# ARGENTUM SILVER CORP.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**MARCH 31, 2017**

**(UNAUDITED – PREPARED BY MANAGEMENT)**

**NOTICE OF NO AUDITOR REVIEW OF**
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the Company for the quarters ended March 31, 2017 and 2016 and as at March 31, 2017 and June 30, 2016 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

**ARGENTUM SILVER CORP.**
**Condensed Interim Consolidated Statements of Financial Position**
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

| | Note | March 31, 2017 $ | June 30, 2016 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current** | | | |
| Cash | | 801,384 | 4,690 |
| Receivables | 5 | 12,813 | 4,637 |
| **Total assets** | | 814,197 | 9,327 |
| **LIABILITIES** | | | |
| **Current** | | | |
| Accounts payable | 10 | 474,011 | 512,344 |
| Accrued liabilities | 10 | 70,502 | 106,502 |
| Due to related parties | 10 | 110 | 25,561 |
| **Total current liabilities** | | 544,623 | 644,407 |
| **EQUITY (DEFICIT)** | | | |
| Share capital | 7 | 9,439,305 | 8,455,896 |
| Reserves | 7 | 1,197,592 | 1,026,592 |
| Deficit | | (10,367,323) | (10,117,568) |
| **Total equity (deficit)** | | 269,574 | (635,080) |
| **Total liabilities and equity** | | 814,197 | 9,327 |

**On behalf of the board of directors:**

| | | | |
|---|---|---|---|
| *"David Toyoda"* | Director | *"Geoff Balderson"* | Director |
| David Toyoda | | Geoff Balderson | |

**See accompanying notes**

**ARGENTUM SILVER CORP.**
**Condensed Interim Consolidated Statements of Comprehensive Loss**
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

| | Note | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---|---|---|---|---|---|
| | | 2017 $ | 2016 $ | 2017 $ | 2016 $ |
| **Expenses** | | | | | |
| Consulting | | - | 5,000 | 1,014 | 5,000 |
| Exploration and evaluation expenditures | | 15,773 | 13,953 | 66,212 | 36,264 |
| Management fees | 10 | 27,500 | - | 87,500 | - |
| Office and general | | 4,513 | 451 | 13,436 | 2,334 |
| Professional fees | 10 | 9,968 | 1,500 | 38,342 | 29,177 |
| Rent | | 2,485 | - | 7,697 | - |
| Shareholder communication | | - | 120 | 1,579 | 615 |
| Transfer agent and filing fees | | 10,842 | 855 | 26,555 | 12,664 |
| **Loss before other items** | | (71,081) | (21,879) | (242,335) | (86,054) |
| **Other items** | | | | | |
| Interest and bank charges | | (1,047) | (158) | (1,815) | (534) |
| Foreign exchange gain (loss) | | (27,299) | 14,762 | (5,605) | 11,813 |
| **Loss and total comprehensive loss for the period** | | (99,427) | (7,275) | (249,755) | (74,775) |
| **Basic and diluted loss per share** | | (0.00) | (0.00) | (0.01) | (0.01) |
| **Weighted average number of shares outstanding,** basic and diluted | | 28,175,209 | 11,331,675 | 24,014,368 | 9,690,948 |

**See accompanying notes**

**ARGENTUM SILVER CORP.**
**Condensed Interim Consolidated Statements of Cash Flows**
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

| Nine months ended March 31 | Note | 2017<br>$ | 2016<br>$ |
|---|---|---|---|
| **Operating activities** | | | |
| Loss for the period | | (249,755) | (74,775) |
| Changes in non-cash working capital items: | | | |
| Receivables | | (8,177) | (1,975) |
| Accounts payables | | (38,333) | 10,456 |
| Accrued liabilities | | (36,000) | (21,000) |
| Cash used in operating activities | | (332,265) | (87,294) |
| **Financing activities** | | | |
| Shares issued for cash | | 1,233,909 | 92,000 |
| Share issue cost | | (79,500) | - |
| Due to related parties | | (25,451) | 1,411 |
| Cash provided by financing activities | | 1,128,958 | 93,411 |
| **Increase (decrease) in cash** | | 796,693 | 6,117 |
| **Cash, beginning of period** | | 4,690 | 409 |
| **Cash, end of period** | | 801,383 | 6,526 |

| | | | | |
|---|---|---|---|---|
| Non-cash transactions | | | | |
| Share issue costs | $ | 171,000 | $ | - |
| Share capital | | (171,000) | | - |

| | | |
|---|---|---|
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid during the period | | |
| Interest | - | - |
| Income taxes | - | - |

**See accompanying notes**

**ARGENTUM SILVER CORP.**
**Condensed Interim Consolidated Statements of Changes in Equity**
Expressed in Canadian dollars
(Unaudited – Prepared by Management)

| | Notes | Common Stock Issued Shares # | Amount $ | Reserves $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|
| Balance as at June 30, 2015 | | 7,651,675 | 8,363,896 | 1,026,592 | (9,912,254) | (521,766) |
| Private placement at $0.025 | 7 | 3,680,000 | 92,000 | - | - | 92,000 |
| Loss for the period | | - | - | - | (74,775) | (74,775) |
| Balance as at March 31, 2016 | | 11,331,675 | 8,455,896 | 1,026,592 | (9,987,029) | (504,541) |
| Loss for the period | | - | - | - | (130,539) | (130,539) |
| Balance as at June 30, 2016 | | 11,331,675 | 8,455,896 | 1,026,592 | (10,117,568) | (635,080) |
| Private placement at $0.07 | 7 | 15,000,000 | 1,050,000 | - | - | 1,050,000 |
| Share issue cost | 7 | - | (79,500) | - | - | (79,500) |
| Broker warrants | 7 | - | (189,000) | 189,000 | - | - |
| Exercise of warrants at $0.10 | 7 | 1,769,090 | 176,909 | - | - | 176,909 |
| Exercise of Broker warrants at $0.07 | 7 | 100,000 | 7,000 | - | - | 7,000 |
| Transfer of fair value on Broker warrants exercised | | - | 18,000 | (18,000) | - | - |
| Loss for the period | | - | - | - | (249,755) | (249,755) |
| Balance as at March 31, 2017 | | 28,200,765 | 9,439,305 | 1,197,592 | (10,367,323) | 269,574 |

**See accompanying notes**

## 1. Corporate Information

Argentum Silver Corp. ("Argentum") was incorporated as Silex Ventures Ltd. under the Business Corporations Act (*British Columbia*) on March 21, 2007. Argentum and its subsidiaries (collectively, the "Company") engage in the acquisition, exploration and development of mineral properties. The Company is in the exploration stage and has not yet determined whether any of its properties contain economically recoverable ore reserves.

The Company's head office and principal place of business is Suite 1000 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

## 2. Basis of Presentation

a) Statement of compliance

These condensed interim consolidated financial statements for the nine-month period ended March 31, 2017 have been prepared in accordance with *IAS 34 - Interim Financial Reporting* and should be read in conjunction with the Company's June 30, 2016 audited annual financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's June 30, 2016 audited annual financial.

The Company's board of directors approved the release of these condensed interim consolidated financial statements on May 8, 2017.

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on an historical cost basis. The condensed interim consolidated financial statements are presented in Canadian dollars.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

c) Going concern

The Company has not generated revenue from operations and incurred a loss of $249,755 during the period ended March 31, 2017 and, as of that date, the Company's deficit was $10,367,323. As the Company is in the exploration stage, the recoverability of costs incurred on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

## 3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at June 30, 2016. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2016.

Accounting Standards and Amendments adopted

Effective July 1, 2016 the Company adopted amendments to IAS 1 Presentation of Financial statements.

Accounting Standards and Amendments Issued But Not Yet Effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these condensed interim consolidated financial statements. The Company is currently evaluating the potential impacts of these new standards.

IFRS 9, *Financial Instruments* (effective January 1, 2018) introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.

IFRS 15 *Revenue from Contracts with Customers* provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

On January 13, 2016, the IASB issued IFRS 16 *Leases* which requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. This standard is effective for reporting periods beginning on or after January 1, 2019.

There are no other IFRSs that are not yet effective that are expected to have a material impact on the Company.

Expressed in Canadian dollars

## 4. Critical Accounting Estimates and Judgments

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements is included in the following notes:

**Title to mineral property interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**Going concern**

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 2.

## 5. Receivables

| | March 31, 2017 $ | June 30 2016 $ |
|---|---|---|
| Receivables sales taxes | 12,813 | 4,637 |
| | 12,813 | 4,637 |

## 6. Exploration and Evaluation Expenditures

*Soltoro Option*

In April 2011, the Company signed an option agreement with Soltoro Ltd. ("Soltoro") which was later approved by the TSX-V. Under the option agreement, Soltoro granted the Company the right to earn a 100% undivided interest in Soltoro's Mexican Victoria and Coyote silver-gold projects (the "Jalisco Properties") in exchange for cash payments of $255,000 (including a $35,000 due diligence payment), issuing Soltoro an aggregate of 500,000 (5,000,000 pre-consolidated) common shares of the Company and spending a total of $1,100,000 on exploration on the Jalisco Properties over two years. The option agreement provided the Company the right to accelerate exercise of the option by making all cash and share payments to Soltoro and by spending a total of $750,000 in exploration on the Jalisco Properties before July 28, 2012.

Expressed in Canadian dollars

## 6. Exploration and Evaluation Expenditures (continued)

The Company is also obliged to make advance royalty payments originally contracted by Soltoro to various landowners in connection with the Jalisco Properties. These payments totaled US$65,000 in 2011, US$100,000 in 2012, US$25,000 in 2013 and between US$25,000 and US$30,000 from fiscal 2014 until 2017. Soltoro retains a 3% net smelter return ("NSR") in each project, which the Company has the right to purchase 1% of each NSR for US$1.5 million to a maximum of 2% for each project. In connection with closing the Soltoro option, the Company paid finder's fees of $120,250 in cash in accordance with TSX-V policies.

In July 2012, the Company fulfilled all of the option agreement requirements and elected to accelerate the exercise of the Soltoro option and acquired a 100% undivided interest in the Jalisco Properties. Under the terms of the option, the Company did not have to pay additional shares or cash to Soltoro but is now responsible for the continuing advanced royalty payments and NSRs disclosed above.

The Company intends to explore and develop the Coyote and Victoria properties, but does not currently have funds to do so.

The following is an analysis of the exploration and evaluation expenditures incurred during the nine months ended March 31, 2017.

| | Coyote<br>$ | Victoria<br>$ | Lachiguiri<br>$ | Silacayoapan<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| Exploration expenditures | | | | | |
| Property payment | 1,284 | - | - | - | 1,284 |
| Claims and maintenance | 10,360 | 39,301 | - | - | 49,661 |
| Geological | 15,267 | - | - | - | 15,267 |
| Total | 26,911 | 39,301 | - | - | 66,212 |

The following is an analysis of the exploration and evaluation expenditures incurred during the Nine months ended March 31, 2016.

| | Coyote<br>$ | Victoria<br>$ | Lachiguiri<br>$ | Silacayoapan<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| Exploration expenditure | | | | | |
| Property payment | 4,064 | | | | 4,064 |
| Claims and maintenance | 31,400 | - | - | - | 31,400 |
| Geological | 800 | - | - | - | 800 |
| Total | 36,264 | - | - | - | 36,264 |

## 7. Share Capital

### Authorized

Unlimited common shares without par value

### Issued

During the nine months ended March 31, 2017 the Company issued the following:

On September 2, 2016 the Company issued 15,000,000 units at a price of $0.07 per unit for total gross proceeds of $1,050,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one additional common share for a period of three years at an exercise price of $0.11 per common share until September 2, 2019. The Company paid finders' fees totaling $73,500 and issued 1,050,000 broker warrants. Each broker warrant is exercisable into one common share of the Company at a price of $0.07 per broker warrant share until September 2, 2019. The broker warrants were valued at $189,000 using the Black-Scholes Model with the following assumptions: risk free interest rate of 0.51%; expected life of 2 years; expected dividends of Nil and expected annual volatility of 178.4%. The Company also incurred other share issue cost of $6,000.

During the year ended June 30, 2016 the Company issued the following:

On October 23, 2015, the Company issued 2,680,000 units at $0.025 per unit for gross proceeds of $67,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company for $0.10 per share until October 23, 2020.

On November 20, 2015, the Company issued 1,000,000 units at $0.025 per unit for gross proceeds of $25,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company for $0.10 per share until November 20, 2020.

### Reserves

Reserves comprise the cost of shares cancelled for no consideration and the fair value of stock option grants and broker warrants prior to exercise.

### Share-Based Payments

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, consultants and employees of the Company. The number of options granted under the Plan is limited to 10% in the aggregate of the number of issued and outstanding common shares of the Company at the date of the grant of the options. The exercise price of options granted under the Plan may not be less than the closing price of the Company's common shares on the TSX-V on the trading day immediately before the date the options are granted, less the discount permitted under the TSX-V's policies, subject to a minimum exercise price of $0.10. Options granted under the Plan have a maximum life of five years and vest according to conditions set by the Company's board of directors at the time the options are granted.

Expressed in Canadian dollars

## 7. Share Capital (continued)

A summary of stock option activity is as follows:

| | Number of Options | Weighted Average Exercise Price $ |
|---|---|---|
| June 30, 2015 and 2016 | 35,000 | 2.05 |
| Expired | (3,240) | 2.50 |
| March 31, 2017 | 31,760 | 2.00 |

A summary of the Company's outstanding and exercisable stock options at March 31, 2017 is presented below:

| | Outstanding Options | | | Exercisable Options | |
|---|---|---|---|---|---|
| Exercise Price | Number | Weighted Average Remaining Life | Weighted Average Exercise Price | Number | Weighted Average Exercise Price |
| $2.00 | 31,760 | 0.45 years | $ 2.00 | 31,760 | $ 2.00 |
| | 31,760 | 0.45 years | $ 2.00 | 31,760 | $ 2.00 |

There were no stock options granted nine months ended March 31, 2017 and 2016.

**Share Purchase Warrants**

A summary of share purchase warrants activity is as follows:

| | Number of Warrants | Weighted Average Exercise Price $ |
|---|---|---|
| June 30, 2015 | 2,280,908 | 0.10 |
| Issued | 3,680,000 | 0.10 |
| June 30, 2016 | 5,960,908 | 0.10 |
| Issued | 15,000,000 | 0.11 |
| Expired | (511,818) | 0.10 |
| Exercised | (1,769,090) | 0.10 |
| March 31, 2017 | 18,680,000 | 0.11 |

Expressed in Canadian dollars

## 7. Share Capital (continued)

### Share Purchase Warrants (continued)

As at March 31, 2017, the following share purchase warrants are outstanding:

| Number of Warrants | Exercise Price $ | Expiry Date |
|---|---|---|
| 2,680,000 | 0.10 | October 23, 2020 |
| 1,000,000 | 0.10 | November 20, 2020 |
| 15,000,000 | 0.11 | September 2, 2019 |
| 18,680,000 | | |

### Broker Warrants

| | Number of Broker Warrants | Weighted Average Exercise Price $ |
|---|---|---|
| June 30, 2016 | - | - |
| Issued | 1,050,000 | 0.07 |
| Exercised | (100,000) | 0.07 |
| March 31, 2017 | 950,000 | 0.07 |

The weighted average remaining life on the 1,050,000 broker warrants is 2.42 years.

As at March 31, 2017, the Company has 950,000 broker warrants outstanding exercisable at $0.07 per share expiring on September 2, 2019.

## 8. Capital Management

The Company considers its management of capital to include all components of debt and shareholders' equity. Its objectives are to ensure that the Company continues to operate as a going concern in order to pursue the development of its mineral properties, to sustain future development and growth as well as to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Company, with approval from its board of directors, makes changes to its capital structure as it deems appropriate under specific circumstances. The Company is not subject to any externally imposed capital requirements and did not make any changes in capital management compared to the prior year.

## 9. Financial Instruments – Risk Management

*Fair value of financial instruments*

The Company's financial instruments include cash, accounts payable, accrued liabilities and due to related parties. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

*Fair Value Hierarchy*

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any financial instruments subject to Level 1, 2 or 3 fair value measurements.

*Credit Risk*

The Company is exposed to credit risk with respect to amounts receivable if a creditor fails to meet its contractual obligations. The Company undertakes credit evaluations on debtors as necessary and has monitoring processes intended to mitigate credit risks and maintain appropriate provisions for potential credit losses.

The Company is exposed to credit risk with respect to cash and amounts receivable. The Company's cash is maintained with financial institutions of reputable credit. The Company considers this risk to be minimal. The Company fully impairs the carrying value of Mexican value-added taxes until received. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

*Liquidity Risk*

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. The Company's growth strategy requires additional cash that the Company expects to raise from the issuance of equity. As at March 31, 2017, the Company was holding cash of $801,384 (June 30, 2016 - $4,690). The Company expects that it has sufficient cash to meet its obligations for at least 12 months from the end of the reporting period. The Company plans to undertake further share capital or debt financings but there can be no guarantee that management's efforts to raise additional funds will be successful (see Note 2).

*Interest Rate Risk*

The Company is not exposed to significant interest rate risks arising from financial instruments.

## 9. Financial Instruments – Risk Management (continued)

*Commodity Price Risk*

The Company is exposed to price risk with respect to commodity prices of precious minerals. The Company expects the risk exposure to fluctuating market prices and trends will have a significant impact on its ability to secure financing.

*Currency Risk*

The Company is exposed to foreign exchange risk as its financial statements are expressed in Canadian dollars and it finances its operations in Canadian dollars but undertakes a large proportion of its operations in Mexican pesos and United States dollars. The Company does not engage in any form of derivative or hedging instruments.

The Company's Canadian dollar-equivalent holdings of balances denominated in foreign currencies were: A 10% appreciation or depreciation of the Canadian dollar against the Mexican Pesos would increase/decrease profit or loss by $33,900.

| March 31, 2017 | United States Dollars | Mexican Pesos |
|---|---|---|
| Cash | 3,835 | 4,072 |
| Accounts payable | - | 343,308 |

| June 30, 2016 | United States Dollars | Mexican Pesos |
|---|---|---|
| Cash | - | 4,046 |
| Accounts payable | - | 276,349 |

## 10. Related Party Transactions

The Company entered into transactions with related parties not disclosed elsewhere in these condensed interim consolidated financial statements as follows:

| Nine months ended March 31, | 2017<br>$ | 2016<br>$ |
|---|---|---|
| Key management personnel compensation | | |
| Consulting fees | | |
| Stephen Gatensbury, a director of the Company | - | 5,000 |
| Management fees | | |
| Carrie Cesarone, CFO | 42,500 | - |
| Geoff Balderson, CEO and a director of the Company | 45,000 | - |
| Professional fees | | |
| Boughton Law Corp, a law firm in which David Toyoda, a director of the Company, is an associate counsel | 10,174 | 4,227 |
| | 97,674 | 9,227 |

The Company considers its President, Chief Executive Officer and Chief Financial Officer and its directors to be key management.

## 10. Related Party Transactions (continued)

Accounts payables and accrued liabilities at March 31, 2017 included $61,675 due to related parties (June 30, 2016 - $145,617).

As at March 31, 2017, the Company owed $110 (June 30, 2016 - $25,561) to a company with a common director and a director of the Company. These loans were provided to the Company as working capital. The amounts owed are unsecured, non-interest bearing and due on demand.

## 11. Segment Information

The Company operates in Canada and Mexico, with operations in the mineral resource sector. The Company's revenues and non-current assets are allocated to each country. As at March 31, 2017 there are no revenues and non-current assets to report.