

VENERABLE VENTURES LTD.

Condensed Interim Financial Statements
For the Nine Months Ended December 31, 2017
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

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NOTICE OF NO AUDITOR REVIEW

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, the financial statements 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 Venerable Ventures Ltd. have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company and have not been reviewed by the Company's independent auditor.

VENERABLE VENTURES LTD.
Condensed Interim Statements of Financial Position
Prepared by Management
(Expressed in Canadian Dollars - Unaudited)

	December 31, 2017	March 31, 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 30,510	\$ 213,850
Other receivable	-	635
Prepaid expenses (note 6)	150,500	53,900
	181,010	268,385
Equipment (note 7)	292	377
Mineral properties (note 8)	1,340,087	1,340,087
	\$ 1,521,389	\$ 1,608,849
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 73,467	\$ 20,724
SHAREHOLDERS' EQUITY		
Capital Stock (note 9)	2,382,418	2,382,418
Reserves (note 9)	37,186	133,326
Deficit	(971,682)	(927,619)
	1,447,922	1,588,125
	\$ 1,521,389	\$ 1,608,849

Approved on behalf of the board:

"Alan Macdonald"

..... Director
Alan Macdonald

"Marilyn Miller"

..... Director
Marilyn Miller

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

VENERABLE VENTURES LTD.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars - Unaudited)

	Three Months Ended Dec 31		Nine Months Ended Dec 31	
	2017	2016	2017	2016
Expenses				
Amortization	\$ 28	\$ 432	\$ 85	\$ 1,420
Professional fees	234	3,131	18,951	10,965
Consulting (note 10)	-	3,000	-	9,000
Listing and filing fees	2,637	5,807	8,330	17,362
Travel and expenses	10,775	-	33,654	654
Office and administration	34,352	641	79,184	1,793
Shareholder relations and promotion	-	-	-	504
	48,026	13,011	140,204	41,698
Loss on disposal of asset	-	3,160	-	3,160
Gain on disposal of equipment (note 7)	-	-	-	(2,218)
Net Loss and Comprehensive Loss for the Period	\$ 48,026	\$ 16,171	\$ 140,204	\$ 42,640
Basic and Diluted Loss Per Share	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.02
Weighted Average Number of Common Shares Outstanding	4,712,937	2,602,285	4,712,937	2,225,592

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

VENERABLE VENTURES LTD.**Condensed Interim Statements of Changes in Shareholders' Equity**

(Expressed in Canadian Dollars - Unaudited)

	Capital Stock		Reserves	Deficit	Total
	Number of Shares	Amount			
Balance, March 31, 2016	2,032,937	\$ 2,130,351	\$ 116,170	\$ (857,271)	\$ 1,389,250
Private Placement (note 9)	2,500,000	275,000			275,000
Share issue costs	160,000	(8,442)	1,155		(7,287)
Shares issued for mineral property (note 8)	20,000	4,000			4,000
Net loss for the period				(42,640)	(42,640)
Balance, December 31, 2016	4,712,937	2,400,909	117,325	(899,911)	1,618,323
Balance, March 31, 2017	4,712,937	2,382,418	133,326	(927,619)	1,588,126
Expiry of stock options (note 9 (c))			(96,140)	96,140	
Net loss for the period				(140,204)	(140,204)
Balance, December 31, 2017	4,712,937	\$ 2,382,418	\$ 37,186	\$ (971,682)	\$ 1,447,922

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

VENERABLE VENTURES LTD.
Condensed Interim Statements of Cash Flows
Nine months ended December 31
(Expressed in Canadian Dollars - Unaudited)

	2017	2016
Operating activities		
Net Loss	\$ (140,204)	\$ (26,469)
Items not involving cash		
Amortization	85	988
Other receivable	635	(108)
Prepaid expenses	(96,600)	3,900
Accounts payable and accrued liabilities	52,744	(8,836)
Due to (from) related parties	-	5,864
Cash used in operating activities	(183,341)	(24,661)
Investing activities		
Mineral property expenditures	-	(5,036)
Proceeds on sale of equipment	-	3,182
Cash provided by investing activities	-	(1,854)
Increase (Decrease) in Cash	(183,341)	(26,515)
Cash, beginning of period	\$ 213,850	\$ 41,749
Cash, end of period	\$ 30,510	\$ 15,234

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VENERABLE VENTURES LTD.
Notes to Condensed Interim Financial Statements
For the nine months ended December 31, 2017
(Expressed in Canadian Dollars - Unaudited)

1. NATURE AND GOING CONCERN

Venerable Ventures Ltd. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 11, 2010. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "VLV".

The principal address of the Company is 666 Burrard Street, Suite 500, Vancouver, British Columbia, Canada, V3C 3P6.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral properties, is dependent on the Company's ability to obtain the necessary financing.

Several conditions cast significant doubt on the validity of the going concern assumption. For the nine months ended December 31, 2017, the Company has incurred an operating loss of \$140,204 (2016 - \$42,640), and as at December 31, 2017 has an accumulated deficit of \$971,682 (March 31, 2017 - \$927,619), limited resources, no source of operating cash flow and no assurance that sufficient funding will continue to be available to conduct further exploration and development of its mineral property interests.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying value of the Company's mineral property interests does not reflect current or future values. The financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International reporting Interpretation Committee ("IFRIC") for all periods presented. These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The significant accounting policies set out in note 3 have been applied consistently to all periods presented. The Company's functional and reporting currency is the Canadian dollar.

VENERABLE VENTURES LTD.
Notes to Condensed Interim Financial Statements
For the nine months ended December 31, 2017
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2. BASIS OF PRESENTATION (Continued)

(b) Approval of the financial statements

The condensed interim financial statements of the Company were approved and authorized for issue by the Board of Directors on February 28, 2018.

(c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods.

Significant estimates

(i) Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. At December 31, 2017, the Company has not recognized any deferred tax assets.

(ii) Provision for closure and reclamation

The Company assesses its provisions for closure and reclamation on an annual basis or when new material information becomes available. Provisions for closure and reclamation require management to make estimates of the future costs of the work required to comply with legal or constructive obligations. Actual costs incurred may differ from those amounts estimated. At December 31, 2017, the Company has not recognized any provision for closure and reclamation.

(iii) Impairment of equipment and mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's equipment and mineral properties.

In respect of costs incurred for its mineral properties, management has determined that exploratory drilling, evaluation, development and related costs incurred, which have been capitalized, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

VENERABLE VENTURES LTD.
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2. BASIS OF PRESENTATION (Continued)

(c) Use of estimates and judgments (Continued)

Significant judgments

(i) Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

(d) Share consolidation

On October 4, 2016, the Company consolidated its issued and outstanding common shares such that every 10 existing shares have been consolidated into 1 new share. The Company's stock options and warrants have also been adjusted to account for the 10:1 consolidation in accordance with the terms and conditions of such options and warrants. All current and comparative references to the number of shares, stock options, warrants, weighted average number of common shares and loss per share reflect the consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: held-to-maturity, fair value through profit or loss ("FVTPL"), loans and receivables, and available-for-sale ("AFS"). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

VENERABLE VENTURES LTD.
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(i) Financial assets (Continued)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity.

(ii) Financial liabilities

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statements of loss and comprehensive loss over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (Continued)

(iii) Fair value hierarchy (Continued)

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Mineral Properties

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal right to explore a property has been acquired. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the unit-of-production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

(c) Equipment

Equipment is carried at cost, less accumulated amortization and any impairment in value.

Amortization of equipment is calculated on a declining-balance basis at the following annual rates:

Communication equipment	- 30%
Vehicles	- 30%
Trailer	- 20%

(d) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Impairment of non-financial assets (Continued)

sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(e) Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pretax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

(f) Income Taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit and loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax

VENERABLE VENTURES LTD.
Notes to Condensed Interim Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income Taxes (Continued)

liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral properties with a corresponding increase in reserves. The amount recognized as expenses is adjusted to reflect the number of stock options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

(h) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(i) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to capital stock based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

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Notes to Condensed Interim Financial Statements
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4. STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET ADOPTED

At the date of the approval of the financial statements, a number of standards and interpretations with future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as FVTPL; and accounts payable and accrued liabilities and due to related party, as other financial liabilities.

The carrying values of accounts payable and accrued liabilities and due to related party approximate their fair values due to the short-term maturity of these financial instruments.

Cash, as recorded, is at fair value in accordance with level 1 of the fair value hierarchy.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	Dec 31, 2017	Mar 31, 2017
Cash	\$ 30,510	\$ 213,850

Credit risk is minimized by ensuring that this financial asset is placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At December 31, 2017, the Company had cash of \$30,510 (March 31, 2017 - \$213,850) available to meet short-term business requirements and current liabilities of \$73,467 (March 31, 2017 - \$20,724). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to market risk

VENERABLE VENTURES LTD.
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6. PREPAID EXPENSES

	Dec 31, 2017	Mar 31, 2017
Advance for property exploration	\$ 150,000	\$ 50,000
Other prepaid	500	3,900
	\$ 150,500	\$ 53,900

7. EQUIPMENT

Cost	Communication	Vehicles	Trailer	Total
As at March 31, 2016	\$2,653	\$20,801	\$8,070	\$31,524
Disposals	-	(20,801)	(8,070)	(28,871)
As at March 31, 2017	2,653	-	-	2,653
As at December 31, 2017	\$2,653	-	-	\$2,653
Accumulated Amortization				
As at March 31, 2016	\$2,112	\$14,757	\$4,352	\$21,221
Amortization	164	739	558	1,461
Disposals	-	(15,496)	(4,910)	(20,406)
As at March 31, 2017	2,276	-	-	2,276
Amortization	57	-	-	57
As at December 31, 2017	\$2,361	-	-	\$2,333
Carrying Value				
As at March 31, 2017	\$377	-	-	\$377
As at December 31, 2017	\$292	-	-	\$292

VENERABLE VENTURES LTD.
Notes to Condensed Interim Financial Statements
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8. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Trout Claims	Grub Property	Total
Balance, March 31, 2015	\$ 1,280,268	\$ -	\$ 1,280,268
Acquisition costs	50,000	-	50,000
Assays	1,039	-	1,039
Exploration	451	-	451
Permitting	740	-	740
Total changes during the year	52,230	-	52,230
Mineral exploration tax credits	(447)	-	(447)
Balance, March 31, 2016	1,332,051	-	1,332,051
Acquisition costs	-	3,000	3,000
Assays	-	846	846
Geological	-	4,190	4,190
Total changes during the year	-	8,036	8,036
Balance, March 31 and Dec 31, 2017	\$ 1,332,051	\$ 8,036	\$ 1,340,087

Trout Property

In 2011, the Company acquired an option (the "First Option") with Robert Carmichael and Landmark Geological Inc. (the "First Optionors") to acquire a 100% right, title and interest in and to certain mining claims known as the Trout Claims, located in the Nechako Plateau area, Omineca Mining Division, near Vanderhoof, British Columbia (the "Property"). The original agreement required initial cash payments and share issuances to the First Optionors and during the first three years, the Company paid an aggregate of \$255,000 and issued an aggregate 60,000 shares.

On May 15, 2014, the Company entered into an amended agreement with the First Optionors of the Property resulting in the addition of new claims and the extension of the option agreement. In consideration, the Company made additional payments totaling \$20,000 and issued 40,000 shares to the First Optionors.

On November 23, 2015, the Company entered into a Mineral Property Purchase Agreement (the "Purchase Agreement") with the First Optionors of the Trout Property that has completed the purchase of the Trout Property. Pursuant to the Purchase Agreement, the Company made a final payment of \$10,000 and issued 400,000 shares of the Company. The Property is subject to a 2% net smelter royalty and a repurchase agreement in the event of a change business or insolvency and other conditions.

As a result of these agreements, the Company has paid an aggregate of \$285,000 and issued an aggregate of 500,000 shares to the First Optionors.

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8. MINERAL PROPERTIES (Continued)

On March 9, 2012, the Company signed an option agreement (the "Second Option") with BCT Mining Corp. (the "Second Optionors"), whereby the Company could earn up to a 100% right, title and interest in and to mining claims known as the Trout Claims, located adjacent to the Property. The Company completed the option agreement by paying an aggregate of \$60,000 and issuing an aggregate of 22,500 shares.

Grub Property

On July 26, 2016, the Company announced that it entered into a Grubstake agreement with Landmark Geological Inc. in relation to staking the Grub Property and paying approved expenditures in relation to the staking. In consideration of the Grubstake agreement the Company issued 20,000 shares to Landmark Geological Inc. In addition, the Company will pay \$20,000 if a drill program is initiated on this property and pay an additional \$50,000 if the exploration expenditures exceed \$1,000,000.

Realization

The Company's investment in and expenditures on the mineral properties comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

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9. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Issued and outstanding

On December 13, 2016, the Company completed a non-brokered private placement financing issuing 2,500,000 units at a price of \$0.11 per unit for gross proceeds of \$275,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.15 for two years. The proceeds from the private placement have been allocated using the residual value method, with 100% of the proceeds being allocated to the common shares. Pursuant to the private placement, the Company issued 160,000 units valued at a price of \$0.11 and 16,000 broker warrants, exercisable at a price of \$0.15 for two years, valued at \$17,156. The fair value of the broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.80%, dividend yield of nil, volatility of 117% and an expected life of two years.

On September 1, 2016, the Company issued 20,000 common shares in connection with the Grubstake agreement dated May 8, 2016 (note 8). The Company valued the shares at a price of \$0.015 per share, the closing price prior to issuance, for a total of \$3,000.

On February 9, 2016, the Company issued 400,000 common shares in connection with the Purchase Agreement dated November 23, 2015 (note 7). The Company valued the shares at a price of \$0.01 per share, the closing price prior to issuance, for a total of \$40,000.

(c) Stock options

The Company has adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the TSX-V rules. Stock options granted under the Plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

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9. CAPITAL STOCK (Continued)

(c) Stock options (Continued)

A summary of stock option are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2016	60,000	\$ 2.50
Issued	16,000	\$ 0.15
Outstanding, March 31, 2017	76,000	\$ 2.00
Expired*	(60,000)	\$ 2.50
Outstanding, December 31, 2017	16,000	\$ 0.15

A summary of all stock options outstanding is as follows:

Number of Options	Exercise Price	Expiry Date
16,000	\$0.15	December 31, 2018
16,000		

* On expiry of these options, the associated value of \$96,140 was transferred from reserves to deficit.

(d) Warrants

A summary of all warrants outstanding is as follows:

Number of Warrants	Exercise Price	Expiry Date
2,676,000	\$0.15	December 15, 2018

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

Key management compensation

The key management personnel of the Company are the directors and officers of the Company. Key management compensation comprises:

	2017	2016
Consulting fees*	\$ 0	\$ 9,000

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10. RELATED PARTY TRANSACTIONS (Continued)

* \$0 (2016 - \$9,000) paid to Wodan Investments Inc, a company controlled by a former Chief Executive Officer.

As at December 31, 2017, there was \$nil (2016 - \$9,000) owing to directors or officers of the Company.

Other related party transactions

During the year ended March 31, 2017, the Company completed a private placement of which 200,000 units for gross proceeds of \$22,000 were issued to directors and officers of the Company.

11. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the 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 properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended December 31, 2017. The Company is not subject to externally imposed capital requirements.