

IEMR RESOURCES INC.

(An Exploration Stage Company)

INTERIM FINANCIAL STATEMENTS

Six Months Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements of the Company for the six months ended April 31, 2017 have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditors have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

IEMR RESOURCES INC.
(An Exploration Stage Corporation)
Interim Consolidated Statements of Financial Position

	April 30, 2017	October 31, 2016
	\$	\$
ASSETS		
Current		
Cash	1,350,670	168,308
Marketable securities	522,910	662,435
Prepaid expenses	1,139	146
Sales tax receivable	1,438	5,828
Total Current Assets	1,876,157	836,717
Non-current Assets		
Exploration and evaluation assets	2,066,722	2,066,722
Total Assets	3,942,879	2,903,439
LIABILITIES		
Current		
Accounts payable and accrued liabilities	34,385	34,384
Total Liabilities	34,385	34,384
EQUITY		
Share capital	7,169,568	7,169,568
Reserves	713,867	713,867
Deficit	(3,974,941)	(5,014,380)
Total Equity	3,908,494	2,869,055
Total Liabilities and Equity	3,942,879	2,903,439

These financial statements are authorized for issue by the Board of Directors on February 20, 2017

They are signed on the Company's behalf by:

Signed "Charles Yuen"

"Charles Yuen"

Director

(The accompanying notes are an integral part of these consolidated financial statements)

IEMR RESOURCES INC.
(An Exploration Stage Corporation)
Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

	Three Months Ended April 30, 2017	Three Months Ended April 30, 2016	Six Months Ended April 30, 2017	Six Months Ended April 30, 2016
	\$	\$	\$	\$
EXPENSES				
Accounting and audit fees	2,850	2,850	7,800	10,650
Office and miscellaneous expenses	911	-	1,226	-
Professional fees	574	936	9,064	1,028
Rent	597	6,758	1,194	11,371
Transfer agent and filing fees	6,747	597	7,649	1,194
	(11,678)	-	(26,933)	
OTHER ITEMS		2,380		5,348
Interest expense on convertible notes and promissory notes	-	(13,521)	-	(29,591)
Interest income	118			
Gain on sale of marketable securities	-		717,876	
Unrealized gain on marketable securities	-	(21,488)	354,410	(43,605)
Foreign exchange loss	-	-	-	-
	118	(21,488)	1,072,286	(43,605)
Net Income (Loss) Before Tax				
Income tax recovery	-	-	-	-
NET INCOME & COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(11,560)	(35,009)	1,045,354	(73,196)
BASIC AND DILUTED LOSS PER SHARE	0.01	0.00	0.01	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING				
-Basic and Diluted	94,807,141	27,807,141	94,807,141	27,807,141

(The accompanying notes are an integral part of these consolidated financial statements)

IEMR RESOURCES INC.
(An Exploration Stage Corporation)
Interim Consolidated Statement of Shareholders' Equity

	Number of Shares	Amount	Reserve	Deficit	Total
Balance, October 31, 2015	27,807,141	3,824,568	713,867	(4,423,100)	114,585
Common shares issued for service provided	100,000.00	750	-	-	750
Net loss and comprehensive loss for the period	-	-	-	(73,196)	(73,196)
Balance, April 30, 2016	27,907,141	3,824,568	713,867	(4,496,296)	42,139
Balance, October 31, 2016	94,807,141	7,169,568	713,867	(5,014,380)	2,869,055
Common shares issued for service provided	-	-	-	-	-
Net income and comprehensive loss for the period	-	-	-	1,044,439	1,044,439
Balance, April 30, 2017	94,807,141	7,169,568	713,867	(3,969,941)	3,913,494

(The accompanying notes are an integral part of these consolidated financial statements)

IEMR RESOURCES INC.
(An Exploration Stage Corporation)
Interim Consolidated Statements of Cash Flows

	Six Months Ended April 30, 2017	Six Months Ended April 30, 2016
	\$	\$
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net income (loss) for the year	1,039,439	(73,195)
Adjustment for items not involving cash:		
Share insurance for service	-	(0)
Interest expenses on convertible notes and promissory notes	(40,490)	3,115
Foreign exchange loss	-	-
Foreign exchange loss on convertible notes and promissory notes	40,490	40,490
Foreign exchange gain on property assets	(1)	(2)
Deferred income tax recovery	-	-
Changes in non-cash working capital items		
Sales tax receivables	4,390	2,399
Prepaid expenses	(993)	-
Accounts payable and accrued liabilities	-	-
Due to related parties	0	(5,635)
Net Cash Flows Used in Operating Activities	1,042,836	(32,828)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	139,525	-
Acquisition and exploration of mineral property	-	-
Net Cash Flows Used in Investing Activities	139,525	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to related parties	1	44,872
Issuance promissory note payable	-	-
Proceeds from issuance of promissory note	-	-
Net Cash Flows from Financing Activities	1	44,872
NET CASH OUTFLOW	1,182,362	12,044
Cash and Cash Equivalents, beginning of year	168,308	3,998
Cash and Cash Equivalents, end of year	1,350,670	16,042

(The accompanying notes are an integral part of these consolidated financial statements)

IEMR RESOURCES INC.
(An Exploration Stage Corporation)
Notes to the Interim Consolidated Financial Statements
For the Six Months ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

IEMR Resources Inc. (the “Company”) was incorporated in the Province of British Columbia under the name of 0813208 B.C. Ltd. on January 8, 2008. On March 13, 2008, the Company changed its name to Trans National Minerals Inc. The Company’s common shares were listed and commenced trading on the TSX Venture Exchange (the “Exchange”) as a capital pool corporation (“CPC”) on February 12, 2009. On June 25, 2010, the Company entered into an option agreement (the “Option”) to acquire a 100% interest in certain unpatented mineral lode claims known as the Pine Tree copper-molybdenum property located in the Pilot Mountains in Mina, Nevada. The acquisition of the Option and concurrent equity financings constitute the Company's Qualifying Transaction under the policies of the Exchange. As a result of the completion of these transactions, the Company has ceased to be a CPC, and its common shares resumed trading on the Exchange as a 'Tier 2 Mining Issuer' effective at market open on July 2, 2010. On September 7, 2010, the Company changed its name to IEMR Resources Inc. Effective at market open on September 10, 2010, the common shares of IEMR Resources Inc. were traded on TSX Venture Exchange and the common shares of Trans National Minerals Inc. were delisted.

On February 6, 2014, the Company incorporated Pine Tree Resources Inc., a wholly owned subsidiary of the Company in Nevada, USA.

These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Management of the Company is of the opinion that it will be in position to raise funds in the form of equity or debt financing; however, there is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

As at April 30, 2017 the Company has generated \$1,044,439 revenues and has incurred accumulated losses of \$3,969,941:

	April 30, 2017	October 31, 2016
Deficit	\$ (3,969,941)	\$ (5,014,380)
Working capital (deficiency)	\$ 1,841,772	\$ 802,333

These consolidated financial statements have been prepared by management on the basis of International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. The recoverability of capitalized costs on the Company’s mineral property is uncertain and dependent upon projects achieving commercial production or sale. The ability of the Company to carry out its business objectives dependent on the Company’s ability to receive continued financial support from related parties, to obtain public equity financing, or to generate profitable operations in the future. These factors may cast significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The head office and principal address of the Company is 1300 - 1500 West Georgia Street, Vancouver, B.C. V6G 2Z6.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements were approved by the board of directors for issue on May 20, 2017.

IEMR RESOURCES INC.
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2. BASIS OF PRESENTATION (Cont'd...)

Basis of Measurement

These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Furthermore, these consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below.

Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Pine Tree Resources Inc. which is incorporated in the United States of America.

The Company consolidates the subsidiary on the basis that it controls the subsidiary through its ability to govern its financial and operating policies.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operations could limit the ability of the Company to obtain tax deductions in future years.

Share-based payment

The Company uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of grant. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Changes in these assumptions can materially affect the fair value estimate.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

Significant Accounting Judgments, Estimates and Assumptions (cont'd...)

Convertible note and promissory notes

The values associated with convertible note and promissory note involves significant estimates and assumptions, including those with respect to incremental borrowing rate. These significant estimates and assumptions require considerable judgment which, as a result of a change in estimate, could affect the Company's future results. Therefore, these inputs will affect the value of convertible notes and promissory note and related interest expenses in future years.

Impairment of Exploration and Evaluation Expenditures

In accordance with the Company's accounting policy, the Company's exploration and evaluation asset is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, silver prices, future plans for the Company's mineral properties and mineral resources and/or reserve estimates.

Management has assessed for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators existed as at April 30, 2017 (see Note 7).

Significant judgments used in the preparation of these financial statements include, but are not limited to:

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its consolidated financial statements for the years ended April 30, 2017 and 2016. Management prepares the consolidated financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there are significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

Foreign Currency Transaction and Translation

The presentation currency and the functional currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the relevant transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Translation gains and losses are included in income or expense of the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less when acquired, which are readily convertible into a known amount of cash. The cash and cash equivalents are all denominated in Canadian dollars. There were no cash equivalents as at April 30, 2017 and 2016.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in mineral interests. Accordingly, once a license to explore an area has been secured, the Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of exploration and evaluation assets and crediting all revenues received against the cost of the related interests. Such costs, include, but are not limited to, geological and geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable resources.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. An impairment review is undertaken when indicators of impairment arise but normally when one of the following conditions applies:

- the right to explore in the specific area has expired or will expire in the near future;
- substantive expenditure on further exploration and evaluation activities in the specific areas are neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Decommissioning and Rehabilitation Liabilities

The Company recognizes the fair value of a decommissioning and restoration liability the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the decommissioning and restoration liability due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations and comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

The Company did not have any significant decommissioning and restoration obligations at April 30, 2017 and 2016.

Financial Assets

Financial assets are classified into one of four categories:

- i. Fair value through profit or loss ("FVTPL");
- ii. Held-to-maturity;
- iii. Available-for-sale ("AFS"); and
- iv. Loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

Financial Assets (cont'd...)

i. Fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL, if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management or investment strategy. Attributable transaction costs are recognized in profit or loss when incurred. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

The Company has classified cash as FVTPL.

ii. Held-to-maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. Subsequent to initial recognition, these assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of comprehensive loss.

iii. Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes therein, other than impairment losses, interest calculated using the effective interest method and foreign currency differences on AFS monetary items, recognized in other comprehensive income or loss. When an investment is derecognized or is determined to be impaired, the cumulative gain or loss previously recognized in equity is transferred to profit or loss for the year.

iv. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each year end. Financial assets are impaired when there is objective evidence that, as an objective evidence of impairment could include the following:

- Significant financial difficulty of the issue or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

Financial Assets (cont'd...)

The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of AFS equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the year.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable, and accrued liabilities as other financial liabilities.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

IEMR RESOURCES INC.
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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd...)

Share-Based Compensation

The Company grants stock options to directors, officers, and employees. Each tranche in an award is considered a separate award with its own vesting period. The Company applies the fair-value method of accounting for share-based payments and the fair value is calculated using the Black-Scholes option pricing model.

Share-based compensation for employees and others providing similar services is determined based on the grant date fair value. Share-based compensation for non-employees is determined based on the fair value of the goods/services received or option granted measured at the date on which the Company obtains such goods/services.

Compensation expense is recognized over each tranche's vesting period based on the number of awards expected to vest. If stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

Loss per Share

Loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. The treasury stock method assumes that proceeds received from the exercise of stock options are used to repurchase common shares at the prevailing market rate. As the Company incurred net losses in the current year, the stock options, as disclosed in Note 8, are not included in the computation of loss per share as its inclusion would be anti-dilutive.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

IAS 32 Financial Instruments: Presentation - Amendments

On May 29, 2013, the IASB made amendments to the disclosure requirements of IAS 36, requiring disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed.

IAS 36 – Impairment of Assets

In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a cash-generating unit (“CGU”) for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset’s or a CGU’s recoverable amount is based on fair value less costs of disposal.

Accounting Standards and Amendments Issued But Not Yet Adopted

IFRS 9 Financial Instruments

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. The effective date of this new standard has recently been deferred by the IASB. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

4. CAPITAL MANAGEMENT

The Company manages its capital structure, which is substantially represented by its share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related party loans or private placements of its common shares as needed.

Management reviews its capital management approach on an on-going basis. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the periods ended April 30, 2017 and 2016.

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5. FINANCIAL INSTRUMENTS

As at April 30, 2017, the Company's financial instruments consist of cash, marketable securities, and accounts payable.

The fair value of the Company's cash approximates the carrying value, which is the amount receivable on the consolidated statements of financial position dates.

The fair values of the Company's accounts payable and accrued liabilities are lower than their carrying values, which are the amounts payable on the consolidated statements of financial position dates as a result of going concern risk per Note 1. The effect of discounting is immaterial.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at April 30, 2017 and fiscal year 2016, cash was assessed to be Level 1 instruments.

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of an unexpected loss if a party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents held by high credit quality banking institutions in Canada. The Company has no significant concentration of credit risk arising from operations as the Company has no business operations.

(b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Management continuously monitors and reviews both actual and forecasted cash flows and also matches the maturity profile of financial assets and liabilities. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. Additional information regarding liquidity risk is disclosed in note 1.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

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5. FINANCIAL INSTRUMENTS (Cont'd...)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to short term interest rates through the interest earned on cash balances. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term deposits with its banking institutions.

6. MARKETABLE SECURITIES

As at April 30, 2017, marketable securities consist of 1,162,000 common shares of American CuMo Mining Corporation ("American CuMo") which had a fair value of \$453,180. During six months ended April 30, 2017, the Company sold 1,945,000 common shares of American CuMo for gross proceeds of \$7,378,149 resulting in a gain of \$465,928. During six months ended April 30, 2017, the Company recognized an unrealized gain of \$4,695 due to an increase in the fair value of the common shares held.

7. EXPLORATION AND EVALUATION ASSETS

The Company has a 100% interest in certain unpatented mineral claims known as the Pine Tree copper-molybdenum property (the "Pine Tree Property") located in the Pilot Mountains in Mina, Nevada.

The Pine Tree Property is subject to a 2% net smelter return royalty (the "NSR Royalty") in favor of Western Geosciences, Inc. and James H. Meyers. Upon the payment of US\$2,000,000 in royalty payments, the NSR Royalty will be reduced from 2% to 0.5%.

Expenditure related to the properties can be summarized as follows:

	Pine Tree Property
Mineral acquisition	\$
Balance at October 31, 2015	1,532,431
Acquisition payment	-
Ending Balance at April 30, 2017 and 2016	1,532,431
Deferred exploration expenditure	\$
Balance at October 31, 2015	502,463
Foreign exchange gain	-
Ending Balance at April 30, 2016	502,463
Balance at October 31, 2016	534,291
Foreign exchange gain	-
Ending Balance at April 30, 2017	534,291
Total ending balance, April 30, 2016	2,034,894
Total ending balance, April 30, 2017	2,066,722

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7. EXPLORATION AND EVALUATION ASSETS (Cont'd...)

Impairment

During the years ended April 30, 2017 and 2016, there was no impairment on the exploration and evaluation assets.

When impairment is identified, the asset is required to be written down to its recoverable amount, which is the greater of: (a) the asset's fair value less costs to sell, and (b) its value in use. There is no active market for the asset and there was no independent feasibility study or a binding agreement for sale at the time of the impairment assessment in the year. The value in use or discounted future cash flows expected from the Pine Tree Property cannot be reliably determined at this juncture. In the absence of such information, management estimated the fair value of the Company's interest in the Pine Tree Property using the best information available at the time of the assessment to reflect the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal. The information included internal and external evidence including the Company's market capitalization, based on its share price. The assessment of fair value less costs to sell and the recoverable amount of the Company's interest in Pine Tree Property requires estimation of uncertain future events. Management has made its best estimate of the recoverable amount of the asset; however, there are inherent uncertainties and it is reasonably possible that the outcome of such uncertainties may differ from the estimates made and such changes may be material to the recoverable amount of the Pine Tree Property.

8. SHARE CAPITAL AND STOCK OPTIONS

(a) Share Capital

Authorized: Unlimited number of common shares without par value.

As of October 31, 2016, the Company held in treasury 4,000,000 common shares.

On June 16, 2016, the Company completed a non-brokered private placement of 51,600,000 units at a price of \$0.05 per unit, raising gross proceeds of \$2,580,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company until March 16, 2017, at an exercise price of \$0.05 per warrant. The shares were subject to a four month hold period that expired on October 16, 2016.

(b) Stock Options

The continuity of stock options ended April 30, 2017 and 2016 is as follows:

	Number outstanding	Weighted average exercise price
Balance, October 31, 2015	100,000	0.30
Expired	-	-
Balance, April 30, 2016	100,000	0.30
Expired	(100,000)	0.30
Balance, April 30, 2017	-	-

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8. SHARE CAPITAL AND STOCK OPTIONS (Cont'd...)

(c) Warrants

The continuity of warrants ended April 30, 2017 and 2016 is as follows:

	Number outstanding	Weighted average exercise price
Balance, April 30, 2016	-	-
Granted	51,600,000	0.05
Balance, April 30, 2017	51,600,000	0.05

The following table summarizes information about warrants outstanding at April 30, 2017:

Expiry Date	Exercise price	Number outstanding	Weighted average remaining contractual life(years)	Weighted average exercise price
	\$			\$
March 16, 2017	0.05	51,600,000	0.37	0.05