

CANADIAN INTERNATIONAL MINERALS INC.
CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended December 31, 2017

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

Canadian International Minerals Inc.

**Unaudited Condensed Interim Financial Statements
For the nine months ended December 31, 2017**

Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for review of condensed interim financial statements by an entity's auditor.

CANADIAN INTERNATIONAL MINERALS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and March 31, 2017
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	December 31, 2017	March 31, 2017
ASSETS		
Current		
Cash	\$ 511,472	\$ 2,320
Amount receivable	7,347	3,623
Prepaid expenses and deposit	74,667	2,165
	593,486	8,108
Exploration and evaluation assets (Note 6)	219,867	219,867
Equipment (Note 7)	614	759
	\$ 813,967	\$ 228,734
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 306,451	\$ 198,398
Loans payable (Note 8)	36,400	-
	342,851	198,398
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 9)	11,272,116	10,809,272
Share subscriptions (Note 9)	42,400	5,000
Reserves (Note 9)	2,813,483	2,778,812
Deficit	(13,656,883)	(13,562,748)
	471,116	30,336
	\$ 813,967	\$ 228,734

Nature and continuance of operations (Note 1)
Commitments (Notes 6, 8 and 9)
Subsequent events (Note 13)

APPROVED ON BEHALF OF THE BOARD:

<u>"Michael Schuss"</u>	Director	<u>"Geoff Balderson"</u>	Director
Michael Schuss		Geoff Balderson	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANADIAN INTERNATIONAL MINERALS INC.**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

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

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended December 31,		Nine months ended December 31,	
	2017	2016	2017	2016
Administrative expenses				
Bank charges	\$ 34	\$ 295	\$ 114	\$ 570
Consulting fees (Note 10)	49,000	3,500	53,500	16,643
Depreciation	48	66	144	198
Management and director fees (Note 10)	-	22,500	6,700	67,500
Office and general	1,666	1,287	2,858	27,258
Pre-exploration costs	-	5,117	2,000	65,972
Professional fees (Note 10)	3,230	9,990	10,330	40,612
Shareholder communications	89	2,369	3,950	6,655
Share-based payments (Note 9)	-	-	-	29,900
Transfer agent and filing fees	11,525	5,840	15,909	13,767
Write-off of exploration and evaluation assets	-	-	-	13,485
	(65,592)	(50,964)	(95,505)	(282,560)
Other item:				
Gain on settlement of debt	-	-	1,370	-
Net loss and comprehensive loss for the period	\$ (65,592)	\$ (50,964)	\$ (94,135)	\$ (282,560)
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.12)
Weighted average number of common shares outstanding	2,818,987	2,328,827	2,758,435	2,328,827

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANADIAN INTERNATIONAL MINERALS INC.**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT**

For the nine months ended December 31, 2017 and 2016

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Capital Stock	Share Subscriptions	Reserves	Deficit	Total Shareholders' Equity
Balance, March 31, 2016	2,233,670	\$ 10,587,272	\$ 28,875	\$ 2,220,716	\$ (13,238,733)	\$ (17,986)
Share issuances						
Private placement	80,000	16,100	(28,875)	39,900	-	27,125
Private placement	205,000	104,000	-	101,000	-	205,000
Private placement	81,000	20,586	-	19,914	-	40,500
Finder's fees	-	(1,138)	-	-	-	(1,138)
Exercise of warrants	33,450	33,450	-	-	-	33,450
Stock-based payments	-	-	-	29,900	-	29,900
Comprehensive loss for the period	-	-	-	-	(282,560)	(282,560)
Balance, December 31, 2016	2,633,120	\$ 10,760,270	\$ -	\$ 2,411,430	\$ (13,521,293)	\$ 34,291
Balance, March 31, 2017	2,698,117	\$ 10,809,272	\$ 5,000	\$ 2,778,812	\$ (13,562,748)	\$ 30,336
Subscriptions received	-		64,400	-	-	64,400
Share issuances						
Private placement	67,500	14,438	(27,000)	12,562	-	-
Private placement	2,455,000	491,000	-	-	-	491,000
Share issue cost	-	(20,485)	-	-	-	(20,485)
Agent's warrants	-	(22,109)	-	22,109	-	-
Comprehensive loss for the period	-	-	-	-	(94,135)	(94,135)
Balance, December 31, 2017	5,220,617	\$ 11,272,116	\$ 42,400	\$ 2,813,483	\$ (13,656,883)	\$ 471,116

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANADIAN INTERNATIONAL MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Nine months ended December 31,	
	2017	2016
Operating Activities		
Net loss for the period	\$ (94,135)	\$ (282,560)
Items not affecting cash:		
Depreciation	145	198
Gain on settlement of accounts payable	(1,370)	-
Share-based payments	-	29,900
Write-off of exploration and evaluation assets	-	13,485
	(95,360)	(238,977)
Changes in non-cash working capital items related to operations:		
Amount receivables	(3,724)	9,175
Prepaid expenses and deposit	(2,502)	-
Accounts payable and accrued liabilities	39,423	(108,969)
Cash used in operating activities	(62,163)	(338,771)
Financing Activities		
Shares issued for cash	518,000	334,950
Share issue costs	(20,485)	(1,138)
Share subscriptions	37,400	(28,875)
Loans payable	36,400	-
Cash provided by Financing Activities	571,315	304,937
Investing Activities		
Exploration and evaluation assets	-	(14,569)
Recovery of exploration costs	-	40,000
Cash (used in) provided by Investing Activities	-	25,431
Increase (decrease) in cash during the period	509,152	(8,403)
Cash, beginning of period	2,320	17,449
Cash, end of the period	\$ 511,472	\$ 9,046
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CANADIAN INTERNATIONAL MINERALS INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
December 31, 2017
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

1. CORPORATE INFORMATION

The Company was incorporated on March 2, 2006 in British Columbia. The head office, principal address and records office of the Company are located at 750 - 1095 W Pender Street, Vancouver, British Columbia, Canada, V6E 2M6. The Company's registered address is at the same address.

The Company is in the process of acquiring and exploring its resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX V") under the symbol "CIN".

2. BASIS OF PREPARATION

(a) Statement of Compliance

This condensed interim financial information for the nine months ended December 31, 2017 have been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended March 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on February 28, 2018.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 in the audited financial statements for the year ended March 31, 2017. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Going Concern

The Company incurred a loss of \$94,135 for the nine months ended December 31, 2017, and has an accumulated deficit of \$13,656,883 and working capital of \$250,635 at December 31, 2017 (March 31, 2017: deficit of \$13,562,748 and working capital deficiency of \$190,290). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

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 financial statements as March 31, 2017. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2017.

Flow-through Shares

The Company will, from time to time, issue flow-through shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, it is bifurcated into equity (share) and liability (flow-through) components on the issue date. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

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

Exploration and Evaluation Expenditure and Impairment

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

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.

Key sources of estimation uncertainty:

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Valuation of equity units issued in private placements

The Company has adopted a pro rata method with respect to the measurement of shares and warrants issued as private placement units. The pro rata method required each component to be valued at fair value and an allocation of the total proceeds received based on the pro rata relative values of the components. The fair value of the common shares is based on the closing quoted bid price on the announcement date and the fair value of the common share purchase warrants is determined at the announcement date using the Black-Scholes pricing model. The fair value attributed to the warrants is recorded in equity reserves. The assumptions and models used for estimating fair value attributed to the warrants are disclosed in Note 9.

5. SEGMENTED INFORMATION

The Company currently operates in one industry segment, being mineral exploration and in one geographic area, being Canada.

6. EXPLORATION AND EVALUATION ASSETS

(a) Lac Manitou

The Company acquired a 100% interest in the Lac Manitou property for \$3,000 cash and 125,000 (2,500,000 pre-consolidated) common shares. The claims are subject to a 2% NSR, of which 1% can be bought back at any time for \$750,000. The fair value of the shares issued was \$100,000. Additional staking was done at a cost of \$8,500. Clean Commodities Corp. ("CLE") announced that it had entered into an agreement with the Company in which CLE will acquire a 50% interest in the Lac Manitou project.

(b) Leduc Lithium

The Company applied and has received seven Metallic and Industrial Minerals ("MAIM") permits in northern Alberta, known collectively as the Leduc Property ("Leduc"). The Leduc applications cover portions of saline formation water aquifers containing concentrations of lithium (Li), potassium (K), boron (B), bromine (Br), calcium (Ca), magnesium (Mg), and sodium (Na). These aquifers are spatially associated with oil and gas fields which are host to a number of producing, suspended, and abandoned wells.

The Company has no exploration plans for the property in the near future and has written off costs of \$13,485 in accordance with IFRS 6 in the year ended March 31, 2017.

For the nine months ended December 31, 2017	Lac Manitou	Leduc	Total
Balance, beginning of period	\$ 219,867	\$ -	\$ 219,867
Acquisition costs			
Cash	-	-	-
Shares	-	-	-
	-	-	-
Deferred exploration expenditures			
Exploration	-	-	-
		-	-
Total	219,867	-	219,867
Recoveries	-	-	-
Write-offs	-	-	-
Balance, end of period	\$ 219,867	-	\$ 219,867

6. EXPLORATION AND EVALUATION ASSETS (continued)

For the year ended March 31, 2017	Lac Maintou	Leduc	Total
Balance, beginning of period	\$ 219,867	\$ 43,678	\$ 263,545
Acquisition costs			
Cash	-	-	-
Shares	-	-	-
	-	-	-
Deferred exploration expenditures			
Exploration	-	29,807	29,807
	-	29,807	29,807
Total	219,867	73,485	293,352
Recoveries	-	(60,000)	(60,000)
Write-offs	-	(13,485)	(13,485)
Balance, end of period	\$ 219,867	\$ -	\$ 219,867

7. EQUIPMENT

	Office equipment	Computer equipment	Total
Cost			
Balance at March 31, 2016	\$ 2,267	\$ 8,501	\$ 10,768
Additions			
Balance at March 31, 2017 and December 31, 2017	\$ 2,267	\$ 8,501	\$ 10,768
Amortization and impairment			
Balance at March 31, 2016	\$ 1,839	\$ 7,906	\$ 9,745
Amortization	86	178	264
Balance at March 31, 2017	1,925	8,084	10,009
Amortization	51	94	145
Balance at December 31, 2017	1,976	8,178	10,154
Carrying amount			
At March 31, 2017	\$ 342	\$ 417	\$ 759
At December 31, 2017	\$ 291	\$ 323	\$ 614

8. LOANS PAYABLE

The loans payable are non-interest bearing, unsecured and due on demand.

9. SHARE CAPITAL

(a) Authorized

Unlimited common shares with no par value.

On October 26, 2017, the shareholders of the Company approved a common share consolidation on the basis of twenty pre-consolidation common shares for one post-consolidation common share of the Company. The consolidation was made effective on November 15, 2017. All references to the number of shares and per share amounts have been retroactively restated as if the consolidation had occurred April 1, 2016.

For the nine months ended December 31, 2017

In July 11, 2017 the Company completed a private placement consisting of 67,500 (1,350,000 pre-consolidated) units at a price of \$0.40 (\$0.02 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 (\$0.05 pre-consolidated) until July 12, 2020. The fair value of the warrants was \$12,562 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.02, risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 198.79% and expected life of three years.

In December 29, 2017, the Company completed a flow-through private placement consisting of 2,455,000 common shares at a price of \$0.20 per share for total proceeds of \$491,000. The Company paid a cash finder's fee of \$19,600 and issued 98,000 finder's fee warrants. Each finder's fee warrants entitle the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of two years expiring on December 28, 2019. The Company fair valued the finder's fee warrants at \$22,109. The fair value has been estimated using the Black-Scholes Option Pricing Model with the following assumptions: share price \$0.28, risk-free interest rate of 1.66%, dividend yield of 0%, volatility of 177.81% and expected life of two years. There was no flow-through premium on this private placement.

For the year ended March 31, 2017

In March 2017 the Company completed a private placement consisting of 65,000 (1,300,000 pre-consolidated) units at a price of \$0.50 (\$0.025 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 (\$0.05 pre-consolidated) until March 6, 2020. The fair value of the warrants was \$14,000 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.60 (\$0.03 pre-consolidated), risk-free interest rate of 0.99%, dividend yield of 0%, volatility of 201% and expected life of three years.

9. SHARE CAPITAL (continued)

(a) Authorized (continued)

For the year ended March 31, 2017 (continued)

In December 2016 the Company completed a private placement consisting of 81,000 (1,620,000 pre-consolidated) units at a price of \$0.50 (\$0.025 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 (\$0.05 pre-consolidated) until December 19, 2018. The fair value of the warrants was \$19,914 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.60 (\$0.03 pre-consolidated), risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 316% and expected life of two years.

In July 2016 the Company completed a private placement consisting of 205,000 (4,100,000 pre-consolidated) units at a price of \$1.00 (\$0.05 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 (\$0.05 pre-consolidated) until July 25, 2018. The fair value of the warrants was \$101,000 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$0.80 (\$0.04 pre-consolidated), risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 315% and expected life of two years.

In April 2016 the Company completed a private placement consisting of 80,000 (1,600,000 pre-consolidated) units at a price of \$0.70 (\$0.035 pre-consolidated) per unit. Each unit consists of one common share and one share purchase warrant exercisable into one common share at \$1.00 (\$0.05 pre-consolidated) until April 20, 2017 and at \$1.40 (\$0.07 pre-consolidated) until April 20, 2018. The fair value of the warrants was \$25,900 which was included in equity reserves. The fair value has been estimated as of the announcement date using the Black-Scholes Option Pricing Model with the following assumptions: share price on announcement date of \$1.00 (\$0.05 pre-consolidated), risk-free interest rate of 1.00%, dividend yield of 0%, volatility of 222% and expected life of two years. The Company incurred finder's fees of \$1,138.

A total of 33,450 (669,000 pre-consolidated) warrants were exercised at \$1.00 (\$0.05 pre-consolidated) each for total proceeds of \$33,450.

(b) Stock options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 20% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis.

9. SHARE CAPITAL (continued)

(b) Stock options (continued)

- (i) The changes in stock options were as follows:

	December 31, 2017	Weighted Average Exercise Price	March 31, 2017	Weighted Average Exercise Price
Balance, beginning of period	210,000	\$1.00	193,750	\$2.40
Granted	-	-	30,000	\$1.00
Expired	-	-	(13,750)	\$20.00
Balance, end of period	210,000	\$1.00	210,000	\$20.00

During the year ended March 31, 2017, the Company granted a total of 600,000 options to employees, consultants, directors and officers, using the fair value method for share-based payments, a total expense of \$29,900 was recorded in the statements of comprehensive loss for the year ended March 31, 2017.

The current amount was determined using the Black Scholes Option Pricing Model assuming no dividends are to be paid, with a weighted average expected stock option life of 3 years, a weighted average annual volatility of the Company's share price of 387% and an average annual risk-free interest rate of 1.00%.

- (ii) The following table summarizes information about stock options outstanding at December 31, 2017:

Exercise price	Number outstanding	Number exercisable	Weighted average remaining contractual life (years)
\$ 1.00	210,000	210,000	2.2
\$ 1.00	210,000	210,000	2.2

(c) Warrants

- (i) The changes in warrants were as follows:

	December 31, 2017	Weighted Average Exercise Price	March 31, 2017	Weighted Average Exercise Price
Balance, beginning of period	1,566,958	\$1.40	1,384,716	\$1.80
Granted	67,500	\$1.00	431,000	\$1.00
Exercised	-	-	(33,450)	\$1.00
Expired	(62,500)	\$1.00	(215,308)	\$3.40
Balance, end of period	1,571,958	\$1.19	210,000	\$1.40

9. SHARE CAPITAL (continued)

(c) Warrants (continued)

(ii) The following table summarizes information about warrants outstanding at December 31, 2017

Number outstanding	Exercise price	Expiry date
80,000	\$1.40	April 20, 2018
100,375	\$1.40	January 13, 2018
63,050	\$1.00	May 7, 2018
120,000	\$1.60	May 8, 2018
5,000	\$2.40	May 8, 2018
205,000	\$1.00	July 25, 2018
160,033	\$1.00	November 18, 2018
81,000	\$1.00/\$1.40	December 16, 2018
74,205	\$2.00	March 6, 2019
375,795	\$1.40	March 6, 2019
175,000	\$1.40	March 6, 2019
65,000	\$1.00	March 6, 2019
67,500	\$1.00	July 12, 2020
1,571,958		

On January 13, 2018, 100,375 share purchase warrants expired unexercised.

(d) Agent's Warrants

(i) The changes in agent's warrants were as follows:

	December 31, 2017	Weighted Average Exercise Price	March 31, 2017	Weighted Average Exercise Price
Balance, beginning of period	-	\$-	-	\$-
Issued	98,000	\$0.25	-	\$-
Exercised	-	\$-	-	\$-
Balance, end of period	98,000	\$0.25	-	\$-

As at December 31, 2017, the Company had 98,000 Agent's warrants outstanding exercisable at \$0.25 per share expiring on December 28, 2019.

10. RELATED PARTY TRANSACTIONS AND BALANCES

The following expenses were incurred with key management personnel of the Company and companies controlled by key management personnel. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain current and former directors and officers. Key management compensation comprises:

For the nine months ended December 31,	2017	2016
Consulting fees	\$ 9,000	\$ -
Management fees	6,700	67,500
Professional fees	4,500	33,000
Exploration costs	-	19,500
	<u>\$ 20,200</u>	<u>\$ 120,000</u>

As at December 31, 2017 accounts payable and accrued liabilities included \$42,313 (March 31, 2017 - \$51,438) owing to a former officer and a director of the Company. The amounts due are non-interest bearing, unsecured and with no stated terms of repayment.

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year.

12. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in the note.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at December 31, 2017, the Company had a cash balance of \$511,472 and GST receivable of \$7,347 to settle current liabilities of \$342,851. The Company will require financing from lenders, shareholders or other investors to generate sufficient capital to meet its short-term business requirements.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to maturity, available-for-sale, loans and receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company's has no interest-bearing debt. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Interest rate risk

The Company is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Financial instruments that potentially expose the Company to credit risk is cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities and loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

12. FINANCIAL INSTRUMENTS AND RISKS (continued)

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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 following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

At December 31, 2017	Level 1	Level 2	Level 3	Total
Cash	\$511,472	\$ -	\$ -	\$511,472
At March 31, 2017	Level 1	Level 2	Level 3	Total
Cash	\$ 2,320	\$ -	\$ -	\$ 2,320

13. SUBSEQUENT EVENTS

On January 10, 2018, the Company closed a non-brokered private placement of 4,000,000 units at a price of \$0.16 per unit for total proceeds of \$640,000 of which the Company \$42,400 are included in share subscriptions as at December 31, 2017. Each unit comprised of one common share and on-half of one transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for two years from closing. The Company paid a cash finder's fee of \$39,680 and issued 248,000 finder's fee warrants. Each finder's fee warrant entitles the holder to purchase one common share of the Company at a price of \$0.25 per share for a period of two years expiring on January 9, 2020.

On January 10, 2018, the Company announced that it has granted stock options to directors, officers, employees and consultants of the Company to purchase up to 712,000 common shares at \$0.20 per share expiring five years from the date of grant.