ALCHEMIST MINING INC.

Financial Statements

Years Ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALCHEMIST MINING INC.

We have audited the accompanying financial statements of Alchemist Mining Inc., which comprise the statements of financial position as at April 30, 2017 and 2016 and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Alchemist Mining Inc. as at April 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to note 2 in the financial statements, which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
August 28, 2017

Vancouver
7th Floor 355 Burrard St
Vancouver, BC V6C 2G8
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Smythe LLP | **smythecpa.com**

ALCHEMIST MINING INC.
Statements of Financial Position
As at April 30, 2017 and 2016
(Expressed in Canadian Dollars)

		2017		2016
Assets				
Current				
Cash	$	19,847	$	1,121
Amounts receivable		4,270		2,452
		24,117		3,573
Equipment (note 6)		2,593		846
Exploration and Evaluation Assets (note 7)		236,500		21,000
	$	263,210	$	25,419
Liabilities				
Current				
Accounts payable and accrued liabilities (note 10)	$	85,614	$	129,181
Notes payable (notes 8 and 10)		60,053		126,711
		145,667		255,892
Shareholders' Equity (Deficiency)				
Share Capital (note 9)		2,138,517		1,453,133
Reserves		163,046		124,000
Deficit		(2,184,020)		(1,807,606)
		117,543		(230,473)
	$	263,210	$	25,419

Approved on behalf of the Board:

"David Gdanski"
.... Director
David Gdanski

"Will Rascan"
.... Director
Will Rascan

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.
Statements of Loss and Comprehensive Loss
Years Ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

	2017	2016
Expenses		
Accounting, legal and audit (note 10)	$ 21,150	$ 18,834
Amortization	982	386
Consulting fees	115,500	62,000
Exploration costs	53,983	-
Filing fees and shareholder information	22,982	23,796
Management fees (notes 10 and 13)	105,000	126,000
Office and general	437	279
Recovery of corporate and accounting costs (notes 8 and 10)	(63,300)	-
Rent	15,000	-
Share-based payments (notes 9 and 10)	82,547	-
	354,281	231,295
Impairment of exploration and evaluation assets (note 7)	80,000	-
Gain on settlement of debt (notes 9 and 10)	(17,500)	-
Net Loss and Comprehensive Loss for the Year	$ (416,781)	$ (231,295)
Basic and Diluted Loss Per Share	$ (0.02)	$ (0.02)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	21,237,484	14,868,880

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.
Statements of Changes in Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

			Reserves			
	Number of Shares	**Share Capital**	**Share-based Payments**	**Warrants**	**Deficit**	**Total**
Balance, April 30, 2015	**14,389,100**	**$ 1,493,873**	**$ 101,081**	**$ 24,016**	**$ (1,577,408)**	**$ 41,562**
Exercise of warrants	1,404,000	91,260	-	-	-	91,260
Expiry of warrants	-	-	-	(1,097)	1,097	-
Plan of arrangement (note 8)	-	(132,000)	-	-	-	(132,000)
Net loss for the year	-	-	-	-	(231,295)	(231,295)
Balance, April 30, 2016	**15,793,100**	**1,453,133**	**101,081**	**22,919**	**(1,807,606)**	**(230,473)**
Exercise of options and warrants	1,700,000	118,424	(8,924)	-	-	109,500
Expiry of options and warrants	-	-	(17,448)	(22,919)	40,367	-
Private placements	3,900,000	235,000	-	-	-	235,000
Share-based payments	-	-	82,547	-	-	82,547
Share issuance costs	-	(11,040)	-	5,790	-	(5,250)
Shares issued for exploration and evaluation assets	3,600,000	273,000	-	-	-	273,000
Shares issued for debt settlement	1,750,000	70,000	-	-	-	70,000
Net loss for the year	-	-	-	-	(416,781)	(416,781)
Balance, April 30, 2017	**26,743,100**	**$ 2,138,517**	**$ 157,256**	**$ 5,790**	**$ (2,184,020)**	**$ 117,543**

The accompanying notes are an integral part of these financial statements

ALCHEMIST MINING INC.
Statements of Cash Flows
Years Ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

	2017	2016
Operating Activities		
Net loss	$ (416,781)	$ (231,295)
Items not involving cash		
Amortization	982	386
Impairment of exploration and evaluation assets	80,000	-
Share-based payments	82,547	-
Recovery of corporate costs	(63,300)	-
Gain on settlement of debt	(17,500)	-
	(334,052)	(230,909)
Changes in non-cash working capital		
Amounts receivable	(1,818)	(1,969)
Accounts payable and accrued liabilities	43,933	89,597
Cash Used in Operating Activities	(291,937)	(143,281)
Investing Activities		
Exploration and evaluation expenditures	(22,500)	(10,000)
Purchase of Equipment	(2,729)	-
Cash Used in Investing Activities	(25,229)	(10,000)
Financing Activities		
Proceeds from exercise of options	10,000	-
Proceeds from exercise of warrants	99,500	91,260
Share subscriptions received	-	25,000
Repayment of notes payable	(3,358)	(1,589)
Issuance of common shares, net of share issue costs	229,750	-
Cash Provided by Financing Activities	335,892	114,671
Increase (Decrease) in Cash	18,726	(38,610)
Cash, Beginning of Year	1,121	39,731
Cash, End of Year	$ 19,847	$ 1,121
Supplemental Disclosures with Respect to Cash Flows		
Shares issued for exploration and evaluation assets	$ 273,000	$ -
Shares issued for debt settlement	$ 87,500	$ -
Fair value of warrants expired	$ 22,919	$ 1,097
Fair value of options expired	$ 17,448	$ -
Fair value of agent warrants issued	$ 5,790	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Alchemist Mining Inc. (the "Company") was incorporated as NY85 Capital Inc. under the *Business Corporations Act* on October 22, 2010 in the province of British Columbia. On October 1, 2012, the shareholders of the Company approved the name change from NY85 Capital Inc. to Alchemist Mining Inc. at the Annual General and Special Meeting of the Company. On August 20, 2014, the Company de-listed from the TSX-V and commenced trading on the Canadian Securities Exchange ("CSE"). The common shares of the Company are listed for trading on the CSE under the symbol AMS. The Company operates in a single business segment focusing on mineral exploration in Canada.

The principal business office of the Company is located at 1240 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

2. GOING CONCERN UNCERTAINTY

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. For the year ended April 30, 2017 the Company incurred a net loss of $416,781 (2016 - $231,295), and as at April 30, 2017, has an accumulated deficit of $2,184,020 (2016 - $1,807,606). At April 30, 2017, the Company has a working capital deficiency of $121,550 (2016 - $252,319). The Company has limited resources, no sources of operating cash flows and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and will require and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications used. Such adjustments could be material.

3. BASIS OF PRESENTATION

Approval of the financial statements

The financial statements of the Company for the year ended April 30, 2017 were reviewed by the Audit Committee and approved and authorized for issue on August 28, 2017 by the Board of Directors of the Company.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

3. BASIS OF PRESENTATION (Continued)

Basis of preparation

The Company entered into a Plan of Arrangement (note 8) during the year ended April 30, 2016, and no longer has any subsidiaries.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency. The financial statements of the Company have been prepared on a historical cost basis.

4. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses.

Significant accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

<u>The carrying value of the exploration and evaluation assets and the recoverability of the carrying value</u>

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

If, after exploration and evaluation expenditures are capitalized, information becomes available suggesting that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the Company carries out an impairment test at the cash-generating unit ("CGU") or group of CGUs level in the year the new information becomes available.

<u>Going concern</u>

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant accounting estimates and assumptions

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred income tax

The Company recognizes a deferred tax asset to extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. In addition, changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Site restoration obligations

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.

Restoration liabilities include an estimate of the future cost associated with the reclamation of property and equipment, discounted to its present value, and capitalized as part of the cost of that asset. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and a corresponding adjustment to equipment. Accretion on the reclamation provisions is included in the statements of loss and comprehensive loss. Actual expenditures incurred are charged against reclamation liability. As at April 30, 2017 and 2016, the Company had no site restoration liabilities.

Share-based payments

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, volatility and dividend yield, and making assumptions about them.

Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

Amortization

The amortization rates applicable to each category of equipment are as follows:

Class of equipment	Amortization rate
Computer equipment	55% declining-balance
Furniture and fixtures	20% declining-balance

One-half the normal amortization is taken in the year of acquisition.

Exploration and evaluation assets

Exploration and evaluation expenditures

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Exploration and evaluation costs incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized, and classified. Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs, including drilling costs directly attributable to a property, and directly attributable administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets are tested for impairment and transferred to “mines under construction”. No amortization is taken during the exploration and evaluation phase.

Decommissioning liabilities

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Decommissioning and site rehabilitation costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided when the obligation to incur such costs arises and are capitalized into the cost of the related asset. These costs are charged against operations through depreciation of the asset and unwinding of the discount on the provision.

Depreciation is included in operating costs while the unwinding of the discount is included as a financing cost. Changes in the measurement of a liability relating to the decommissioning or site

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

rehabilitation of plant and other site preparation work are added to, or deducted from, the cost of the related asset. The costs for the restoration of site damage, which arises during production, are provided at their net present values and charged against operations as extraction progresses.

Changes in the measurement of a liability, which arises during production, are charged against operating profit. The discount rate used to measure the net present value of the obligations is the pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. To date, the Company does not have any decommissioning liabilities.

Impairment of long-lived assets

Long-lived assets are evaluated at least annually for impairment. At the end of each reporting period, the Company reviews the carrying amounts of its assets that are subject to amortization to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses for its long-lived assets, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss (“FVTPL”), held-to-maturity investments (“HTM”), 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 assets at recognition.

- Financial assets at fair value through profit or loss
  Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through profit or loss. Cash is included in this category of financial assets.

- Held-to-maturity investments
  HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company has no assets classified as held-to-maturity.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Loans and amounts receivable
  Loans and amounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets or non-current assets based on their maturity date. Loans and amounts receivable are carried at amortized cost, less any impairment. The Company has no assets classified as loans and amounts receivable.

- Available-for-sale financial assets
  AFS financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized as other comprehensive income and classified as a component of equity.

  Management assesses the carrying value of AFS financial assets at least annually for impairment if there has been a significant or prolonged decrease in the value of the AFS financial assets. Any impairment charges are also recognized in profit or loss. When financial assets classified as AFS are sold, the accumulated fair value adjustments recognized in other comprehensive income (loss) are included in profit or loss. The Company has no assets classified as available-for-sale.

Financial liabilities

The Company classifies its financial liabilities in the following categories: borrowings and other financial liabilities and derivative financial liabilities.

Borrowings and 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 profit or 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. Other financial liabilities include accounts payable and accrued liabilities and note payable.

The Company has no derivative financial liabilities.

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:

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.

Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statements of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at period-end.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 income 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 reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax 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.

Share-based payments

The Company grants share 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. 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.

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.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or capitalized with a corresponding increase in share-based payment reserves. The amount recognized as expense is adjusted to reflect the number of share options that actually vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment reserves is transferred to share capital.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. 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 share options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

Existing share options and share purchase warrants have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share is the same.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Share capital

Proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced and any residual value is allocated to the warrants reserve. Consideration received for the exercise of options or warrants is recorded in share capital and the related residual value is transferred to share capital. For those options and warrants that expire, the recorded value is transferred to deficit.

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards are not yet effective as of April 30, 2017 and have not been applied in preparing these financial statements. The Company is currently assessing the impact of these future standards on the financial statements.

IFRS 9 Financial Instruments – Classification and Measurement

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement* and IFRIC 9 *Reassessment of Embedded Derivatives*. The final version of this new standard supersedes the requirements of earlier versions of IFRS 9.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Classification and measurement of financial assets:

Debt instruments are classified and measured on the basis of the entity's business model for managing the asset and its contractual cash flow characteristics as either: “amortized cost”, “fair value through other comprehensive income”, or “fair value through profit or loss” (default). Equity instruments are classified and measured as “fair value through profit or loss” unless upon initial recognition elected to be classified as “fair value through other comprehensive income”.

- Classification and measurement of financial liabilities:

When an entity elects to measure a financial liability at fair value, gains or losses due to changes in the entity’s own credit risk is recognized in other comprehensive income (as opposed to previously profit or loss). This change may be adopted early in isolation of the remainder of IFRS 9.

- Impairment of financial assets:

An expected credit loss impairment model replaced the incurred loss model and is applied to financial assets at “amortized cost” or “fair value through other comprehensive income”, lease receivables, contract assets or loan commitments and financial guarantee contracts. An entity recognizes twelve-month expected credit losses if the credit risk of a financial instrument has not increased significantly since initial recognition and lifetime expected credit losses otherwise.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Hedge accounting:

Hedge accounting remains a choice, however, is now available for a broader range of hedging strategies. Voluntary termination of a hedging relationship is no longer permitted. Effectiveness testing now needs to be performed prospectively only. Entities may elect to continue to applying IAS 39 hedge accounting on adoption of IFRS 9 (until the IASB has completed its separate project on the accounting for open portfolios and macro hedging).

The final version of this new standard is effective for annual periods beginning on or after May 1, 2018. Earlier application is permitted.

IFRS 16 Leases

This new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. The new standard introduces a single lessee accounting model that requires the recognition of all assets and liabilities arising from a lease.

The main features of the new standard are as follows:

- An entity identifies as a lease a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
- A lessee recognizes an asset representing the right to use the leased asset, and a liability for its obligation to make lease payments. Exceptions are permitted for short-term leases and leases of low-value assets.
- A lease asset is initially measured at cost, and is then depreciated similarly to property, plant and equipment. A lease liability is initially measured at the present value of the unpaid lease payments.
- A lessee presents interest expense on a lease liability separately from depreciation of a lease asset in the statement of profit or loss and other comprehensive income.
- A lessor continues to classify its leases as operating leases or finance leases, and to account for them accordingly.
- A lessor provides enhanced disclosures about its risk exposure, particularly exposure to residual-value risk.

The new standard supersedes the requirements in IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.*

The new standard is effective for annual periods beginning on or after May 1, 2019, with earlier application permitted for entities that also apply IFRS 15 Revenue from Contracts with Customers.

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities; and are effective for annual periods beginning on or after May 1, 2018. Earlier application is permitted.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 Income Taxes)

The amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments to IAS 12 are applicable to the annual periods beginning on or after May 1, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2 Share-based Payment)

The amendments provide guidance on the accounting for:

i. the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
ii. share-based payment transactions with a net settlement feature for withholding tax obligations; and
iii. a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after May 1, 2018. Earlier application is permitted.

5. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of April 30, 2017 equal $145,667 (2016 - $255,892). All of the liabilities presented as accounts payable are due within 90 days of April 30, 2017. The Company is seeking additional sources of capital through financing.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

As at April 30, 2017, the Company is not exposed to significant market risk.

(Expressed in Canadian Dollars, unless otherwise stated)

6. EQUIPMENT

		Computer Equipment		Furniture and Fixtures		Total
Cost						
Balance, April 30, 2015 and 2016	$	2,724	$	2,032	$	4,756
Additions		2,729		-		2,729
Balance, April 30, 2017	$	5,453	$	2,032	$	7,485
Amortization						
Balance, April 30, 2015	$	2,324	$	1,200	$	3,524
Amortization		220		166		386
Balance, April 30, 2016		2,544		1,366		3,910
Amortization		849		133		982
Balance, April 30, 2017	$	3,393	$	1,499	$	4,892
Net Book Value						
April 30, 2016	$	180	$	666	$	846
April 30, 2017	$	2,060	$	533	$	2,593

7. EXPLORATION AND EVALUATION ASSETS

		Tchentlo		**Nemaska**		**Aubaine**		**Windfall**		**Total**
Balance, April 30, 2015	$	11,000	$	-	$	-	$	-	$	11,000
Acquisition Costs										
Cash		10,000		-		-		-		10,000
Balance, April 30, 2016		21,000		-		-		-		21,000
Acquisition Costs										
Cash		5,000		5,000		10,000		2,500		22,500
Shares		4,000		45,000		176,000		48,000		273,000
Impairment		(30,000)		(50,000)		-		-		(80,000)
Balance, April 30, 2017	$	-	$	-	$	186,000	$	50,500	$	236,500

Tchentlo Lake Property

On June 24, 2014, the Company entered into an option agreement to acquire up to an 80% interest in the Tchentlo Lake Property ("Tchentlo"), consisting of six mineral claims in British Columbia. Payment terms of the agreement were amended on August 6, 2015, August 25, 2015 and August 7, 2016.

In consideration for earning a 51% interest in Tchentlo, the Company must make payments and issue common shares as follows:

7. EXPLORATION AND EVALUATION ASSETS (Continued)

- $5,500 in cash (paid) and 100,000 common shares of the Company (issued and valued at $5,500);
- $10,000 in cash on or before September 8, 2015 (paid);
- $5,000 in cash (paid) and 100,000 common shares of the Company on or before August 20, 2016 (issued and valued at $4,000); and
- $25,000 in cash on or before August 20, 2017.

The Company must also incur $175,000 in exploration expenditures on or before August 20, 2017.

The vendor will retain a 2% net smelter royalty ("NSR") on Tchentlo, of which the Company can buy back 1% on or before August 20, 2021 for $500,000.

The Company can earn an additional 29% interest in Tchentlo (total of 80%) by making the following payments and issuing common shares as follows:

- 25,000 in cash and 250,000 common shares of the Company on or before August 20, 2018; and
- $50,000 in cash and 250,000 common shares of the Company on or before August 20, 2019.

There was no work performed on the property during the year ended April 30, 2017.

Management recorded an impairment loss of $30,000 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2017 as they determined they could not meet the financial commitments due August 20, 2017.

Nemaska Lake Property

In September 2016, the Company entered into an option agreement to acquire up to a 70% interest in the Nemaska Lake Property ("Nemaska") located in Quebec.

In consideration for earning a 51% interest in Nemaska, the Company must make payments and issue common shares as follows:

- $5,000 in cash upon signing of the agreement (paid);
- 500,000 common shares of the Company within five business days of September 28, 2016 (issued and valued at $45,000);
- $10,000 in cash on or before January 3, 2017;
- $20,000 in cash and 700,000 common shares on or before September 28, 2017.

The Company must also incur $50,000 in exploration expenditures by September 28, 2017 and an additional $200,000 in exploration expenditures by September 28, 2018.

In consideration for earning an additional 19% interest in Nemaska, the Company must pay an additional $30,000 and issue an additional 1,000,000 common shares by September 28, 2018 and incur an additional $200,000 in exploration expenditures by September 28, 2019.

There was no work performed on the property during the year ended April 30, 2017.

Management recorded an impairment loss of $50,000 in accordance with level 3 of the fair value hierarchy for the year ended April 30, 2017 as they did not meet the financial commitments due January 3, 2017.

7. EXPLORATION AND EVALUATION ASSETS (Continued)

Windfall Lake Property

On March 2, 2017, the Company entered into an option agreement to acquire a 100% interest in the Windfall Lake Property ("Windfall") located in Quebec. In consideration, the Company paid $2,500 in cash and issued 800,000 common shares of the Company (issued and valued at $48,000).

Aubaine Property

On March 3, 2017, as amended May 17, 2017, the Company entered into an option agreement to acquire a 100% interest in the Aubaine Property ("Aubaine") located in Quebec. In consideration, the Company must make payments and issue common shares as follows:

- $10,000 in cash (paid) and 2,000,000 common shares (issued and valued at $160,000) of the Company upon signing of the agreement;
- $15,000 in cash (paid in May 2017) on or before May 27, 2017;
- $15,000 on or before June 27, 2017 ($7,500 paid in June 2017 and $7,500 paid in July 2017);
- $25,000 in cash on or before March 3, 2018;
- $25,000 in cash on or before September 3, 2018; and
- $100,000 in cash on or before March 3, 2019.

The Company must also incur $500,000 in exploration expenditures on or before March 3, 2020. The vendor will retain a 3% NSR on Aubaine, of which the Company can buy back 1% on or before March 3, 2023 for $1,000,000. In March 2017, The Company also issued 200,000 finders shares valued at $16,000.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. 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 the 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.

Title to exploration and evaluation interests

Although the Company has taken steps to verify the title to mineral property interests in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

8. PLANS OF ARRANGEMENT

December 30, 2014

Effective December 30, 2014, the Company entered into a Plan of Arrangement (the "Arrangement"). Pursuant to the Arrangement, the Company exchanged all of its issued and outstanding common shares for one new common share, one Class 1 reorganization share and one Class 2 reorganization share of the Company.

All of the Class 1 reorganization shares were transferred by shareholders to a wholly owned subsidiary of the Company, Boomer Financial Inc. ("Spinco1"), a private British Columbia company, in exchange for 2,200,000 common shares of Spinco1 issued to shareholders on a pro-rata basis. The Company redeemed all of the Class 1 reorganization shares by the transfer to Spinco1 of $22,000 of working capital and a promissory note in the principal amount of $22,000.

Further, all of the Class 2 reorganization shares were transferred by shareholders to a wholly owned subsidiary of the Company, Vanrocco Financial Inc. ("Spinco2"), in exchange for 2,200,000 shares of Spinco2 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 2 reorganization shares by the transfer to Spinco2 of $22,000 of working capital and a promissory note in the principal amount of $22,000.

Subsequent to the closing of the Arrangement, the shareholders of the Company owned shares of both Spinco1 and Spinco2 directly.

July 16, 2015

Effective July 16, 2015, the Company entered into a second Plan of Arrangement (the "Second Arrangement"). Pursuant to the Second Arrangement, the Company exchanged all of its issued and outstanding common shares for one new common share, one Class 1 reorganization share, one Class 2 reorganization share and one Class 3 reorganization share of the Company.

All of the Class 1 reorganization shares were transferred by shareholders to a wholly owned subsidiary of the Company, Alexis Financial Inc. ("Spinco3"), a private British Columbia company,

in exchange for 2,200,000 common shares of Spinco3 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 1 reorganization shares by the transfer to Spinco3 of $15,000 of cash and a promissory note in the principal amount of $29,000.

Further, all of the Class 2 reorganization shares were transferred by shareholders to a wholly owned subsidiary of the Company, ChiChi Financial Inc. ("Spinco4"), in exchange for 2,200,000 shares of Spinco4 issued to shareholders on a pro rata basis. The Company redeemed all of the Class 2 reorganization shares by the transfer to Spinco4 of $15,000 of cash and a promissory note in the principal amount of $29,000.

Further, all of the Class 3 reorganization shares were transferred by shareholders to a wholly owned subsidiary of the Company, SYD Financial Inc. ("Spinco5"), in exchange for 2,200,000 shares of Spinco5 issued to shareholders on a pro rata basis. The Company redeemed all of the

Class 3 reorganization shares by the transfer to Spinco5 of $15,000 of cash and a promissory note in the principal amount of $29,000.

Prior to April 30, 2015, $45,000 was advanced to the Spincos. Upon court approval received May 19, 2015, the $45,000 was transferred from a cash advance to equity.

Subsequent to the closing of the Second Arrangement, the shareholders of the Company owned shares of Spinco3, Spinco4 and Spinco5.

8. PLANS OF ARRANGEMENT (Continued)

The promissory notes related to both arrangements are without interest or stated terms of repayment. During the year ended April 30, 2017, $3,358 (2016 - $1,589) was repaid on the notes payable and $63,300 (2016 - $nil) was charged back to the Company for recovery of corporate and accounting costs.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Issued

For the year ended April 30, 2017:

On August 15, 2016, the Company closed a non-brokered private placement and raised $95,000 through the issuance of 1,900,000 units at a price of $0.05 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of one year from issuance at an exercise price of $0.075 per share.

On August 15, 2016, the Company issued 1,750,000 common shares as settlement of $87,500 in accounts payable with officers of the Company. The fair value of the common shares issued according to the trading price was $70,000. Accordingly, the Company realized a gain on settlement of accounts payable of $17,500.

On August 20, 2016, the Company issued 100,000 common shares valued at $4,000 as payment on the Tchentlo Lake Property (note 7).

On September 28, 2016, the Company issued 500,000 common shares valued at $45,000 as payment on the Nemaska Lake Property (note 7).

On November 3, 2016, the Company closed a non-brokered private placement and raised $140,000 through the issuance of 2,000,000 units at a price of $0.07 per unit. Each unit consists of one common share and one share purchase warrant. Each whole warrant is exercisable by the holder to acquire an additional common share of the Company for a period of two years from issuance at an exercise price of $0.10 per share. The Company paid finders' fees of $5,250 and issued 75,000 agent warrants valued at $5,790 with the same terms as the warrants in the private placement.

On March 8, 2017, the Company issued 2,200,000 common shares valued at $176,000 as payment on the Aubaine Property (note 7).

On March 14, 2017, the Company issued 800,000 common shares valued at $48,000 as payment on the Windfall Lake Property (note 7).

During the year ended April 30, 2017, 1,500,000 shares were issued for warrants exercised and 200,000 shares were issued for options exercised at a value of $99,500 and $10,000, respectively.

For the year ended April 30, 2016

Share subscriptions receivable of $25,000 were collected.

The Company received $91,260 on the exercise of 1,404,000 warrants.

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (Continued)

Share options

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the CSE requirements, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and exercisable for a period of up to ten years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The changes in share options during the years ended April 30, 2017 and 2016 are summarized as follows:

	2017		**2016**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	188,000	$ 0.10	188,000	$ 0.10
Granted	1,850,000	$ 0.05	-	-
Exercised	(200,000)	$ 0.05	-	-
Expired	(36,000)	$ 0.10	-	-
Outstanding, end of year	1,802,000	$ 0.05	188,000	$ 0.10

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

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Options Outstanding	Options Exercisable
July 9, 2017	0.19	$ 0.10	152,000	152,000
September 15, 2018	1.38	$ 0.05	1,650,000	1,650,000
	1.28	$ 0.05	1,802,000	1,802,000

During the year ended April 30, 2017, the Company granted 1,850,000 (2016 – nil) stock options with an exercise price of $0.05 to its directors, officers and consultants. The stock options vest immediately upon grant. The Company recognized share-based payments expense of $82,547 (2016 - $nil) for options granted and vested during the period.

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (Continued)

Share options (continued)

The fair value of share options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year Ended April 30, 2017	**Year Ended April 30, 2016**
Expected life (years)	2.00	N/A
Risk-free interest rate	0.57%	N/A
Volatility	227%	N/A
Dividend yield	0.00%	N/A
Weighted average grant date fair value	$0.04	N/A

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price for share options with expected lives greater than one year.

Warrants

The changes in warrants during the years ended April 30, 2017 and 2016 are summarized as follows:

	2017		**2016**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	6,729,000	$ 0.07	8,453,000	$ 0.12
Issued	3,975,000	$ 0.09	-	-
Exercised	(1,500,000)	$ 0.07	(1,404,000)	$ 0.07
Expired	(5,629,000)	$ 0.07	(320,000)	$ 0.50
Outstanding, end of year	3,575,000	$ 0.09	6,729,000	$ 0.07 **

** On July 24, 2015, the Company amended the terms of 7,730,000 share purchase warrants by reducing the exercise price to $0.065.

A summary of warrants outstanding at April 30, 2017 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
August 15, 2017	0.29	$ 0.075	1,700,000
November 3, 2018	1.51	$ 0.10	1,875,000
	0.93	$ 0.09	3,575,000

(Expressed in Canadian Dollars, unless otherwise stated)

9. SHARE CAPITAL (Continued)

Warrants (continued)

For the year ended April 30, 2017:

For the agent warrants issued as part of the November 3, 2016 non-brokered private placement, the Company applied the fair value method using the Black-Scholes option pricing model in accounting for its finders' warrants granted with the following weighted average assumptions: risk-free interest rate of 0.54%; expected dividend yield of zero; expected stock price volatility of 211%; expected life of two years. The Company used the historical volatilities of comparable companies to estimate the volatility of the share price. The grant date fair value of each finder's warrant was $0.08. Accordingly, $5,790 was recognized as share issue costs and recorded as a reduction in the share capital amount for the year ended April 30, 2017.

For the year ended April 30, 2016:

On July 24, 2015, the Company amended the terms of 7,730,000 share purchase warrants by reducing the exercise price to $0.065. The share purchase warrants amended were the 5,500,000 share purchase warrants granted August 20, 2014 to subscribers and the 2,230,000 share purchase warrants granted April 2, 2015 to subscribers. The terms of the agent warrants granted on the same dates were not amended.

On August 20, 2015, the exercise price of 340,000 agent warrants increased from $0.10 to $0.20 as per the original terms.

10. RELATED PARTY TRANSACTIONS

Key management personnel compensation for years ended April 30, 2017 and 2016 is as follows:

		2017		2016
Short-term compensation	$	102,500	$	132,500
Share-based payments	$	51,313	$	-

Of the $102,500 recorded as short-term compensation for the year ended April 30, 2017 (2016 - $132,500), $5,000 (2016 - $6,500) was recorded as accounting, legal and audit fees, $90,000 (2016 - $126,000) was recorded as management fees and $7,500 (2016 - $nil) was recorded as consulting fees.

On August 15, 2016, the Company issued 1,750,000 common shares as settlement of $87,500 in accounts payable with officers of the Company. The fair value of the common shares issued according to the trading price was $70,000. Accordingly, the Company realized a gain on settlement of debt of $17,500 in the statement of loss and comprehensive loss.

At April 30, 2017, $9,598 (2016 - $70,885) of unpaid management and consulting fees was included in accounts payable and accrued liabilities.

At April 30, 2017, notes payable of $60,053 (2016 - $126,711) from the Arrangement and Second Arrangement are held by companies with common directors (note 8). During the year ended April 30, 2017, the Company charged expenses totaling $63,300 (2016 - $nil) to these companies with common directors in exchange for a reduction of the notes payable.

(Expressed in Canadian Dollars, unless otherwise stated)

11. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26% (2016 - 26%) to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2017		2016
Net loss for the year	$	(416,781)	$	(231,295)
Statutory income tax rate		26%		26%
Income tax benefit computed at statutory tax rate		(108,363)		(60,137)
Items not deductible for income tax purposes		21,462		-
Change in timing differences		4,828		-
Unrecognized benefit of deferred income tax assets		82,073		60,137
Income tax expense	$	-	$	-

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of April 30 are as follows:

		2017		2016
Non-capital losses carried forward	$	1,585,043	$	1,342,070
Excess of tax value over carrying value of equipment		7,241		6,259
Excess of tax value over carrying value of exploration and evaluation assets		289,802		209,802
Share issue costs		18,372		15,310
Unrecognized deductible temporary differences	$	1,900,458	$	1,573,441

The Company has non-capital losses of $1,585,000 available for carry-forward to reduce future years' income for income tax purposes. These losses expire as follows:

2031	$	9,000
2032		157,000
2033		375,000
2034		239,000
2035		310,000
2036		252,000
2037		243,000
	$	1,585,000

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, mineral exploration and development, and all of its operations are in Canada.

13. CAPITAL MANAGEMENT

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the year ended April 30, 2017. The Company is not subject to external restrictions on its capital.

14. EVENTS AFTER THE REPORTING DATE

a) On May 11, 2017, the Company received gross proceeds of $5,000 on the exercise of 100,000 options.

b) On May 24, 2017, the Company received gross proceeds of $52,500 on the exercise of 1,050,000 options.

c) On May 25, 2017, the Company issued 1,600,000 stock options to officers, directors and consultants with an exercise price of $0.06 per share for a period of two years.

d) On June 1, 2017, the Company issued 150,000 incentive stock options to an officer and a consultant of the Company with an exercise price of $0.06 per share for a period of two years.

e) On August 2, 2017, the Company signed a non-binding Letter of Intent to acquire a 100% stake in Better Cannabis Genetics Corporation, a company specializing in the research and development of cannabis strains, for a purchase price to be mutually agreed upon in writing by the parties involved.

f) On August 15, 2017, the Company received gross proceeds of $2,250 on the exercise of 30,000 warrants.