp, 220km northeast of Thunder Bay, Ontario. Ishkoday is composed of a 4,442-hectare land package consisting of 20 contiguous mining leases (1,178 hectares) and 17 mining claims totalling 204 units (3,264 hectares) located in Irwin, Walters, Elmhirst and Pifher Townships, 25km northeast of the Town of Beardmore; and
- II) A 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals on the Midlothian Property. The Midlothian Property consists of 11 claims (152 claim units) covering an area of approximately 2,432 hectares, and is located 80km west-southwest of Kirkland Lake and 25km west-southwest of the town of Matachewan.

b. Going Concern

Going forward, the Corporation is in the process of exploring its core property, the Ishkoday Property. The Corporation has not yet determined whether the property contains economically recoverable resources. The recoverability of the carrying values of mineral exploration properties and deferred exploration costs is dependent upon the discovery of economically recoverable resources, the preservation of the Corporation's interest in the underlying patented leases and mineral claims, the ability of the Corporation to obtain financing necessary to continue the development of the Ishkoday Property, or any of its other properties, or alternatively upon the Corporation's ability to dispose of its interests on an advantageous basis.

These unaudited condensed interim financial statements of the Corporation have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. For the three-month period ended March 31, 2017, cash used in operation by the Corporation was \$13,988 (2016 - \$28,405) and the Corporation carried an accumulated deficit of \$20,926,866 (December 31, 2016 - \$20,848,135). Furthermore, the Corporation had not generated revenue from operations.

The Corporation's current liabilities exceeded its current assets by \$636,383 as at March 31, 2017 (December 31, 2016 - \$560,109). These conditions indicate the existence of material uncertainty that may cast doubt about the Corporation's ability to continue as a going concern. In view of these circumstances, the Corporation requires additional immediate financing to complete its planned exploration and evaluation program on the Ishkoday property, and will continue to explore financing alternatives to raise capital. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms, or that the Corporation will achieve profitable operation.

These unaudited condensed interim financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

Laurion Mineral Exploration Inc.

Notes to the Condensed Interim Financial Statements
For the Three Month Periods Ended March 31, 2017 and 2016
(expressed in Canadian Dollars)

2. Summary of Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The unaudited condensed interim financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) as issued by the IASB in effect as of December 31, 2016.

The accounting policies and methods of computation remain the same as presented in the audited annual consolidated financial statements for the year ended December 31, 2016.

These unaudited condensed consolidated interim financial statements have been approved by the Board of Directors on May 26, 2017.

3. Administrative Expenses

Administrative expenses are composed of the following:

For the year ended	March 31, 2017	March 31, 2016
Management fees (Note 8)	\$ 19,964	\$ 444
Office and administrative expenses (Note 8)	4,590	8,280
Professional fees	15,000	300
Rent	900	-
Shareholder information	27,195	1,481
Share based payments	-	1,009
Transfer listing and filing fees	1,580	5,270
Travel and automotive	5,951	6,988
	\$ 75,180	\$ 23,772

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

4. Income (Loss) Per Share

Basic and diluted income (loss) per share.

The calculation of basic and diluted income (loss) per share at the year-end is based on the net income (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding at the end of the reporting period. In the current reporting period and in 2016, the Corporation was in a loss position and therefore its options and warrants were anti-dilutive.

5. Property and Equipment

a. Cost

	Mining Equipment	Office Equipment	Total
December 31, 2015	\$ 21,900	\$ 28,728	\$ 50,628
Additions	-	-	-
December 31, 2016	21,900	28,728	50,628
Additions	-	-	-
March 31, 2017	\$ 21,900	\$ 28,728	\$ 50,628

b. Accumulated amortization

	Mining Equipment	Office Equipment	Total
December 31, 2015	\$ 21,700	\$ 24,516	\$ 46,216
Additions	60	1,895	1,955
December 31, 2016	21,760	26,411	48,171
Additions	10	261	271
March 31, 2017	\$ 21,770	\$ 26,672	\$ 48,442

c. Carrying amount

	Mining Equipment	Office Equipment	Total
December 31, 2016	\$ 140	\$ 2,317	\$ 2,457
March 31, 2017	\$ 130	\$ 2,056	\$ 2,186

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

6. Investment in Mineral Properties and Deferred Exploration

I. The Ishkoday Property

The Ishkoday Property comprises the following acquisitions:

i. The Ishkoday Property

On October 4, 2007, the Corporation entered into an agreement with St. Andrew Goldfields Ltd. for the purchase of a 100% interest in the Ishkoday Property, located 25km northeast of the Town of Beardmore, 220 km northeast of Thunder Bay, Ontario, for a consideration of 500,000 common shares issued at \$0.10 per share.

The Ishkoday Property consists of 15 contiguous mining leases (657 hectares) located in Irwin Walters, Elmhirst and Pifher Townships.

ii. The Ishkoday North Property

On July 7, 2011, the Corporation acquired an undivided 100% interest from two prospectors (collectively, "Bond and Renner"), the Ishkoday North Claims, for a consideration of 800,000 common shares of the Corporation issued at \$0.085 per share.

The Ishkoday North Property is composed of 13 mining claim units aggregating 179 contiguous units covering an area of approximately 2,864 hectares, located in Pifher, and Elmhirst Townships. The Ishkoday North Claims are situated to the north and are contiguous with the Ishkoday Property.

iii. The Jubilee-Elmhirst Property

On August 30, 2011, the Corporation entered into an option agreement with Jubilee Gold Inc. ("Jubilee") in which the Corporation received an option to acquire up to a 100% interest in 4 mining leases totalling 74 hectares located in Elmhirst Township. The agreement closed on September 9, 2011. The Jubilee-Elmhirst Property is located in Elmhirst Township, is contiguous and to the east of the Corporation's Ishkoday Property.

Under the terms of the agreement, the Corporation issued 290,000 common shares, incurred \$500,000 in exploration expenditures and made cash payments totalling \$42,000 (the final \$10,000 has been deferred to December 31, 2017) to acquire a 60% interest in the mining leases by making cash and share payments and incurring exploration expenditures over a 60 month period from the closing date.

The Corporation, in consideration for acting as the operator, is entitled to a management fee equal to 10% of the expenditures it incurs. This management fee will be applied against the required exploration expenditures noted above.

Once the Corporation has earned the 60% interest in the mining leases, the Corporation has an option to acquire an additional 40% interest by making cash payments in the aggregate amount of \$30,000, issuing 160,000 common shares of the Corporation, incurring an additional \$333,333 in exploration expenditures and granting Jubilee a 2% net smelter royalty on production from the leases. The Corporation has the option to purchase 50% of the royalty by paying an additional amount of \$1,000,000.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

6. Investment in Mineral Properties and Deferred Exploration (continued)

iv. The Ishkoday East Property

On September 8, 2011, the Corporation entered into an option agreement with Argonaut Gold Inc. ("Argonaut" formerly Prodigy Gold), in which the Corporation received an option to acquire an undivided 100% interest in 3 mineral claims comprising 21 claim units totalling 336 hectares in Walter and Elmhirst Townships. The agreement closed on October 7, 2011. The Ishkoday-East property is located in Elmhirst Township, is contiguous and is situated to the east of the Corporation's Ishkoday Property.

Under the terms of the agreement, the Corporation issued 500,000 common shares and incurred \$75,000 in exploration expenditures over a 36-month period from the closing date.

The Ishkoday East Property was transferred to Laurion on July 15, 2015.

v. The Beauxox Property

On May 7, 2012, Laurion completed a definitive agreement with Beauxox Mines Limited ("Beauxox"), whereby the Corporation received the option to acquire up to a 100% in 1 mining lease, 30 mining claims, covering an area of 447 hectares. The Beauxox property is contiguous to the Corporation's Ishkoday Property north eastern boundary, and is located in the south western quarter of Elmhirst Township.

Pursuant to the terms of the Agreement, Laurion has an Option to earn in an undivided 100% interest, subject to the issuance of an aggregate of 4,500,000 common shares in the capital of Laurion ("Common Shares" and by incurring a total of \$400,000 in expenditures on or before February 28, 2015 (a minimum of \$300,000 in expenditures to be incurred on or before February 28, 2014). 90% of the 4,500,000 Common Shares to be issued by Laurion shall be held pursuant to an escrow agreement and released in accordance with a structured schedule over a period of 36 months. The Beauxox property is subject to a 3% net smelter return ("NSR") royalty (the "Royalty") in favour of Beauxox (0.5%), David Malouf (2%) and Regean Gosselin (0.5%). At any time, Laurion may purchase 1.5% of the Royalty for \$1,500,000 or 1% of the Royalty for \$1,000,000. Beginning in the fourth year of the agreement, there shall be an annual advance net smelter return royalty of \$30,000. Laurion shall have the right to waive the advanced royalty payment by committing to execute a minimum of \$300,000 of audited assessment credits on the leases and to renew the leases within two years.

The Beauxox Property was transferred to Laurion on March 1, 2013.

vi. The Ishkoday South Property

In June 2012, the Corporation staked 1 mineral claim comprising 4 claim units (64 hectares) in Walters Township which is contiguous to the Ishkoday-Hercules Property and to the east of the Ishkoday Property.

II. The Alliance Properties

On July 22, 2014, the Corporation executed a Purchase and Sale Agreement with Kiska Metals Corporation ("Kiska") for the disposition of the Corporation's 51% interest in the Midlothian Project. The Corporation received \$25,000 cash payment plus the return of the 500,000 common shares of the corporation held by Kiska. Pursuant to the agreement, the Corporation will also

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

6. Investment in Mineral Properties and Deferred Exploration (continued)

receive a 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals. Kiska further agrees to incur a minimum of \$2,000,000 of mineral exploration expenditures on or before July 22, 2019 or may elect to make a cash payment equal to the difference between the \$2,000,000 and the actual mineral exploration expenditures incurred. Failure to do so will result in a 100% interest in the property reverting back to the Corporation and Kiska retaining a net smelter royalty of 1%. In addition, the Corporation is to receive \$500,000 upon completion of a mineral resource estimate of at least 500,000 gold equivalent ounces ("GEOs") and an additional \$1,000,000 upon the decision to commence the development and construction of a mine for the project.

In March 2016, Kiska Metals announced that it had entered into an agreement ("Agreement") to sell its non-core Midlothian Project ("Property") to Canadian Gold Miner Corp. ("CGM"), a subsidiary of Transition Metals Corp. Pursuant to this agreement, the Corporation will retain their 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

7. Share Capital and Reserves

a. Authorized

Unlimited	special shares, voting, redeemable, convertible, participating
500,000	class A shares, voting, non-redeemable, convertible, non-participating
Unlimited	common shares

Issued common shares

	Number of shares		Amount
Balance at December 31, 2015	105,051,245	\$	13,788,019
Issued October 11, 2016	600,000		30,000
Less: Warrant Valuation			(17,327)
Issued October 11, 2016	2,581,757		90,362
Balance at December 31, 2016 and March 31, 2017	108,233,002		13,891,054

b. Shares Issued

On October 11, 2016, the Corporation completed a private placement of 600,000 units for gross proceeds of \$30,000. Each unit comprises one common share of the Corporation and one common share purchase warrant, each warrant entitling the holder to acquire one common share for \$0.05 until October 11, 2018.

The fair value of warrants issued is estimated on the date of issue using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 0.75%; expected dividend rate – nil%; and expected volatility rate – 204.52%.

Concurrent with the completion of the private placement the Corporation announced that it had completed a shares-for-debt transaction issuing 2,581,757 common shares at \$0.035 per share to settle debt of \$129,088. The settlement price was established as the trading value of the shares at the time of issue; whereas, the minimum price established by the TSX Venture Exchange was \$0.05 per share thereby triggering a gain on the settlement of debt in the amount of \$38,726.

There were no shares issued in the three-month period ended March 31, 2017.

c. Warrants

On October 11, 2016, the Corporation issued 600,000 warrants in connection with the private placement noted above.

All previously issued warrants expired without being exercised.

d. Stock Options

On October 4, 2010, the Corporation adopted the 2010 Option Plan.

The 2010 Option Plan has a "rolling plan" to allow the Corporation to issue options to a maximum of 10% of the issued and outstanding common shares of the Corporation. Options will be exercisable over periods of up to ten years as determined by the Board. Options are required to

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

7. Share Capital and Reserves (continued)

have an exercise price of no less than the closing market price of the Corporation's shares prevailing on the day that the option is granted less a discount of up to 25%. The amount of the discount will vary with the market price in accordance with the policies of the TSXV.

All outstanding options granted under the Original Option Plan will remain outstanding and be governed by the terms of the Original Option Plan. The Original Option Plan allowed the Corporation to issue options to directors, officers and service providers, enabling them to purchase common shares. The Corporation set aside 4,000,000 common shares for the exercise of options granted pursuant to the plan. Each option granted under the plan had a maximum term of five years. The exercise price was determined by the Corporation's Board of Directors at the time the option is granted and was subject to regulatory approval.

Details of options outstanding at March 31, 2017 are:

Grant Date	Expiry Date	Exercise Price \$	Number of Option	Exercisable Options	Weighted Average Remaining Life (Years)
December 31, 2010	December 31, 2020	0.12	1,800,000	1,800,000	3.75
December 31, 2011	December 31, 2021	0.10	600,000	600,000	4.75
September 20, 2012	September 20, 2017	0.10	250,000	250,000	0.47
December 31, 2012	December 31, 2022	0.10	2,770,000	2,770,000	5.75
December 31, 2013	December 31, 2023	0.05	1,490,000	1,490,000	6.75
December 31, 2014	December 31, 2024	0.05	1,600,000	1,600,000	7.75
Options outstanding as at March 31, 2017			8,510,000	8,510,000	4.98

e. Shareholder Rights Plan

On October 4, 2010, the Corporation adopted an amended and restated shareholder rights plan (the "2010 Rights Plan"). The 2010 Rights Plan took effect on November 6, 2010 after the expiration of the shareholder rights plan adopted by the Corporation on July 3, 2007.

The purpose of the 2010 Rights Plan is to provide shareholders and the Board with adequate time to consider and evaluate any unsolicited take-over bid made for the Corporation's common shares, provide the Board with adequate time to identify, develop and negotiate value enhancing alternatives, and encourage the fair treatment of shareholders in connection with any take-over bid made for the Corporation's common shares. The 2010 Rights Plan is intended to prevent any person from acquiring beneficial ownership of more than 20% of the outstanding common shares while the Board's process is ongoing, or from entering into arrangements or relationships that have a similar effect.

The rights will be issued and attached to all issued and outstanding common shares. A separate rights certificate will not be issued until such time as the rights become exercisable. Following an acquisition of the Corporation's shares otherwise prohibited by the 2010 Rights Plan, each right held by a person other than the acquiring person and its affiliates, associates and joint actors would, upon exercise, entitle the holder to purchase common shares from the Corporation with a total market value equal to twice the exercise price of the rights for an amount in cash equal to the

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

7. Share Capital and Reserves (continued)

exercise price. The 2010 Rights Plan provides for permitted bids, which would be open for a minimum period of 60 days from the date the bid is made.

8. Related Party Transactions

Compensation to Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation determined that the key management personnel consist of the President, Chief Financial Officer and the Board of Directors.

The Corporation has a contract for consulting services with AquinTerra Inc. ("AquinTerra"), - a successor to Quaere Strategia Inc. - a company wholly owned by the President of the Corporation. Consulting services include, but are not limited to, accounting consultation, administrative personnel services, administrative management, corporate development, investor relations and exploration services. Fees for these services are \$850 per day (but not to exceed \$225,000 annually) and are subject to annual review. The Corporation also reimburses all reasonable out of pocket expenses incurred.

Trade and other payables includes \$322,428 (December 31, 2016 - \$254,672) due to AquinTerra. The balance is non-interest bearing and payable on demand. Charges by AquinTerra during the three-month period include exploration services of \$2,225 (2016 - \$Nil) and other expenses of including accounting consultation, office space, staffing and administrative overhead of \$15,900 (2016 - \$Nil). Management fees and compensation of investor relations charges includes \$44,225 (2016 - \$Nil) for the three-month period.

Trade and other payables include \$59,075 (2016 - \$6,200) due to a company owned by the Chief Financial Officer. The balance is not-interest bearing and payable on demand. The amount includes accounting consultation, office space, staffing and administrative overhead.

Trade and other payables include \$183,200 (December 31, 2016 - \$183,200) due to directors for unpaid director fees. The balance is non-interest bearing and payable on demand.

On March 28, 2017 AquinTerra advanced a loan to the Corporation for working capital purposes. The loan bears no interest, is unsecured and is due on demand.

The President is entitled to participate in the Corporation's stock option plan (see Note 7(d)).

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

8. Related Party Transactions (continued)

Remuneration of the Board of Directors and the President and their related companies is shown in the table below:

	Contract Payments	Bonus	Value of options vested during period	Directors Fees	Other	Total
March 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
March 31, 2017	\$ 62,350	\$ -	\$ -	\$ -	\$ -	\$ 62,350

9. Financial Instruments

a. Fair Value

The carrying value of cash and investments is measured at fair value as they are classified as FVTPL. Trade and other payables are classified as other financial liabilities, which are measured at amortized cost which approximates fair value due to the short term nature of these financial instruments. Other receivables are classified as loans and receivables, which are measured at amortized cost which approximates fair value due to the short term nature of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash and investments are considered to be level one under the fair value hierarchy.

b. Credit Risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfil its payment obligations. The Corporation's credit risk relates to cash and other receivables. Cash is held with a reputable financial institution and is closely monitored by management. The Corporation's maximum credit exposure is \$22,929 at March 31, 2017 (2016 - \$79,784). Management believes the credit risk with respect to cash and receivables is not significant.

c. Liquidity Risk

Liquidity risk refers to the risk that the Corporation will not be able to meet its financial obligations when they become due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at March 31, 2017, the Corporation had a cash balance of \$16,495 (2016 - \$76,740) to settle current liabilities of \$671,401 (2016 - \$433,542). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms except for related party balances.

The Corporation has no income and relies on equity financing to support its exploration program.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements
For the Three Month Periods Ended March 31, 2016 and 2015
(expressed in Canadian Dollars)

9. Financial Instruments (continued)

Additional financing is required to fund the related operating expenses required to manage the Corporation through the fiscal year of 2016. Management prepares budgets and ensures funds are available prior to commencement of any exploration program.

10. Capital Disclosures

The Corporation's objective when managing capital is to raise sufficient funds to execute its exploration plan. At March 31, 2017, the Corporation's capital consists of a deficiency in the amount of \$20,926,866 (2016 - \$20,506,707).

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Corporation does not have any externally imposed capital requirements. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2016 or 2015.

11. Contingencies and Commitments

The nature of the Corporation's business subjects it to regulatory investigations, claims and lawsuits in the ordinary course of business.

There are no known commitments or contingencies as at March 31, 2017.

12. Subsequent Event

In conjunction with the appointment of a new member to the Board of Directors, the Corporation granted the new director 250,000 options, each option is exercisable into one common share of the Corporation for \$0.05 per share. One third of the options vest immediately with the remaining options vesting equally on the first and second anniversary of the date of grant.