BLIND CREEK RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

February 28, 2018

These unaudited condensed consolidated interim financial statements of Blind Creek Resources Ltd. for the three months ended February 28, 2018 have been prepared by management and approved by the Board of Directors.

These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	November 30, 2017	November 30, 2017
ASSETS		
Current		
Cash	$ 12,115	$ 26,203
Receivables and prepaids	44,511	76,332
	56,626	102,535
Investment (Note 4)	5,100	2,550
Equipment (Note 5)	29,561	31,432
Reclamation bond (Note 6)	50,000	50,000
Exploration and evaluation assets (Note 6)	2,264,309	2,206,985
	$ 2,405,596	$ 2,393,502
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable	$ 225,353	$ 246,841
Accrued liabilities	10,000	10,000
Due to related parties (Note 12)	217,089	61,482
	452,442	318,323
Shareholders' equity		
Share capital (Note 7)	16,897,388	16,867,388
Share based payment reserve (Note 7)	3,032,994	3,032,994
Deficit	(17,977,228)	(17,825,203)
	1,953,154	2,075,179
	$ 2,405,596	$ 2,393,502

Nature and continuance of operations (Note 1)
Subsequent events (Note 16)

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

BLIND CREEK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
THREE MONTHS ENDED
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	February 28, 2018	February 28, 2017
EXPENSES		
Amortization (Note 5)	$ 1,871	$ 2,499
Bank charges, interest and accretion	765	227
Consulting fees (Note 12)	29,492	18,550
Filing and transfer agent fees	7,138	1,091
Management fees (Note 12)	45,000	14,500
Office and miscellaneous	1,553	48
Professional fees (Note 12)	6,281	5,588
Salaries and wages (Note 8)	16,826	-
Travel, trade shows and promotion (Note 12)	45,649	-
	(154,575)	(42,503)
OTHER ITEMS		
Other than temporary investment recovery (Note 4)	2,550	-
	2,550	-
Net loss and comprehensive loss for the period	$ (152,025)	$ (42,503)
Basic and diluted net loss per common share	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	25,465,939	17,906,939

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

BLIND CREEK RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	Share Capital				Total
	Common Shares	Amount	Deficit	Share based payment reserve	Shareholders' Equity
Balance, November 30, 2016	15,184,715	15,352,021	(17,034,987)	2,889,494	1,206,528
Shares for cash	5,000,000	491,600	-	-	491,600
Comprehensive loss for the period	-	-	(42,503)	-	(42,503)
Balance, February 28, 2017	20,184,717	$ 15,843,621	$ (17,077,490)	$ 2,889,494	$ 1,655,625
Balance, November 30, 2017	25,427,050	$ 16,867,388	$ (17,825,203)	$ 3,032,994	$ 2,075,179
Shares issued for cash (Note 7)	250,000	30,000	-	-	30,000
Comprehensive loss for the period	-	-	(152,025)	-	(152,025)
Balance, February 28, 2018	25,677,050	$ 16,897,388	$ (17,977,228)	$ 3,032,994	$ 1,953,154

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

BLIND CREEK RESOURCES LTD.
(an exploration stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED
(Expressed in Canadian Dollars)
(Unaudited – prepared by management)

	February 28, 2018	February 28, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	$ (152,025)	$ (42,503)
Items not affecting cash:		
Amortization	1,871	-
Impairment of investments	(2,550)	-
Changes in non-cash working capital items:		
Receivables	31,821	(1,375)
Accounts payable and accrued liabilities	(21,488)	(4,105)
Net cash used in operating activities	(142,371)	(45,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation asset expenditures	(57,324)	(350,000)
Net cash used in investing activities	(57,324)	(350,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net	30,000	491,600
Related party loans and advances (repayments)	155,607	5,500
Net cash provided by financing activities	185,607	497,100
Change in cash during the period	(14,448)	101,616
Cash, beginning of year	26,203	445
Cash, end of period	$ 12,115	$ 102,061

Supplemental disclosure with respect to cash flows:

There were no cash payments of taxes or interest for the periods presented.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Canada Business Corporations Act on August 31, 2004 and has continued as a company under the Business Corporations Act of British Columbia. The Company is an exploration stage junior mining company engaged in the identification, acquisition and exploration of mineral properties. The Company's head office, principal address and registered records office is located at 804 – 750 West Pender St, Vancouver, British Columbia, Canada.

The Company's unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast doubt on the validity of this assumption. The Company has incurred ongoing losses and has an accumulated deficit. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments would be material.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition and exploration of exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and acquire mineral properties. The outcome of these matters cannot be predicted at this time. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of its mineral properties and upon future profitable production.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements as at and for the three months ended February 28, 2018 comprise the Company and its 100% owned subsidiary Engineer Gold Mines Ltd. Engineer Gold Mines Ltd. was incorporated Jan 18, 2018

Statement of Compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed consolidated interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended November 30, 2017.

2. BASIS OF PRESENTATION (continued)

Approval of the financial statements

The financial statements of the Company for the three months ended February 28, 2018 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 30, 2018.

Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

iii) The recorded value of provisions. This amount represents a best estimate of the probable amount payable taking into account available evidence including past history of payments and uncertainty of outflow of future resources.

3. SIGNIFICANT ACCOUNTING POLICIES

New or revised accounting standards not yet adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9 - Financial Instruments was issued in November 2009 and covers the classification and measurement of financial assets as part of its project to replace IAS 39 - Financial Instruments: Recognition and Measurement. In October 2010, the requirements for classifying and measuring financial liabilities were added to IFRS 9. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is applicable for periods beginning on or after January 1, 2018. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position. Disclosure changes are anticipated.

(Expressed in Canadian Dollars)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. INVESTMENT

Available-for-sale investment consists of an investment in common shares of Pan Andean Minerals Ltd. ("Pan Andean") (formerly BC Gold Corp). At February 28, 2018, the fair value of the shares was $5,100 (November 30, 2017: $2,550) which represented an unrealized market-to-market recovery of $2,550 (February 28, 2017: $Nil) recorded as other than temporary recovery in profit or loss.

	February 28, 2018		November 30, 2017	
	Number of shares	Market Value	Number of shares	Market Value
Pan Andean Minerals Ltd.	170,000	$5,100	170,000	$2,550

5. EQUIPMENT

Cost	Mobile Equipment	Field Equipment	Total
Balance November 30, 2017 and February 28, 2018	$ 133,293	$ 92,935	$ 226,228

Accumulated amortization	Mobile Equipment	Field Equipment	Total
Balance at November 30, 2016	$ 116,191	$ 68,609	$ 184,800
Amortization	5,131	4,865	9,996
Balance at November 30, 2017	$ 121,322	$ 73,474	$ 194,796
Amortization	898	973	1,871
Balance at February 28, 2018	$ 122,220	$ 74,447	$ 196,667

Carrying amounts	Mobile Equipment	Field Equipment	Total
Balance at November 30, 2017	$ 11,971	$ 19,461	$ 31,432
Balance at February 28, 2018	$ 11,073	$ 18,488	$ 29,561

6. EXPLORATION AND EVALUATION ASSETS

Realization of assets

The investment in mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs represent costs incurred to date and do not necessarily reflect present or future values.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

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 properties may be diminished or negated.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation asset costs and activity is as follows:

	AB Zinc	Blende	Engineer	Yukon Carlin	Total
November 30, 2016	$ -	$ 1,299,721	$ 1	$ 1	$ 1,299,723
Acquisition	254,940	-	452,467	-	707,407
Property development expenditures					
Consulting	-	15,495	28,239	-	43,734
Geological	-	10,576	900	-	11,476
Helicopter	-	11,954	7,840	-	19,794
Insurance	-	-	4,074	-	4,074
Maintenance	-	5,900	14,930	-	20,830
Meals and accommodation	-	5,098	2,059	-	7,157
Permitting	-	12,679	-	-	12.679
Reporting	-	30,290	17,041	-	47,331
Sampling	-	14,635	18,145	-	32,780
November 30, 2017	$ 254,940	$ 1,406,348	$ 545,696	$ 1	$ 2,206,985
Acquisition	-	-	-	-	-
Property development expenditures					
Consulting	-	15,022	37,507	-	52,529
Reporting	-	-	2,180	-	2,180
Sampling	-	2,615	-	-	2,615
February 28, 2018	$ 254,940	$ 1,423,985	$ 585,383	$ 1	$ 2,264,309

AB Zinc, NWT

On July 27, 2017, the Company entered into an agreement with Eagle Plains Resources Ltd. (“Eagle Plains”) whereby the Company has the exclusive right to purchase a 100% undivided interest in the 3000 ha AB Zinc Property (the “Property”) located 263 kilometres west of Norman Wells, N.W.T.

Under the terms of the agreement the Company can acquire a 100% interest in the Property, subject only to the Eagle Plains Net Smelter Returns (“NSR”), by issuing to Eagle Plains 1,000,000 shares on TSX Venture Exchange (“Exchange”) acceptance of this Purchase and Sale Agreement (issued August 22, 2017 at a fair value of $190,000 (Note 7)), and a further 1,000,000 shares on or before 30 months after Exchange acceptance. In the event that the Property is placed into commercial production, Eagle Plains shall be entitled to a royalty of 2% of NSR, with a 1% buyback to 1% upon payment of $1,000,000 to Eagle Plains, and a second option to purchase the remaining 1% NSR upon payment of $7,000,000.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Blende, Yukon

The Company has a 100% undivided interest in the Blende property located in the Mayo Mining District of the Yukon Territory.

Upon completion of a feasibility study, the Company will be required to pay $50,000 annually to the vendor until commencement of commercial production. The property is subject to a 2% NSR and a 1% Underlying Royalty Interest.

Engineer, B.C.

Since August 2004, the Company has owned claims located in the Atlin Mining Division of British Columbia. Until February, 2017, these claims comprised of two project areas referred to as the Tagish Lake/Wann River Project and the Atlin Project.

In August 2013 (and subsequently amended in August 2014, August 2015 and August 2016) the Company signed a letter agreement with Pan Andean where Pan Andean had the option to earn a 100% interest in certain claims of the Company's Atlin property. To earn its 100% interest, Pan Andean was required to make cash payments totaling $225,000, issue 1,250,000 common shares and incur a minimum of $400,000 in exploration expenditures as follows:

(i) issue 250,000 common shares within five business days of signing the letter agreement (received);
(ii) pay $10,000, issue 250,000 common shares and incur $100,000 of expenditures by August 19, 2014 (deferred to August 19, 2015, 2016 and 2017 by 3 separate amendments, each with payments of 100,000 shares of Pan Andean – (received);
(iii) pay $15,000, issue 250,000 common shares and incur $100,000 of expenditures by August 19, 2018
(iv) pay $50,000, issue 250,000 common shares and incur $100,000 of expenditures by August 19, 2019 and;
(v) pay $150,000, issue 250,000 common shares and incur $100,000 of expenditures by August 19, 2020.

The Company was entitled to a 2.0% NSR on the Property, which can be reduced to 0.5% by Pan Andean for a price of $1,500,000.

On February 22, 2017, the Company entered into an agreement to acquire a 100% interest in the adjoining Engineer Mine property, the Gold Hill property and cancel the property option agreement with Pan Andean (thereby retaining 100% ownership). The purchase price was an aggregate of $350,000 paid to various parties. Under the agreement, the Company assumed certain liabilities due from Pan Andean to a third party which amount in aggregate does not exceed $102,467. Pan Andean was entitled to a 1% NSR payable from the proceeds of commercial production from the Engineer Mine, Gold Hill, and Blind Creek properties. The Company will have the right to buy back 100% of the NSR for $2,000,000.

On June 17, 2017, the Company sold 100% interest in 45 claims surrounding the Keno Silver property in Yukon Canada. The sale price was $10,000. Under the agreement, the Purchaser was responsible to pay $4,725 cash in lieu of amounts due on the claims.

On October 16, 2017, the Company has acquired the right, title, benefit and interest held by Pan Andean in and to the 1% NSR over the Engineer Mine Property, by posting a new reclamation bond with the MEMPR in the amount of $50,000 to replace the bond previously provided by Pan Andean. There are now no underlying royalties for the historic Engineer Gold Mine patented crown grants, previously owned and recently staked contiguous Blind Creek mineral claims at the Engineer Gold Mine Property.

6. EXPLORATION AND EVALUATION ASSETS (continued)

Yukon Carlin Gold Trend and Silver Property

The Company holds certain claims within the Yukon Carlin Trend, Yukon.

7. SHARE CAPITAL

Authorized: Unlimited common shares without par value

During the three months ended February 28, 2018:

Issued:
On February 15, 2018, the Company issued 250,000 shares for the exercise of options at $0.12 per share for total proceeds for $30,000.

During the year ended November 30, 2017:

Issued:
On February 10, 2017, the Company issued 5,000,000 common shares at a price of $0.10 per share for gross proceeds of $500,000. The Company paid cash commissions of $8,400.

On July 11, 2017, the Company issued 1,342,335 Units at a price of $0.20 per Unit for gross proceeds of $268,467. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.35 per share expiring July 11, 2018. The Company paid $900 in cash commissions.

On August 22, 2017, the Company issued 1,000,000 shares at a fair value of $190,000 for the acquisition of the AB property in the North West Territories, Canada (Note 6).

On September 20, 2017, the Company issued 2,070,000 units at a price of $0.20 per unit for gross proceeds of $414,000. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.35 per share expiring September 20, 2018. The Company paid $6,000 in cash commissions.

On October 19, 2017, the Company issued 830,000 units at a price of $0.20 per Unit for gross proceeds of $166,000. Each Unit is comprised of one common share and one-half of one share purchase warrant. Each whole warrant is exercisable to purchase one common share at a price of $0.35 per share expiring October 19, 2018. The Company paid $7,800 in cash commissions.

Share-based payment reserve

The share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based instruments are exercised, at which time the corresponding amount will be transferred to share capital. During the year ended November 30, 2017 an amount of $Nil (2016 - $Nil) was transferred to share capital).

(Expressed in Canadian Dollars)

8. STOCK OPTIONS

The Company has a rolling stock option plan (the "plan") that authorizes the board of directors to grant incentive stock options to directors, officers, consultants and employees, whereby a maximum of 10% of the issued common shares are reserved for issuance under the plan. Under the Plan, the exercise price of each option may not be less than the market price of the Company's shares at the date of grant. Options granted under the Plan will have a term not to exceed five years and be subject to vesting provisions as determined by the board of directors of the Company.

A summary of the changes in options follows:

	Number of Options Outstanding	Weighted Average Exercise Price
Balance, November 30, 2016	-	$ -
Issued	1,850,000	0.14
Balance, November 30, 2017	1,850,000	$ 0.14
Exercised	(250,00)	0.12
Cancelled	(250,00)	0.12
Balance, November 30, 2017	1,350,000	$ 0.14

As at February 28, 2018, the following options were outstanding:

TOTAL OF OPTIONS	EXERCISE PRICES	EXPIRY DATES
1,000,000	$ 0.12	January 10, 2019
350,000	$ 0.20	February 21, 2019
1,350,000		

As at February 28, 2018 the weighted average remaining contractual life of the stock options was 0.90 years (February 28, 2017 – 1.90 years) and the weighted average exercise price was $0.14 (February 28, 2017 – $0.14).

9. WARRANTS

A summary of the changes in warrants follows:

	Number of Warrants Outstanding	Weighted Average Exercise Price
Balance, November 30, 2016	-	$ -
Issued	2,121,167	0.35
Balance, November 30, 2017 an February 28, 2108	2,121,167	$ 0.35

As at February 28, 2018, the following share purchase warrants were outstanding:

TOTAL OF WARRANTS	EXERCISE PRICES	EXPIRY DATES
671,167	$ 0.35	July 11, 2018
1,035,000	$ 0.35	September 20, 2018
415,000	$ 0.35	October 19, 2018
2,121,167		

As at February 28, 2018 the weighted average remaining contractual life of the share purchase warrants was 0.51 years (February 28, 2017 – Nil) and the weighted average exercise price was $0.35 (February 28, 2017 – Nil.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, investment, accounts payable, and due to related parties. Cash has been designated as fair value through profit and loss, receivables as loans and receivables, investments as AFS, and accounts payable and due to related parties are designated as other financial liabilities. The fair value of these financial instruments approximates their carrying value due to the short-term nature of these instruments. Cash and investments are measured using level one of the fair value hierarchy.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and other price risk. There has been no change in the way management managed these risks for the year.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Cash is held in a large Canadian financial institution, which has a strong credit rating from a primary credit rating institution. There is nominal risk associated with receivables as this is due primarily from a government agency.

b) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2018. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on the preservation of capital and liquidity.

c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity issuances. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. All the Company's financial liabilities have contractual maturities less than 30 days and are subject to normal trade terms. The Company is exposed to liquidity risk.

d) Price risk

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

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

a) The Company incurred the following expenses charged by key management personnel and companies controlled by key management personnel, such personnel include the Company's Directors, Chief Executive Officer, Chief Financial Officer and Corporate Secretary:

	February 28, 2018	February 28, 2017
Management and consulting fees charged by directors and corporations under their control	$ 57,000	$ 14,500
Professional fees	750	2,250
Total	$ 57,750	$ 16,750

Key management personnel were not paid any post-employment benefits, termination benefits, or other long-term benefits during the respective years.

b) The amount due to the related parties consists of balances owed to directors and has no specific terms of repayment, is unsecured and non-interest-bearing.

13. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's exploration activities on its exploration and evaluation assets. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing due to uncertain economic conditions. The Company believes that it will be able to raise sufficient funds from share issuances to fund its working capital for the coming year. The Company is not subject to any externally imposed capital requirements. There have been no changes to the Company's approach to capital management during the period.

14. SEGMENTED INFORMATION

An operating segment is defined as a component of the Company that engages in business activities from which it may earn revenues and incur expense, whose operating results are reviewed regularly by the Company's chief operating decision maker, and for which discrete financial information is available. The Company has determined that it has one reportable operating segment, the acquisition and exploration of mineral properties, all of which occurs within Canada.

15. CONTINGENCY

The Company has been named in a writ to a group of companies and individuals from a self-represented plaintiff claiming unspecified damages. The Company has not yet been served with the writ. The Company believes this action is without merit.

16. SUBSEQUENT EVENTS

On March 20, 2018 the Company announced both a 5-Year Class 4 Quartz Mining Land Use Application (or "Class 4 QMLUA") to provide for exploration activities at the Company's 100%-owned Blende Zn-Pb-Ag Property, situated 64 km northeast of Keno Hill, Yukon, and a 2-Year Land Use Permit (or "LUP") to allow for Property road access by the Wind River Winter Trail, were approved by the Yukon Department of Energy, Mines and Resources, subject to certain conditions.

The Company has announced its intention to transfer its Engineer Mine property and the adjoining Gold Hill Property which it acquired from Pan Andean in early 2017 together with certain claims it had previously acquired (the "Engineer Gold Mine Project") to Engineer Gold Mines Ltd. ("Engineer"), a wholly-owned subsidiary of the Company (incorporated January 17, 2018) (subject to receipt of all required regulatory approvals) for common shares of Engineer (the "Engineer Distribution Shares") see news release dated January 19, 2018. The Engineer Distribution Shares will then be distributed to the common shareholders of the Company on the reduction of the stated capital of the Company's common shares, all by way of a plan of arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement"). The Company and Engineer have entered into an arrangement agreement (the "Arrangement Agreement") dated January 19, 2018 in connection with the Arrangement. The Arrangement Agreement is subject to regulatory approval.

On March 27, 2018 the Company announced that Engineer Gold Mines Ltd. completed a non-brokered private placement financing of subscription receipt (the "Engineer Private Placement"). The Offering was for 7,600,000 subscription receipts (the "Subscription Receipts") at a subscription price of $0.10 per Subscription Receipt for gross proceeds of $760,000. Funds raised in connection with the Engineer Private Placement are held in escrow pending satisfaction of certain escrow release conditions. Upon satisfaction of the Escrow Release Conditions, the Subscription Receipts will automatically be exercised, without payment of any additional consideration and with no further action on the part of the holders thereof, for units of Engineer (the "Units"). Each Unit is comprised of one Engineer common share and one-half of one share purchase warrant (the "Warrants"). Each whole Warrant is exercisable to acquire one Engineer common share at a price of $0.15 per share for a period of two years following the issuance of the Warrants.

The Company has set May 22, 2018 as the date for the Annual General and Special Meeting. Shareholders as of the April 20, 2018 record date will be eligible to vote at the meeting.