GLOBAL ENERGY METALS CORPORATION

FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015.

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The condensed interim financial statements of Global Energy Metals Corporation are the responsibility of the Company's management. These condensed financial statements are prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Global Energy Metal Corporation
Statement of Financial Position
(Expressed in Canadian dollars)

	December 31, 2016 - $ -	June 30, 2016 - $ -
ASSETS		
Current assets		
Cash	456,015	-
Receivables	60,239	20,097
Prepaid expenses	177,822	-
	694,076	20,097
Deposits	13,013	13,013
Equipment and leasehold	2,160	2,890
Exploration and evaluation assets (Note 6)	3,138,264	3,011,585
	3,847,513	3,047,585
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Notes 7,9)	222,775	1,923,293
Loans payable (Note 7)	35,498	1,580,801
	258,274	3,504,094
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	3,074,773	1
Reserves (Note 8)	16,000	-
Deficit	498,467	(456,510)
	3,589,240	(456,509)
	3,847,513	3,047,585

Nature of operation and going concern (Note 1)
Subsequent events (Note 12)

Approved on behalf of the Board of Directors:

"Erin Chutter" — *"Paul Sarjeant"*
Erin Chutter, Director — Paul Sarjeant, Director

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

Global Energy Metals Corporation
Statement of Comprehensive Loss
(Expressed in Canadian dollars)

	Three months ended December 31, 2016	2015	Six months ended December 31, 2016	Period April 27, 2015 (Incorporation) to December 31, 2015
	- $ -	- $ -	- $ -	- $ -
Expenses				
Interest expense	-	-	73,065	-
Consulting fees	37,700	-	110,374	-
Management fees	42,000	12,000	87,000	12,000
Marketing and corporate development	59,138	-	89,138	-
Filling fees	17,491	176	28,990	176
Professional fees	118	-	24,462	-
General administrative and office	13,782	-	18,287	-
Loss from operations	(170,229)	(12,176)	(431,315)	(12,176)
Accountspayable and debt forgiven	-	-	28,457	-
Gain from debt settlement (Notes 7 and 8)	286,902	-	818,491	-
Loss for the period before taxes	116,673	(12,176)	415,633	(12,176)
Net loss and comprehensive loss	116,673	(12,176)	415,633	(12,176)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.02)	(0.00)
Weighted average common shares outstanding - basic and diluted	26,925,573	2,586,593	19,176,523	2,586,593

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

Global Energy Metals Corporation
Statement of Cash Flows
(Expressed in Canadian dollars)

	Six months ended Decebmer 31, 2016	Period April 27, 2015 (Incorporation) to December 31, 2015
	- $ -	- $ -
Cash flows from operating activities		
Net loss from continuing operations	415,633	(64,198)
Items not involving cash:		
Amortization	730	(3,620)
Accrued interest	(73,065)	-
Gain for debt settlement	(846,948)	-
Write of of mineral claims		-
Net change in non-cash working capital		
Amounts receivable	(40,142)	(5,239)
Prepaid expenses	(177,822)	(17,513)
Accounts payable and accrued liabilities	(780,505)	1,489,519
Cash used in operating activities	(1,502,119)	1,398,949
Cash flows from investing activities		
Exploration and evaluation expenditures	(126,679)	(2,953,185)
Cash used in investing activities	(126,679)	(2,953,185)
Cash flows from financing activities		
Share capital issued for cash, net of costs	3,090,773	-
Interet expense accrued	(13,283)	-
Adjustment for FV of shares for debt	539,343	-
Repayment of loans	(1,532,020)	1,554,235
Cash provided by financing activities	2,084,813	1,554,235
Increase (decrease) in cash from continuing operations	456,015	(1)
Cash, beginning	-	1
Cash, ending	456,015	-

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

Global Energy Metals Corporation
Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Share capital		Reserves		
	Number of shares	Amount	Warrants valuation	Deficit	Total equity
		- $ -	- $ -	- $ -	- $ -
Balance, at Inception, April 27, 2015	1	1	-	-	1
Net deficit per plan of arrangement				(52,022)	(52,022)
Comprehensive loss	-	-	-	(12,176)	(12,176)
Shares issued as per plan of arrangement	5,288,145	1	-	-	1
Shares cancelled	(1)	(1)	-	-	(1)
Balance (unaudited), December 31, 2015	5,288,146	1	-	(64,198)	(64,197)
Balance, June 30, 2016	5,288,146	1	-	(456,510)	(456,509)
Comprehensive loss	-	-	-	415,633	415,633
Private placement, net of issuance costs	10,949,486	1,593,223	-	-	1,593,223
Shares issued for debt	10,709,332	1,655,600	-	-	1,655,600
Agent's warrants valuation	-	(16,000)	16,000	-	-
Finders' fees		(158,051)	-	-	(158,051)
Fair Value adjusment for shares for debt	-	-	-	539,344	539,344
Balance (unaudited), December 31, 2016	26,946,964	3,074,773	16,000	498,467	3,589,240

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Global Energy Metals Corporation (the "Company") was incorporated under the Business Corporations Act of British Columbia on April 27, 2015. The Company is in the business of exploring resource properties. All of the Company's resource properties are located in Ontario, Canada. The Company's head office, principal address and records of office is 1501 – 128 West Pender Street, Vancouver, British Columbia, Canada, V6B 1R8.

The interim unaudited financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2016, the Company had not advanced its resource properties to commercial production and is not able to finance day to day activities through operations. The Company had a working capital of $435,802 as at December 31, 2016, (June 30, 2016 – deficiency of $3,483,997) and an accumulated surplus of $498,467 (June 30, 2016 – deficit of $456,510). The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with loans from directors and private placements of common shares.

2. BASIS OF PREPARATION

The Company is following the same accounting policies and methods of computation in these condensed interim financial statements as it did in the audited financial statements for the fiscal year ended June 30, 2016.

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these financial statements are based on International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Interpretations Committee ("IFRIC") issued and outstanding as at January 27, 2016, the date the audit committee to the board of directors approved these condensed interim financial statements for issue.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. Regular way purchases and sales of FVTPL financial assets are accounted for at the trade date. The Company has no assets classified as FVTPL.

Financial assets classified as held-to-maturity are initially recognized at fair value and subsequently are measured at amortized cost using the effective interest rate method. Any changes to the carrying amount, including impairment losses, are recognized through profit or loss. The Company classifies its deposits as held-to-maturity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income/loss, except for losses in value that are considered other than temporary. The Company has no assets classified as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as financial liabilities at FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and loans payable are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. The Company has not classified any financial liabilities as FVTPL.

Fair Value Hierarchy

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits or highly liquid investments that are readily convertible to known amounts of cash with original maturities of 90 days or less and which are subject to an insignificant risk of change in value.

At December 31, 2016, the Company's financial instruments are comprised of cash. With the exception of cash and cash equivalents, all financial instruments held by the Company are measured at amortized cost.

Exploration and Evaluation Assets ('E&E")

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Equipment

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	15% - 45% declining-balance

Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to 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. The impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of Equity Units issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

Share-based Payments (continued)

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future 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 enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Foreign Currency Translation

Transactions in currencies are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction. Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

New Standards and Interpretations

The following new standard has been issued by the IASB or the IFRIC that are mandatory for accounting periods beginning July 1, 2016 or later periods:

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments; Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this new standard will be for periods beginning on or after January 18, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

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.

IFRS 9, Financial Instruments, addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39 Financial Instruments; Recognition and Measurement for debt instruments with a new mixed measurement model having only two categories; amortized cost and fair value through profit or loss. Requirements for financial liabilities are largely carried forward from the existing requirements in IAS 39 except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss are generally recorded in other comprehensive income. The effective date of this new standard will be for periods beginning on or after January 18, 2018 with early adoption permitted. The Company has not yet assessed the impact of this standard or determined whether it will adopt earlier.

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. FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

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. The Company's has exposure to credit risk on its deposits. The maximum exposure to loss arising from deposits is equal to their carrying amounts.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate as they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign currency risk.

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. The Company assessed its liquidity risk as high.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's convertible debentures bear fixed interest rate and therefore does not expose to interest rate risk.

There were no changes in the Company's approach to risk management during the reporting period.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. 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 Company is dependent upon external financing or the sale of assets to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

4. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at December 31, 2016:

	December 31, 2016 -$-	June 30, 2016 -$-
Loans payable – current:		
Loan to related party (Note 8)	-	1,288,578
Convertible debenture	35,498	292,223
Loans payable - current	35,498	1,580,801

5. RECEIVABLES

At December 31, 2016, the Company's receivables comprised of $48,239 in GST receivable (June 30, 2016 - $20,097). Other receivable includes $12,000 in storage fees to the Company's former parent company.

	December 31, 2016 -$-	June 30, 2016 -$-
Receivables:		
GST Receivable	48,239	20,097
Other	12,000	-
	60,239	20,097

6. EXPLORATION AND EVALUATION ASSETS

At January 19, 2016, the Company acquired exploration and evaluation assets in Werner Lake mineral belt in the Kenora Mining Division, Ontario, Canada from GCO with a fair value of $2,953,185. From 2008 to 2010, GCO acquired certain claims in the Werner Lake mineral belt from three optionors: Benton Resources Corp. ("Benton"), Commerce Capital Inc. ("Commerce"), and Teck Resources Ltd. ("Teck"). The claims acquired from Benton are subject to a 2% Net Smelter Royalty ("NSR"). The claims acquired from Commerce are subject to a 2% NSR and the Company may purchase 1% of the NSR for $2,000,000. The claims acquired from Teck are subject to a 1.5% NSR and the Company may purchase 0.5% of the NSR for $1,500,000.

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Cumulative expenditures incurred are as follows:

	January 19, 2016	Addition (disposal)	June 30, 2016	Addition (disposal)	December 31, 2016
	-$-	-$-	-$-	-$-	-$-
Werner Lake:					
Acquisition costs	2,953,185		2,953,185		2,953,185
Exploration expenditures					
Recording fees	-	-	-	87,929	87,929
Camp cost	-	10,400	10,400	6,750	17,150
Geological services	-	48,000	48,000	32,000	80,000
	2,953,185	58,400	3,011,585	126,679	3,138,264

7. CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities

At December 31, 2016, the accounts payable and accrued liabilities balance consisted of accounts payable of $205,775 (2015 - $Nil) and accrued liabilities of $17,000 (2015 - $Nil). Included in accounts payable is $18,695 (2015 - $Ni) due to related parties (Note 9)

Loans Payable

	Due on demand	Within one year	Between one and five years	More than five years
	-$-	-$-	-$-	-$-
Accounts payable and accrued liabilities	222,775	-	-	-
Convertible debenture	35,498	-	-	-
	258,274	-	-	-

The convertible debenture was issued on December 28, 2015 and has a maturity date of 180 days from the date it was issued. The debenture is secured by the Company's resource properties in Ontario (Note 6). The convertible debenture with a principal of $265,657 bears an annual interest of 20% and interest is calculated and accrued monthly before and after maturity until the convertible debentures is repaid. During the six months ended December 31, 2016, the Company settled with some of the creditors in the debenture to an outstanding balance at the end of the period of $35,498 including $13,283 in interest which was accrued on the convertible debenture. The debenture is convertible to the Company's shares after the maturity date at a conversion price of $0.05 per share. There was no value allocated to equity for conversion right.

8. SHARE CAPITAL

Authorized

An unlimited number of common shares without par value.

Issued:

Fiscal year 2017

8. SHARE CAPITAL (continued)

On August 25, 2016, the Company consolidated its share capital on the basis of one post-consolidation common share for every fifteen pre-consolidation common shares.

On August 26, 2016, the Company issued 10,709,322 common shares at $0.25 to convert outstanding indebtedness of $2,677,333.

On September 20, 2016,The Company issued 10,621,486 units at $0.15 per unit. Each unit issued consists of one common share at a price of $0.15 per share for a total gross proceeds of $1,593,223 and one transferable share pruchase warrant. Each warrant shall be exercisable to aquire an additional common share at a price of $0.20 per share for a period of 12 months follwoing the lisitng of the Company's common shares on the TSX.V Exchange. The warrants contain an acceleration provision, whereby in the event the Company completes a future equity financing at a price equal to or greater than $0.20, the expiry date of the warrants will be reduced to 60 days following the completion of such financing.

On October 6, 2016, the Company issued 328,000 common shares at $0.15 for a total of $49,200.

On closing of the private offering, finders were paid an agrregate commission comprised of $158,051 in cash and 328,000 in finder's warrants. Each finder's warrant will be exercisable to purchase 1 additional common share at $0.20 per share for a period of 12 months from the date of the closing of the offering, September 19, 2016. All common shares issued under this offering are subject to a hold period expiring on January 20, 2017. Warrants will be subject to a hold period expiring 4 months and 1 day following the listing of the Company's common shares on the TSX.V Exchange.

At December 31, 2016 there are 26,946,964 common shares issued and outstanding.

Fiscal year 2016

On January 19, 2016 the Company issued 79,322,177 common shares with a value of $1 as per the Arrangement.

On April 27, 2015 the Company issued 1 common share at a value of $1. This share was subsequently cancelled.

Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture requirements, grant to directors, officers and employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The maximum discount allowed varies with share price, with a maximum of 25% and minimum price of $0.05. Options may be exercised no later than 30 days following cessation of the optionee's position with the Company or other reasonable time of period approved by the Board of Directors. Pursuant to the stock option plan, options granted in respect of investor relation activities are subject to vesting in a stage of one year form the grant date. Vesting restrictions may also be applied to other options grants, at the discretion of the Board of Directors.

On October 3, 2016, the Company granted 2,661,894 stock options to its directors, officers and consultants. The options are vested immeidately and are exercisable at $0.15 per share for a period of ten years.

At December 31, 2016, there 2,661,894 granted and outstanding.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

The following table is a summary of stock options transactions during the six months ended December 31, 2016 and year ended June 30, 2016:

	December 31, 2016			June 30, 2016	
	Number of Options		Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning	-		-	-	-
Issued	2,661,894	$	0.15	-	-
Expired	-		-	-	-
Balance, ending	2,661,894	$	0.15	-	-

The following summarizes information about stock options outstanding at December 31, 2016:

Issue Date	Expiry Date	Exercise Price	December 31, 2016	June 30, 2016
			Number of Warrants Outstanding	
03-Oct-16	02-Oct-26	$0.15	2,661,894	-
Weighted average remaining contractual life of options			9.76 years	-

Warrants

The following is a summary of share purchase warrants transactions during the six months ended December 31, 2016 and year ended June 30, 2016:

	December 31, 2016			June 30, 2016		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Balance, beginning	426,206	$	2.37	-		-
Transferred in per arrangement*				426,206	$	2.37
Issued	11,368,026	$	0.20	-		-
Expired	(135,613)	$	0.975	-		-
Balance, ending	11,658,619	$	2.23	426,206	$	2.37

*After share consolidation of 15 to1.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

The following summarizes information about share purchase warrants outstanding at December 31, 2016:

Issue Date	Expiry Date		Exercise Price	December 31, 2016	June 30, 2016
				Number of Warrants Outstanding	
20-Jan-16	25-Nov-16	*	$0.795	-	135,613
20-Jan-16	27-Jan-17	*	$5.25	91,260	91,260
20-Jan-16	10-May-17	*	$1.05	199,333	199,333
20-Sep-16	n/a	**	$0.20	11,009,426	-
20-Sep-16	20-Sep-17	***	$0.20	358,600	-
				11,658,619	426,206
Weighted average remaining contractual life of warrants				0.47 years	0.66 years

*Share warrants were issued on the completion of the Arrangement.
**Share warrants will expire 12 months from the date of listing in the TSX Venture Exchange.
***Share warrants will expire 12 months form the date of closing of the private placement.

9. RELATED PARTY TRANSACTIONS

During the six months ended December 31, 2016, the Company entered into the following transactions with related parties:

a) Incurred $30,000 (2015 – Nil) to an officer of the Company for professional fees;
b) Incurred $87,000 (2015 – 12,000l) to officers of the Company for management fees; and
c) Incurred $32,000 (2015 – Nil) to a director of the Company for geological services which has been capitalized to exploration and evaluation assets (Note 6).

Related party balances

At December 31, 2016, accounts payable balance to related parties consist of $18,695 (June 30, 2016 - $969,007) owed to directors, officers of the Company and companies with directors in common. These amounts are unsecured, non-interest bearing and due on demand (Note 6).

At December 31, 2016, loans to related party consists of $Nil (June 30, 2016 - $1,288,578 owed to an officer of the Company. This amount is unsecured is non-interest bearing and without specific terms of repayment (Note 6).

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. During the six months ended December 31, 2016, the Company paid $30,000 to an officer for professional fees and paid $87,000 to officers of the Company for management fees.

10. SEGMENTED INFORMATION

The Company currently conducts all of its operations in Canada in one business segment being the exploration of resource properties.

(Expressed in Canadian dollars)

11. COMMITMENTS

The Company is committed to pay monthly office lease payments of $4,613 per month until January 31, 2018. The lease commitments for the next two fiscal years are:

	- $ -
2017	27,678
2018	32,291
	59,969

The Company paid rental deposits totaling $13,013 in respect of this office lease.

12. SUBSEQUENT EVENTS

On February 6, 2017, the Company announced it had obtained conditional approval from the TSX Venture Exchange (”TSX-V”) for the listing of its common shares on the TSX-V.

The final acceptance of the listing is subject to fulfilling all required filing requirements pursuant to the policies of the TSX-V and the completion of a concurrent financing for a minimum gross proceeds in the amount of CAD $200,000 at a price of $0.15 per unit.