TUDOR GOLD CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

DECEMBER 31, 2016

(Expressed in Canadian Dollars)

MANAGEMENT'S COMMENTS ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

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.

These condensed consolidated interim financial statements of Tudor Gold Corp. (the "Company") have been prepared by management and approved by the Audit Committee on behalf of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

TUDOR GOLD CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	December 31, 2016	March 31, 2016
ASSETS		
Current		
Cash and cash equivalents	$ 507,686	$ 7,996
Amounts receivable	141,539	-
Available-for-sale investments (Note 5)	187,500	-
Prepaids and deposits	17,940	-
	854,665	7,996
Reclamation deposits	131,600	-
Exploration and evaluation assets (Note 4)	7,899,016	-
Property and equipment (Note 6)	119,158	-
Total assets	$ 9,004,439	$ 7,996
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 8)	$ 160,183	$ 82,389
Loan payable (Note 9)	-	10,000
Total liabilities	160,183	92,389
Shareholders' equity (deficit)		
Share capital (Note 7)	9,553,550	345,753
Equity reserves (Note 7)	666,773	27,555
Deficit	(1,376,067)	(457,701)
Total shareholders' equity (deficit)	8,844,256	(84,393)
Total liabilities and shareholders' equity	$ 9,004,439	$ 7,996

Basis of presentation (Note 2)
Event subsequent to the end of the period (Note 14)

On behalf of the Board:

"Walter Storm" ***"Robert Quinn"***

Director Director

The accompanying notes are an integral part of these interim financial statements.

TUDOR GOLD CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
EXPENSES				
Automobile	$ 2,574	$ -	$ 9,565	$ -
Consulting fees (Note 8)	47,981	-	146,731	-
Depreciation (Note 6)	1,396	-	3,766	-
General exploration costs	1,269	-	1,269	-
Management fees (Note 8)	12,000	-	33,950	-
Office and miscellaneous (Note 8)	5,497	3,393	52,742	9,913
Professional fees	23,679	-	268,707	(162)
Salaries and wages	19,694	-	19,694	-
Shareholder information	638	-	6,593	376
Share-based compensation (Note 8)	-	-	254,904	-
Transfer agent, listing and fees	10,770	4,051	116,684	12,337
Travel	946	-	5,728	-
Loss before other items	(126,444)	(7,444)	(920,333)	(22,464)
Other items				
Interest income	1,557	-	1,967	-
Net loss for the period	$ (124,887)	$ (7,444)	$ (918,366)	$ (22,464)
Other comprehensive income (loss)				
Unrealized gain (loss) on available-for-sale investments (Note 5)	(93,750)	-	(62,500)	-
Comprehensive loss for the period	$ (218,637)	$ (7,444)	$ (980,866)	$ (22,464)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding (basic and diluted)	65,018,478	3,025,000	56,070,600	3,025,000

The accompanying notes are an integral part of these interim financial statements.

TUDOR GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(Expressed in Canadian dollars)

	Share Capital		Equity Reserves				
	Number of Shares	**Amount**	**Options**	**Warrants**	**Investments**	**Deficit**	**Total**
Balance, March 31, 2015	**3,025,000**	**$ 345,753**	**$ 26,770**	**$ -**	**$ -**	**$ (344,868)**	**$ 27,655**
Comprehensive loss for the period	-	-	-	-	-	(22,464)	(22,464)
Balance, December 31, 2015	**3,025,000**	**345,753**	**26,770**	**-**	**-**	**(367,332)**	**5,191**
Share-based compensation	-	-	785	-	-	-	785
Comprehensive loss for the period	-	-	-	-	-	(90,369)	(90,369)
Balance, March 31, 2016	**3,025,000**	**345,753**	**27,555**	**-**	**-**	**(457,701)**	**(84,393)**
Private placements	27,950,000	5,111,186	-	446,814	-	-	5,558,000
Exercise of options	450,000	60,000	-	-	-	-	60,000
Shares for exploration and evaluation assets	34,100,000	4,346,500	-	-	-	-	4,346,500
Share issue costs	-	(309,889)	-	-	-	-	(309,889)
Share-based compensation	-	-	254,904	-	-	-	254,904
Comprehensive income (loss) for the period	-	-	-	-	(62,500)	(918,366)	(980,866)
Balance, December 31, 2016	**65,525,000**	**$ 9,553,550**	**$ 282,459**	**$ 446,814**	**$ (62,500)**	**$ (1,376,067)**	**$ 8,844,256**

TUDOR GOLD CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

For the nine months ended	December 31, 2016	December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (918,366)	$ (22,464)
Depreciation	3,766	-
Share-based compensation	254,904	-
Changes in non-cash working capital items:		
Amounts receivable	(141,539)	-
Prepaids and deposits	(17,940)	-
Accounts payable and accrued liabilities	77,794	(4,872)
Net cash used in operating activities	(741,381)	(27,336)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale investment	(250,000)	-
Exploration and evaluation assets - option payments	(823,709)	-
Exploration and evaluation assets - exploration expenses	(2,728,807)	-
Reclamation deposits	(131,600)	
Purchase of property and equipment	(122,924)	-
Net cash used in investing activities	(4,057,040)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements, net	5,248,111	-
Proceeds from exercise of options	60,000	
Repayment of loan	(10,000)	-
Net cash provided by financing activities	5,298,111	-
Change in cash during the period	499,690	(27,336)
Cash, beginning of period	7,996	35,060
Cash, end of period	$ 507,686	$ 7,724

Supplemental disclosures with respect to cash flows (Note 13)

1. NATURE OF OPERATIONS

Tudor Gold Corp. (formerly Kaizen Capital Corp.) (the "Company") was incorporated under the Business Corporations Act (Alberta) on January 20, 2010. On April 28, 2016, the Company was continued from the Province of Alberta to the Province of British Columbia. The Company changed its name to Tudor Gold Corp. on May 11, 2016. On April 6, 2016, the Company completed its Qualifying Transactions by entering into a definitive acquisition agreement with Tudor Holdings Ltd. ("Tudor Holdings") involving the issuance of 30,000,000 common shares of the Company at a deemed price of $0.10 per share in exchange for rights to the Mackie property located in the Skeena Mining Division of northwestern British Columbia (Notes 4 and 7). The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "TUD". The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

The head office and principal business address of the Company is Suite 900 – 1021 West Hastings Street, Vancouver, B.C., Canada V6E 0C3.

2. BASIS OF PRESENTATION

Statement of Compliance

These condensed interim financial statements, including comparatives have been prepared in accordance with IAS 34, "Interim Financial Reporting" of the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process.

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's audited financial statements for the year ended March 31, 2016. The policies applied in these condensed interim financial statements are based on IFRS issued as of the date the Board of Directors approved the financial statements. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2016.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on February 21, 2017.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates and measurement uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

Valuation of stock options and share purchase warrants

Management uses the Black-Scholes pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

Future changes in accounting policies

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. These standards have been assessed to not have a significant impact on the Company's financial statements:

IFRS 9, "Financial Instruments"

The IASB intends to replace IAS 39, "Financial Instruments: Recognition and Measurement" in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be classified and subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

	Mackie East	Mackie West	Doc	Treaty Creek	Electrum	Other	Total
ACQUISITION							
Balance, March 31, 2015 and March 31, 2016	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Share option payments	1,000,000	1,000,000	1,038,500	149,000	149,000	1,010,000	4,346,500
Cash option payments	50,000	-	-	-	500,000	273,709	823,709
Balance, December 31, 2016	**1,050,000**	**1,000,000**	**1,038,500**	**149,000**	**649,000**	**1,283,709**	**5,170,209**
EXPLORATION							
Balance, March 31, 2015 and March 31, 2016	-	-	-	-	-	-	-
Air transportation	6,512	-	32,950	491,758	-	26,438	557,658
Assaying	-	-	-	42,904	89,565	-	132,469
Consulting fees	4,601	4,601	10,439	78,622	68,136	15,750	182,149
Drilling	-	-	11,150	547,197	181,352	-	739,699
Field costs	770	770	19,698	474,797	118,942	4,080	619,057
Geology	3,280	6,058	1,000	70,632	8,700	1,100	90,770
Geophysics	33,843	-	-	270,740	-	33,842	338,425
Legal fees	-	-	-	59,665	-	8,582	68,247
Travel	-	-	-	333	-	-	333
Balance, December 31, 2016	**49,006**	**11,429**	**75,237**	**2,036,648**	**466,695**	**89,792**	**2,728,807**
CARRYING VALUE							
March 31, 2016	-	-	-	-	-	-	-
December 31, 2016	**$ 1,099,006**	**$ 1,011,429**	**$ 1,113,737**	**$ 2,185,648**	**$ 1,115,695**	**$ 1,373,501**	**$ 7,899,016**

Mackie East, Mackie West and Doc claims

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings involving the issuance of 30,000,000 common shares of the Company at a deemed price of $0.10 per share (issued) (Note 7) in exchange for rights to the Mackie property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares will be subject to an escrow agreement, under which the shares will be released over the next three years. The Mackie property consists of three main claim groups: Mackie East, Mackie West and the Doc claims.

The Mackie East claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making property payments totaling $250,000 over the next three years ($50,000 paid). The Mackie East claims are subject to a 2.5% net smelter return ("NSR") royalty.

The Mackie West claims are not subject to an underlying option agreement and will be wholly owned on completion of the acquisition agreement. There are no NSR royalties in respect of these claims.

The Doc claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making the property payments totaling $2,000,000 over the next three years. The Doc claims are subject to a 2.5% NSR royalty.

Treaty Creek Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Treaty Creek property located in northwestern British Columbia by acquiring a 31% interest from American Creek Resources Ltd. ("American Creek"), which held a 51% stake, and a 29% interest from Teuton Resources Corp. ("Teuton"), which held a 49% interest. The Company acquired the combined 60% interest by issuing 500,000 common shares to each of American Creek and Teuton (issued) (Note 7). As part of the agreement, the Company agreed to complete a minimum of $1,000,000 in exploration expenditures on the Treaty Creek property during 2016 (completed).

A joint venture was subsequently formed, with the Company holding a 60% interest and each of American Creek and Teuton holding a 20% interest. Both American Creek's and Teuton's 20% interests are carried during the exploration period until a production notice is given, at which time they will each be responsible for 20% of the costs under and subject to the terms of the joint venture agreement. The property is subject to 3% NSR royalties and under the terms of the agreement, the Company is designated as operator of the joint venture.

Finder's fees consisting of 490,000 common shares of the Company were issued on June 14, 2016, in respect to the Company's acquisition of the interests in the Treaty Creek Property (Note 7).

Electrum Property

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Electrum property located in northwestern British Columbia from American Creek, by issuing 1,000,000 common shares (issued) (Note 7) and paying $500,000 (paid). As part of the agreement, the Company also acquired 3,125,000 shares of American Creek by investing $250,000 pursuant to a private placement, at a price of $0.08 per American Creek share (Note 5). Under the terms of the agreement, the Company was designated as operator of the joint venture. As part of the agreement, the Company agreed to complete a minimum of $100,000 in exploration expenditures on the Electrum property during 2016 (completed) and American Creek would be responsible would be responsible for 40% of those costs (which amount was reimbursed to the Company in January 2017).

The Electrum property comprises 8 claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for $1,000,000.

Finder's fees consisting of 490,000 common shares of the Company were issued on June 14, 2016, in respect to the Company's acquisition of the interests in the Electrum Property (Note 7).

Eskay North Property

On May 10, 2016, the Company acquired a 100% interest in a single mining claim in the Skeena Mining Division of northwestern British Columbia, known as the Eskay North property. As consideration for the claim, the Company will issue 750,000 common shares over a 12-month period (500,000 common shares issued) (Note 7). The Eskay North property is subject to a 2.5% NSR royalty payable to the vendor.

Orion Property

On June 1, 2016, the Company entered into an option agreement to acquire a 100% interest in the Orion property located in the Skeena Mining Division of northwestern British Columbia by making option payments totaling $700,000 and the issuance of 700,000 common shares over a five-year period (250,000 common shares issued) (Note 7). The property is subject to a 2.5% NSR royalty payable to the vendor.

Fairweather, Delta and High North Property Option Agreements

On May 24, 2016, the Company entered into agreements with Tudor Holdings to assume option agreements on three properties in the Skeena Mining Division of northwestern British Columbia. The Company was granted the right to acquire the 100% interest in the three properties pursuant to the terms of assignment and assumption agreements. The properties are known as the Fairweather property, the Delta property, and the High North property.

The terms of the acquisition of the three properties are summarized below:

<u>Fairweather Property</u>

In June 2016, the Company was assigned the right to acquire a 100% interest in the Fairweather property by paying Tudor Holdings the sum of $37,662, which represents costs paid to that date in respect of the property (paid). The agreement also stipulates additional option payments totaling $320,000 ($20,000 paid) and the issuance of up to 700,000 common shares over a five-year period (300,000 common shares issued) (Note 7). The property is subject to a 2% NSR royalty.

(Expressed in Canadian dollars)

Delta Property

In June 2016, the Company was assigned the right to acquire a 100% interest in the Delta property by paying Tudor Holdings the sum of $105,951, which represents costs paid to that date in respect of the property (paid). The agreement also stipulates additional option payments totaling $900,000 over a four-year period are required to be assumed and paid by the Company to acquire the 100% interest. Claims comprising the property are subject to NSR royalties of 2.5% to 3.0%.

High North Property

In June 2016, the Company was assigned the right to acquire a 100% interest in the High North property by paying the sum of $102,468, which represents costs paid to that date in respect of the property (paid). The agreement also stipulates additional option payments totaling $900,000 over a four-year period are required to be assumed and paid by the Company to acquire the 100% interest. The property is subject to a 2.5% NSR royalty.

5. AVAILABLE-FOR-SALE INVESTMENT

Pursuant to the Company's joint venture agreement with American Creek related to the Electrum Property, the Company acquired 3,125,000 shares of American Creek by investing $250,000 at a price of $0.08 per American Creek share (Note 4).

	December 31, 2016		March 31, 2016	
	Cost	**Fair Value**	**Cost**	**Fair Value**
American Creek:				
3,125,000 common shares	$ 250,000	$ 187,500	$ -	$ -
	$ 250,000	$ 187,500	$ -	$ -

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Building	Land	Vehicle	Website	Total
COSTS					
Balance, March 31, 2015 and March 31, 2016	$ -	$ -	$ -	$ -	$ -
Additions	38,750	33,750	27,000	23,424	122,924
Balance, December 31, 2016	**38,750**	**33,750**	**27,000**	**23,424**	**122,924**
ACCUMULATED DEPRECIATION					
Balance, March 31, 2015 and March 31, 2016	-	-	-	-	-
Depreciation	695	-	875	2,196	3,766
Balance, December 31, 2016	**695**	**-**	**875**	**2,196**	**3,766**
NET BOOK VALUE					
March 31, 2016	-	-	-	-	-
December 31, 2016	**$ 38,055**	**$ 33,750**	**$ 26,125**	**$ 21,228**	**$ 119,158**

7. SHAREHOLDERS' EQUITY (DEFICIT)

Authorized share capital

Unlimited common shares, without par value
Unlimited preferred shares issuable in series

Share issuances

On April 18, 2016, the Company issued 30,000,000 common shares valued at $3,000,000 in connection with the Company's definitive acquisition agreement with Tudor Holdings to acquire the Mackie East, Mackie West and Doc claims (the "Qualifying Transaction") (Notes 1 and 4).

On April 18, 2016, the Company completed a non-brokered private placement of 11,880,000 common shares at a price of $0.10 each for gross proceeds of $1,188,000. The Company paid finder's fees totaling $44,493 in connection with the financing completed.

On May 10, 2016, an aggregate of 150,000 stock options of the Company were exercised at a price of $0.20 each, resulting in the issuance of 150,000 shares of the Company for gross proceeds of $30,000.

On June 14, 2016, the Company completed a non-brokered private placement consisting of 13,000,000 units at a price of $0.10 per unit for gross proceeds of $1,300,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of $0.10 per share for a period of two years from closing.

On June 14, 2016, the Company issued 500,000 common shares to each of American Creek and Teuton with a combined total of 1,000,000 common shares valued at $100,000 related to the Treaty Creek Property (Note 4).

On June 14, 2016, the Company issued 1,000,000 common shares valued at $100,000 related to the Electrum Property (Note 4).

On June 14, 2016, the Company issued 980,000 common shares valued at $98,000 as finder's fees in respect to the Company's acquisition of the interests in the Treaty Creek and Electrum properties (Note 4).

On June 14, 2016, the Company issued 250,000 common shares valued at $25,000 related to Eskay North Property (Note 4).

On June 22, 2016, the Company issued 250,000 common shares valued at $345,000 related to Orion Property (Note 4).

On July 21, 2016, the Company issued 250,000 common shares valued at $475,000 related to Fairweather Property (Note 4).

On July 21, 2016, an aggregate of 300,000 stock options of the Company were exercised at a price of $0.10 each, resulting in the issuance of 300,000 shares of the Company for gross proceeds of $30,000.

On August 11, 2016, the Company completed a non-brokered private placement consisting of 3,070,000 common shares at a price of $1.00 each for gross proceeds of $3,070,000. The Company paid finders' fees totaling $186,066 in cash.

On November 29, 2016, the Company issued 250,000 common shares valued at $137,500 related to Eskay North Property (Note 4).

On November 29, 2016, the Company issued 50,000 common shares valued at $27,500 related to Fairweather Property (Note 4).

On December 19, 2016, the Company issued 70,000 common shares valued at $38,500 related to Doc Property (Note 4).

Escrow shares

As at December 31, 2016, 22,931,250 (March 31, 2016 – 575,000) common shares are held in escrow and will be released over 36 months following the completion of a Qualifying Transaction (Note 1).

Stock options

The Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to five years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

(Expressed in Canadian dollars)

On February 16, 2016, the Company granted 150,000 stock options with an exercise price of $0.20 per share expiring on April 30, 2017. The fair value of the stock options was estimated to be $785 using the Black-Scholes option pricing model with the following assumptions: term of 1.25 years; expected volatility of 100%; risk-free rate of 0.49%; and expected dividends of Nil.

On April 19, 2016, the Company granted 2,850,000 stock options with an exercise price of $0.10 per share expiring April 19, 2026. The fair value of the stock options was estimated to be $254,904 using the Black-Scholes option pricing model with the following assumptions: term of 10 years; expected volatility of 100%; risk-free rate of 1.49%; and expected dividends of Nil.

Changes in stock options for the nine months ended December 31, 2016 are as follows:

	December 31, 2016			March 31, 2016		
	Number of stock options		**Exercise price**	Number of stock options		Exercise price
Outstanding, beginning	**150,000**	**$**	**0.20**	150,000	$	0.20
Granted	**2,850,000**	**$**	**0.10**	150,000	$	0.20
Exercised	**(450,000)**	**$**	**0.13**	-	$	-
Expired	**-**	**$**	**-**	(150,000)	$	0.20
Outstanding, ending	**2,550,000**	**$**	**0.10**	150,000	$	0.20
Exercisable, ending	**2,550,000**	**$**	**0.10**	150,000	$	0.20

Stock options outstanding as at December 31, 2016 are as follows:

Grant Date	**Number of options**	**Exercise Price**	**Expiry Date**
April 19, 2016	2,550,000	$0.10	April 19, 2026
	2,550,000		

Warrants

Changes in share purchase warrants for the nine months ended December 31, 2016 are as follows:

	December 31, 2016			March 31, 2016		
	Number of warrants		**Exercise price**	Number of warrants		Exercise price
Outstanding, beginning	**-**	**$**	**-**	-	$	-
Issued	**13,000,000**	**$**	**0.10**	-	$	-
Outstanding, ending	**13,000,000**	**$**	**0.10**	-	$	-

(Expressed in Canadian dollars)

Share purchase warrants outstanding as at December 31, 2016 are as follows:

Issue Date	Number of warrants	Exercise Price	Expiry Date
June 14, 2016	13,000,000	$0.10	June 14, 2018
	13,000,000		

8. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2016, 2,850,000 stock options with a fair value of $254,904 were granted to officers and directors of the Company.

As at December 31, 2016, a total of $16,889 (March 31, 2016 - $8,580) was owing to an officer and director of the Company for expense reimbursement and is included in accounts payable and accrued liabilities.

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the nine months ended December 31, 2016:

The Company paid wages totaling $12,600 to Walter Storm, in his capacity as President and CEO of the Company.

The Company paid and/or accrued consulting/management fees of $58,000 to Morfopoulos Consulting Associates Ltd, a company controlled by the Chief Financial Officer of the Company, for management, accounting and administrative services.

The Company paid and/or accrued consulting fees of $120,800 to Ray Marks, the Executive VP and director of the Company, for management and supervision of field operations. In the nine months ended December 31, 2016, the Company also paid and/or accrued a total of $207,274 to Ray Marks for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period.

The Company paid and/or accrued management fees and other office costs of $32,750 (2015 - $6,300) to Earlston Management Corp., a company with former directors in common, for various administrative and other corporate services, including all reasonable reimbursable expenses incurred in the performance of its services.

9. LOAN PAYABLE

During the year ended March 31, 2016, the Company received $10,000 from Tudor Holdings, a company controlled by an officer and director of the Company. The loan was unsecured, non-interest bearing and was due on demand. During the nine months ended December 31, 2016, the Company repaid $10,000 to Tudor Holdings.

10. CREDIT FACILITY AGREEMENT

On May 10, 2016, the Company entered into a credit facility agreement with Tudor Holdings for up to $650,000 for the purpose of funding the acquisition, exploration and development of the Company's mineral properties. The credit facility has a two-year term, is unsecured and non-convertible, with an interest rate of 8% per annum. As at December 31, 2016, the Company has not made any draws upon this credit facility.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2016, the Company's financial instruments are comprised of cash and cash equivalents, advances, available-for-sale investments, and accounts payable and accrued liabilities. The fair values of advances and accounts payable and accrued liabilities approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at December 31, 2016, the fair value of cash and cash equivalents and available-for-sale investment (Note 5) held by the Company was based on level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2016, the Company had a cash and cash equivalents of $507,686 to settle current liabilities of $160,183. 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. The Company is not exposed to liquidity risk.

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 equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's current exposure to interest rate risk is limited to its cash and cash equivalents yielding interest income at varying rates. During the nine months ended December 31, 2016, the Company recorded $1,967 in interest income. The Company's current exposure to interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity (deficit) and any debt that it may issue. As at December 31, 2016, the Company's shareholders' equity was $8,844,256 and it had current liabilities of $160,183. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the nine months ended December 31, 2016.

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

During the nine months ended December 31, 2016:

The Company issued a total of 34,100,000 common shares valued at $4,346,500 for the acquisitions of exploration and evaluation assets (Notes 4 and 7).

14. EVENT SUBSEQUENT TO THE END OF THE PERIOD

In February 2017, 50,000 stock options were exercised at a price of $0.10, for total proceeds of $10,000 received by the Company.