

**SQUIRE MINING LTD.**

(An Exploration Stage Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended April 30, 2017

(Stated in Canadian Dollars)

(Unaudited – Prepared by Management)

#### NOTICE TO READER

The accompanying financial statements for the six months ended April 30, 2017 and 2016 and as at April 30, 2017 and October 31, 2016 have been prepared by management and have not been reviewed or audited by the Company's auditors.

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
April 30, 2017 and October 31, 2016  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<u>ASSETS</u>		April 30, <u>2017</u>	October 31, <u>2016</u>
Current				
Cash and cash equivalents		\$	197,153	\$ 297,169
Amounts receivable			<u>13,388</u>	<u>13,736</u>
			210,541	310,905
Exploration and evaluation assets – Note 5			<u>78,653</u>	<u>68,653</u>
		\$	<u>289,194</u>	\$ <u>379,558</u>
	<u>LIABILITIES</u>			
Current				
Accounts payable – Note 8		\$	-	\$ 23,135
Accrued liabilities			<u>5,300</u>	<u>15,300</u>
			<u>5,300</u>	<u>38,435</u>
	<u>SHAREHOLDERS' EQUITY</u>			
Share capital – Note 6			537,838	537,838
Reserve			73,750	73,750
Accumulated deficit			<u>(327,694)</u>	<u>(270,465)</u>
			<u>283,894</u>	<u>341,123</u>
		\$	<u>283,194</u>	\$ <u>379,558</u>

SEE ACCOMPANYING NOTES

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
for the three and six months ended April 30, 2017 and 2016  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Three months ended April 30,		Six months ended April 30,	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
General and administrative expenses				
Accounting and audit fees	\$ 500	\$ 1,500	\$ 1,800	\$ 2,500
Bank charges	133	96	300	168
Legal fees	-	4,110	-	4,599
Office and miscellaneous	217	798	1,640	1,940
Regulatory filing fees	3,680	4,408	5,180	6,233
Shareholder communications	-	1,733	-	1,733
Transfer agent	275	712	1,664	1,823
Travel cost	-	2,990	-	5,125
Website cost	100	-	100	100
	<u>(4,905)</u>	<u>(16,347)</u>	<u>(10,684)</u>	<u>(24,221)</u>
Other items:				
Foreign exchange loss	-	(40,633)	-	(31,468)
Property investigation recovery (cost) – Note 11	<u>2,663</u>	<u>(1,000)</u>	<u>(46,545)</u>	<u>(1,000)</u>
Net loss and comprehensive loss for the period	<u>\$ (2,242)</u>	<u>\$ (57,980)</u>	<u>\$ (57,229)</u>	<u>\$ (56,689)</u>
Basic and diluted loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding	<u>22,152,001</u>	<u>22,152,001</u>	<u>22,152,001</u>	<u>22,152,001</u>

SEE ACCOMPANYING NOTES

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
for the six months ended April 30, 2017 and 2016  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	Six months ended April 30,	
	<u>2017</u>	<u>2016</u>
Operating Activities		
Net loss for the period	\$ (57,229)	\$ (56,689)
Changes in non-cash working capital items related to operations:		
Amounts receivable	348	(47)
Accounts payable	(19,607)	(819)
Accrued liabilities	<u>(10,000)</u>	<u>(2,040)</u>
	<u>(86,488)</u>	<u>(59,595)</u>
Investing Activity		
Exploration and evaluation costs	<u>(13,528)</u>	<u>(2,601)</u>
	<u>(13,528)</u>	<u>(2,601)</u>
Decrease in cash during the period	(100,016)	(62,196)
Cash and cash equivalents, beginning of the period	<u>297,169</u>	<u>414,863</u>
Cash, end of the period	<u>\$ 197,153</u>	<u>\$ 352,667</u>
Non-cash transactions:		
Accounts payable	\$ 3,528	\$ 2,319
Exploration and evaluation assets	\$ (3,528)	\$ (2,319)

SEE ACCOMPANYING NOTES

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
for the period from March 23, 2011 (date of incorporation) to April 30, 2017  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<u>Number of Common Shares</u>	<u>Amount</u>	<u>Reserve</u>	<u>Deficit</u>	<u>Total</u>
For cash					
Incorporator share - \$0.10	1	\$ 1	\$ -	\$ -	\$ 1
Share subscriptions	-	-	-	-	10,000
Net loss and comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,224)</u>	<u>(2,224)</u>
Balance, October 31, 2011	1	1	-	(2,224)	7,777
For cash, seed shares - \$0.005	5,000,000	25,000	-	-	15,000
Net loss and comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,102)</u>	<u>(11,102)</u>
Balance, October 31, 2012	5,000,001	25,001	-	(13,326)	11,675
Net loss and comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,996)</u>	<u>(4,996)</u>
Balance, October 31, 2013	5,000,001	25,001	-	(18,322)	6,679

SEE ACCOMPANYING NOTES

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
for the period from March 23, 2011 (date of incorporation) to April 30, 2017  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

	<u>Number of Common Shares</u>	<u>Amount</u>	<u>Reserve</u>	<u>Deficit</u>	<u>Total</u>
For cash					
Seed shares - \$0.02	13,400,000	268,000	-	-	268,000
- \$0.05	500,000	25,000	-	-	25,000
Net loss and comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,526)</u>	<u>(13,526)</u>
Balance, October 31, 2014	18,900,001	318,001	-	(31,848)	286,153
Share based compensation	-	-	33,750	-	33,750
For cash					
Seed shares - \$0.05	252,000	12,600	-	-	12,600
Additional consideration for seed shares	-	-	25,000	-	25,000
Initial Public Offering - \$0.10	3,000,000	300,000	-	-	300,000
Share issue costs – Note 6	-	(92,763)	15,000	-	(77,763)
Net loss and comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(132,085)</u>	<u>(132,085)</u>
Balance, October 31 2015	22,152,001	537,838	73,750	(163,933)	447,655

SEE ACCOMPANYING NOTES

Continued

**SQUIRE MINING LTD.**  
 (An Exploration Stage Company)  
 CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
 for the period from March 23, 2011 (date of incorporation) to April 30, 2017  
 (Stated in Canadian Dollars)  
 (Unaudited – Prepared by Management)

	<u>Number of Common Shares</u>	<u>Amount</u>	<u>Reserve</u>	<u>Deficit</u>	<u>Total</u>
Net loss and comprehensive loss for the period	-	-	-	(56,689)	(56,689)
Balance, April 30, 2016	22,152,001	537,838	73,750	(220,622)	390,966
Net loss and comprehensive loss for the period	-	-	-	(49,843)	(49,843)
Balance, October 31, 2016	22,152,001	537,838	73,750	(270,465)	341,123
Net loss and comprehensive loss for the period	-	-	-	(57,229)	(57,229)
Balance, April 30, 2017	<u>22,152,001</u>	<u>\$ 537,838</u>	<u>\$ 73,750</u>	<u>\$ (327,694)</u>	<u>\$ 283,894</u>

SEE ACCOMPANYING NOTES

**SQUIRE MINING LTD.**  
(An Exploration Stage Company)  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
April 30, 2017  
(Stated in Canadian Dollars)  
(Unaudited – Prepared by Management)

Note 1 Nature of Operations

The Company is a mineral property exploration company whose common shares trade on the Canadian Securities Exchange (“CSE”). On March 18, 2015, the Company received a receipt from the BCSC, ASC and OSC for its initial public offering (“IPO”) dated March 17, 2015 and become a reporting issuer in British Columbia, Alberta and Ontario. On June 12, 2015, the Company completed its IPO and commenced trading on June 16, 2015 under the trading symbol “SQR”.

The Company has an option agreement to earn an interest in a mineral property located near Quesnel, British Columbia (Note 5) and has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts from the property is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying property, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property option agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

Squire Mining Ltd. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on March 23, 2011. On January 13, 2015 the Company changed its name from 0906251 B.C. Ltd. to Squire Mining Ltd.

The address of the Company’s corporate office and principal place of business is c/o Suite 404 – 815 Hornby Street, Vancouver, BC, V6Z 2E6 and the address of its records office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, V6E 4A2.

Note 2 Basis of Preparation

a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and which were in effect as of April 30, 2017.

The condensed interim financial statements were authorized for issue by the Board of Directors on June 20, 2017.

**Squire Mining Ltd.**

(An Exploration Stage Company)

Notes to the Condensed Interim Financial Statements

April 30, 2017

(Stated in Canadian Dollars)

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Note 2      Basis of Preparation – (cont'd)

b) Going Concern

The Company has not generated revenue from operations and incurred a net loss of \$57,229 for the period ended April 30, 2017, has accumulated a deficit at April 30, 2017 of \$327,694 and expects to incur further losses in the development of its business. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for mineral properties is dependent upon the confirmation of economically recoverable reserves and its ability to obtain adequate financing to develop its mineral properties, and to commence profitable operations in the future, all of which casts significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

c) Basis of Measurement

These financial statements have been prepared using the historical cost basis in Canadian dollars, which is the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Note 3      Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at October 31, 2016. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2016.

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Note 3      Significant Accounting Policies – (cont'd)

Accounting standards and amendments issued not yet effective

The following new standards and interpretations are not yet effective and have not been applied in preparing these financial statements. The Company is currently evaluating the potential impacts of these new standards; however, the Company does not expect them to have a significant effect on the financial statements.

- IFRS 9, *Financial Instruments (effective January 1, 2018)* introduces new requirements for the classification and measurement of financial assets, and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options available in IAS 39.
- IFRS 15 *Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers*. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2017.
- IFRS 16 *Leases* establishes a single lease accounting model requiring lessees to recognize assets and liabilities for all leases unless the leases term is twelve months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the approach to lessor accounting in IFRS 16 substantially unchanged from the predecessor standards IAS 17 Leases. The standard replaces IAS 17 Leases and related interpretations. This standard is effective for reporting periods beginning on or after January 1, 2019.

Note 4      Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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Note 4 Use of Estimates and Judgments – (cont'd)

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following note:

## Exploration and evaluation expenditure

The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position, utilize the cost model and the carrying value of the exploration and evaluation assets is based on the expenditures incurred. Management regularly tests for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Impairment of exploration and evaluation assets is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications in an area with development likely to proceed that the carrying amount is unlikely to be recovered in full by development or by sale.

Note 5 Exploration and Evaluation AssetsStar Property

	Balance, October 31, <u>2015</u>	<u>Additions</u>	Balance October 31, <u>2016</u>	<u>Additions</u>	Balance, April 30, <u>2017</u>
Acquisition costs	\$ 8,000	\$ 10,000	\$ 18,000	\$ 10,000	\$ 28,000
Deferred exploration costs					
Assays	12,488	10,304	22,792	-	22,792
Equipment rental	2,219	5,103	7,322	-	7,322
Food and accommodations	3,469	2,062	5,531	-	5,531
Geological	23,880	16,590	40,470	-	40,470
Supplies	<u>2,021</u>	<u>-</u>	<u>2,021</u>	<u>-</u>	<u>2,021</u>
	<u>44,077</u>	<u>34,059</u>	<u>78,136</u>	<u>-</u>	<u>78,136</u>
Mineral Exploration Tax Credits	<u>(17,265)</u>	<u>(10,218)</u>	<u>(27,483)</u>	<u>-</u>	<u>(27,483)</u>
Balance, ending	<u>\$ 34,812</u>	<u>\$ 33,841</u>	<u>\$ 68,653</u>	<u>\$ 10,000</u>	<u>\$ 78,653</u>

By a mineral property option agreement dated October 5, 2013 and amended on December 5, 2014, the Company may acquire up to a 100% interest in the Star Property. This property consisted of six mineral tenures and is located approximately 80 kilometres west southwest of Quesnel, British Columbia.

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Note 5 Exploration and Evaluation Assets – (cont'd)

In order to earn a 51% interest in the Star Property, the Company shall pay \$78,000 in cash and incur \$885,000 in exploration work as follows:

<u>Date</u>	<u>Payment</u>	<u>Exploration Work</u>
Upon completion of \$0.02 financing (Paid)	\$ 2,000	\$ -
Upon CSE listing date (“Listing Date”) (Paid)	6,000	-
Twelve months after Listing Date (Paid and Incurred)	10,000	35,000
Eighteen months after Listing Date (Paid)	10,000	-
Twenty-four months after Listing Date	10,000	100,000
Thirty months after Listing Date	10,000	-
Thirty-six months after Listing Date	10,000	250,000
Forty-two months after Listing Date	10,000	-
Forty-eight months after Listing date	<u>10,000</u>	<u>500,000</u>
	<u>\$ 78,000</u>	<u>\$ 885,000</u>

The Company may earn an additional 10% interest in the Star Property by completing a pre-feasibility study and a further 9% interest upon successful completion of a senior financing required to put the Star Property into production.

During the year ended October 31, 2016, the Company forfeited one of the claims as the Company did not consider it to be part of the core claim.

Prior to October 5, 2013, the date of the option agreement, the Company incurred an aggregate total of \$26,948 in costs related to the evaluation of the Star Property, which have been previously expensed to the Statement of Loss and Comprehensive Loss.

Note 6 Share Capitala) Authorized:

Unlimited common shares without par value

b) Issued:

There were no shares issued during the six months ended April 30, 2017 and during the year ended October 31, 2016.

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Note 6 Share Capital – (cont'd)c) Escrow:

Pursuant to an escrow agreement dated March 12, 2015, 16,500,001 common shares were placed into escrow to be released as to 10% on the Listing Date with the remaining 90% to be released in equal tranches at six-month intervals over the 36 months following the Listing Date.

As at April 30, 2017, there were 7,425,001 (October 31, 2016: 9,900,000) common shares held in escrow.

d) Share-based Compensation:

The Company has a share-based compensation plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

There were no stock options granted during the six months ended April 30, 2017 and during the year ended October 31, 2016.

A summary of the Company's share purchase options outstanding at April 30, 2017 and October 31, 2016 are presented below:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable at October 31, 2015, 2016 and April 30, 2017	<u>1,125,000</u>	\$0.12

As at April 30, 2017, share purchase options outstanding have a weighted average remaining contractual life of 2.92 (October 31, 2016: 3.42) years.

As at April 30, 2017, the Company had 1,125,000 share purchase options outstanding and entitling the holder thereof the right to acquire 1,125,000 common shares at \$0.12 per share. These options expire on June 10, 2019.

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Note 6 Share Capital – (cont'd)e) Agent's Warrants:

A summary of agent's warrants outstanding at as at April 30, 2017 and October 31, 2016 are presented below:

	<u>Warrants</u>	<u>Weighted Average Exercise Price</u>
Outstanding, at October 31, 2015 and 2016	300,000	\$0.10
Expired	<u>(300,000)</u>	<u>\$0.10</u>
Outstanding, at April 30, 2017	<u>          -</u>	<u>\$0.10</u>

On December 12, 2016, 300,000 agent's warrants expired unexercised.

Note 7 Financial Instruments and Risk Management

The Company is exposed through its operations to the following financial risks:

Market Risk  
Credit Risk  
Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and process for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices and are comprised of foreign currency risk and interest rate risk.

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Note 7 Financial Instruments and Risk Management – (cont'd)

b) Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

c) Interest Rate Risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The risk that the Company will realize a loss as a result of a decline in the fair value of the cash is limited because of the short-term nature of the investments.

d) Credit Risk:

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consists primarily of cash. Cash are maintained with financial institutions of reputable credit and may be redeemed upon demand. The Company considers this risk to be minimal.

e) Liquidity Risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating year.

As at April 30, 2017, the Company had working capital of \$205,241. The Company does not currently operate any producing properties and as such, may be dependent upon issuance of new equity to advance its exploration properties. If equity financing is required, failure to obtain financing on a timely basis may cause the Company to postpone exploration plans, reduce or terminate its operations.

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Note 7 Financial Instruments and Risk Management – (cont'd)

Determination of Fair Value:

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The financial position carrying amounts for cash and cash equivalents, accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.
- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

Note 8 Related Party Transactions

Accounts payable at April 30, 2017 includes \$Nil (October 31, 2016: \$131) owed to an officer of the Company for reimbursement of expenses.

The Company considers its Chief Executive Officer, Chief Financial Officer and directors of the Company to be key management.

Note 9 Segment Information

As at April 30, 2017, the Company has only one operating segment, the acquisition, exploration and development of gold properties in Canada.

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Note 10     Terminated Acquisition

On October 14, 2016, the Company entered into a binding letter of intent (“LOI”) with Strategic Aviation Holdings Ltd. (“SAH”), a privately owned company incorporated under the laws of Ontario, and each of the shareholders of SAH, which set out the terms and conditions pursuant to which the Company, SAH and the SAH shareholders agreed to complete a transaction that would result in the acquisition by the Company of all of the issued and outstanding common shares of SAH.

SAH is a national multi-functional aviation services provider, focusing on airline ground handling and catering logistics services in Canada.

The completion of the proposed transaction was subject to a number of terms and conditions, including entering into a definitive agreement, the completion of the financing, the approval of the shareholders of the Company, the approval of the exchange and other relevant regulatory authorities. On January 6, 2017 the LOI was terminated after the parties were unable to meet certain conditions required to complete the transaction on mutually acceptable terms.

Note 11     Project Investigation Costs

Project investigation costs for the six months ended April 30, 2017, included in the Statements of Loss and Comprehensive Loss, are related to costs incurred with respect to investigation and due diligence of potential business acquisitions and mainly consisted of legal fees totaling \$46,545 (2016: \$Nil).