

# PITCHBLACK RESOURCES LTD.

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## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended  
March 31, 2017 and 2016  
(expressed in Canadian dollars)

**Unaudited**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

# PITCHBLACK RESOURCES LTD.

Condensed Interim Consolidated Statements of Financial Position

Unaudited

(Expressed in Canadian Dollars)

As at

	Notes	March 31, 2017	December 31, 2016
<b>ASSETS</b>			
Current assets:			
Cash		\$ 21,767	\$ 46,595
Amounts receivable		57,981	40,385
Prepaid expenses		4,500	675
Investments	3	439	691
<b>TOTAL ASSETS</b>		<b>\$ 84,687</b>	<b>\$ 88,346</b>
<b>LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)</b>			
Current liabilities:			
Accounts payable and accrued liabilities	6	\$ 1,107,763	\$ 971,844
Shareholders' (Deficiency):			
Share capital		69,464,770	69,464,770
Share-based payments reserve	5	50,305	50,305
Deficit		(70,538,151)	(70,398,573)
<b>Total shareholders' (deficiency)</b>		<b>(1,023,076)</b>	<b>(883,498)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' (DEFICIENCY)</b>		<b>\$ 84,687</b>	<b>\$ 88,346</b>
Nature of operations and going concern	1		
Commitments and contingencies	7		
Subsequent event	10		

APPROVED ON BEHALF OF THE BOARD:

Signed "William Clarke",  
Director

Signed "G. Scott Moore",  
Director

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

# PITCHBLACK RESOURCES LTD.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(Expressed in Canadian Dollars)

		Three months ended	
	Note	March 31,	
		2017	2016
<b>Expenses</b>			
Consulting, professional and management fees	6	\$ 122,518	\$ 97,662
Office and general		10,239	2,311
Shareholder communications and filing fees		5,024	2,161
Travel and promotion		1,545	-
Unrealized loss (gain) on investment	3	252	(27)
<b>Net loss for the period</b>		<b>139,578</b>	<b>102,107</b>
Basic and diluted loss per share		\$ 0.02	\$ 0.03
Weighted average number of common shares outstanding			
- Basic and diluted		6,407,061	3,639,163

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

# PITCHBLACK RESOURCES LTD.

Condensed Interim Consolidated Statements of Cash Flows

Unaudited

(Expressed in Canadian Dollars)

	Three month ended	
	March 31,	
	2017	2016
Cash (used in) provided by operating activities:		
Net (loss) for the period	\$ (139,578)	\$ (102,107)
Adjustment for non-cash items		
Unrealized (gain) loss on investment	252	(27)
Net change in working capital	114,498	100,925
<b>Net cash (used in) operating activities</b>	<b>(24,828)</b>	<b>(1,209)</b>
Change in cash	(24,828)	(1,209)
Cash, beginning of the period	46,595	10,553
<b>Cash, end of the period</b>	<b>\$ 21,767</b>	<b>\$ 9,344</b>

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

## PITCHBLACK RESOURCES LTD.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

Unaudited

(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payments reserve	Deficit	Total shareholders' deficiency
<b>Balance, December 31, 2016</b>	<b>6,407,061</b>	<b>\$ 69,464,770</b>	<b>\$ 50,305</b>	<b>\$ (70,398,573)</b>	<b>\$ (883,498)</b>
(Loss) for the period	-	-	-	(139,578)	(139,578)
<b>Balance, March 31, 2017</b>	<b>6,407,061</b>	<b>\$ 69,464,770</b>	<b>\$ 50,305</b>	<b>\$ (70,538,151)</b>	<b>\$ (1,023,076)</b>
<b>Balance, December 31, 2015</b>	<b>4,624,061</b>	<b>\$ 69,250,980</b>	<b>\$ 175,500</b>	<b>\$ (69,972,779)</b>	<b>\$ (546,299)</b>
(Loss) for the period	-	-	-	(102,107)	(102,107)
<b>Balance, March 31, 2016</b>	<b>4,624,061</b>	<b>\$ 69,250,980</b>	<b>\$ 175,500</b>	<b>\$ (70,074,886)</b>	<b>\$ (648,406)</b>

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

**PITCHBLACK RESOURCES LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**March 31, 2017 and 2016 - Unaudited**  
(Expressed in Canadian Dollars)

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**1. Nature of operations and going concern**

Pitchblack Resources Ltd. ("Pitchblack" or the "Company") is incorporated under the laws of Ontario, Canada. The Company is primarily engaged in the acquisition, exploration and evaluation of properties located in Canada. There has been no determination whether the Company's interests in exploration and evaluation properties contain mineral reserves. The registered head office of the Company is located at 65 Queen Street West, Suite 815, Toronto, Ontario, Canada, M5H 2M5.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs to the carrying values of the Company's assets. The Company's assets may also be subject to political uncertainty, increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations and restrictions.

The condensed interim consolidated financial statements of the Company for the period ended March 31, 2017 were reviewed, approved and authorized for issue by the Board of Directors on May 30, 2017.

Although the Company has taken steps to verify title to the properties on 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 government licensing requirements or regulations, First Nations claims, social licensing requirements, unregistered prior agreements, unregistered claims, and non-compliance with regulatory and environmental requirements.

The Company has a need for equity capital and financing for working capital and exploration and evaluation of its properties. Because of continuing operating losses and a working capital deficiency at March 31, 2017, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations in the longer term. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**2. Significant accounting policies**

**a) Basis of preparation**

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in the Company's annual consolidated financial statements for the year ended December 31, 2016 were consistently applied to all the periods presented unless otherwise noted below. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for held for trading and available-for-sale investments which are reflected at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**b) New and future accounting policies**

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded in these consolidated financial statements. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

**PITCHBLACK RESOURCES LTD.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**2. Significant accounting policies (continued)**

**c) New and future accounting policies (continued)**

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“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 rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

**d) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiary Signet Minerals Inc.

*Subsidiaries*

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

**e) Critical judgments and estimation uncertainties**

The preparation of consolidated financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- **Assets’ carrying values and impairment charges**

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- **Impairment of exploration and evaluation assets**

While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company’s mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company’s exploration and evaluation assets.

**PITCHBLACK RESOURCES LTD.**  
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**2. Significant accounting policies (continued)**

**e) Critical judgments and estimation uncertainties (Continued)**

- Estimation of decommissioning and restoration costs and the timing of expenditure  
Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- Income, value added, withholding and other taxes  
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Share-based payments  
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies  
Refer to Note 7.

**3. Investments**

The Company's investments include shares in the following securities:

	Classification	March 31, 2017		December 31, 2016	
		No. held	Value	No. held	Value
Klondike Gold Corp.	Held-for-trading	667	\$ 177	667	\$ 110
Inform Resources Corp.	Available for sale	3,750	262	3,750	581
			<b>\$ 439</b>		<b>\$ 691</b>

Investments are designated between held-for-trading or available-for-sale based on management intentions with the investment.

The Company has an investment in Klondike Gold Corp. ("Klondike"). These shares are designated as "held for trading". At March 31, 2017, the quoted market value of these shares was \$0.265 per share, or \$177. The Company also owns common shares of Inform Resources Corp. ("Inform"), which are classified as available for sale. At March 31, 2017, the quoted market value for these shares was \$0.07 per share, or \$262. Consequently, an unrealized gain of \$252 was recorded for the three months ended March 31, 2017.

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**4. Exploration and evaluation properties**

**Igor Property, Yukon, Canada**

As at March 31, 2017 and December 31, 2016 the Company held a 50% interest in the Igor Property.

The Company has terminated the option with Mega Uranium Ltd. to earn an additional 25% in the Igor Property. The Company will maintain its 50% interest and will continue to be the operator on the property. The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last five years and does not intend on doing additional work on the property for the foreseeable future.

The Company has allowed certain claims to lapse and will continue to allow certain claims which make up the Igor property.

**Division Mountain Coal Property, Yukon, Canada**

The Company owns the rights to various coal exploration licences and coal leases located in the Whitehorse Mining District and certain coal exploration licences located in the Watson Lake Mining District, Yukon.

The Company has written down the full amount of the carrying value of the property as it has not done any exploration work on the property in the last four years and does not intend on doing additional work on the property for the foreseeable future.

**Mike Lake Property, Yukon, Canada**

The Mike Lake Property was acquired by the Company on May 5, 2009. The Mike Lake Property consists of mining claims in the Tintina Gold Belt, Yukon.

The Company has impaired the full amount of the carrying value of the property as it has not done any exploration work on the property in the last four years and does not intend on doing additional work on the property for the foreseeable future.

**5. Share-based payments reserve**

The Company has a stock-option plan whereby the Company may grant to directors, officers, employees and consultants options to purchase shares of the Company. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. Options granted under the plan will be for a term not to exceed five years.

	No. of options	Weighted average exercise price	Value of options	No. of warrants	Weighted average exercise price	Value of warrants	Total value
<b>December 31, 2015</b>	<b>90,000</b>	<b>\$ 2.32</b>	<b>\$ 175,500</b>	-	\$ -	\$ -	<b>\$ 175,500</b>
Granted	600,000	0.10	50,305	-	-	-	50,305
Expired	(90,000)	2.32	(175,500)	-	-	-	(175,500)
<b>December 31, 2016 and March 31, 2017</b>	<b>600,000</b>	<b>\$ 0.10</b>	<b>\$ 50,305</b>	-	\$ -	\$ -	<b>\$ 50,305</b>

As at March 31, 2017, outstanding options to acquire common shares of the Company were as follows:

Number of options outstanding	Number of options exercisable	Grant date	Expiration date	Exercise price	Grant date				
					Estimated fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
600,000	600,000	7-Nov-16	7-Nov-21	\$ 0.10	\$ 50,305	124%	5.00	0.00%	0.71%
<b>600,000</b>	<b>600,000</b>			<b>\$ 0.10</b>	<b>\$ 50,305</b>		-		

The weighted average remaining contractual life of outstanding options as at March 31, 2017 is 4.61 years (December 31, 2016 – 4.85 years). All options were excluded from the computation of diluted income (loss) per share for the periods presented because their effect would be anti-dilutive.

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**6. Related party disclosures**

During the three months ended March 31, 2017 and 2016, the Company did not enter into transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Amounts owed			
	to related parties			
	March 31, 2017		March 31, 2016	
Apogee Opportunities Inc	\$	7,218	\$	7,218
Directors and officers	\$	394,809	\$	45,000

The Company shares its office space with other companies who may have similar officers or directors. The costs associated with this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc, to whom the Company pays a monthly fee. 2227929 Ontario Inc. does not have any officers or directors in common with the Company.

Greg Duras, an officer of the Company, is a former officer of Apogee Opportunities Inc.

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2017 and 2016 were as follows:

	Three months ended March 31,			
	2017		2016	
Short-term benefits	\$	77,250	\$	62,250

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

See Note 10.

**7. Commitments and contingencies**

The Company is party to certain management contracts. These contracts require that payments of up to approximately \$1,260,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under these contracts approximate \$420,000 due within one year.

The Company's exploration and evaluation activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**PITCHBLACK RESOURCES LTD.**  
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**8. Financial instruments**

Financial assets and financial liabilities as at March 31, 2017 and December 31, 2016 were as follows:

March 31, 2017	Cash	Loans and other financial liabilities	Held-for- trading	Available- for-sale	TOTAL
Cash	\$ 21,767	\$ -	\$ -	\$ -	\$ 21,767
Investments	-	-	177	262	439
Accounts payable and accrued liabilities	-	(1,107,763)	-	-	(1,107,763)

  

December 31, 2016	Cash	Loans and other financial liabilities	Held-for- trading	Available- for-sale	TOTAL
Cash	\$ 46,595	\$ -	\$ -	\$ -	\$ 46,595
Investments	-	-	110	581	691
Accounts payable and accrued liabilities	-	(971,844)	-	-	(971,844)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the years 2017 and 2016.

The carrying values of cash and accounts payable and accrued liabilities reflected on the consolidated statements of financial position approximate fair value due to the limited terms of these instruments.

*Credit risk*

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to these financial instruments is remote.

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had a cash balance of \$21,767 (December 31, 2016 - \$46,595) to settle current liabilities of \$1,107,763 (December 31, 2016 - \$971,844). The Company's financial liabilities generally have contractual maturities of less than 30 days.

(a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future operations will be significantly affected by changes in the market prices for commodities. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, and stability of exchange rates can all cause significant fluctuations in commodity prices. Such external economic factors may in turn be influenced by changes in international investment patterns, monetary systems and political developments. The Company is also exposed to price risk with respect to its investments.

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**8. Financial instruments (Continued)**

*Sensitivity analysis*

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the year.

- The Company does not hold interest bearing debt at interest rates subject to market fluctuations to give rise to interest rate risk.
- The Company does not hold significant cash balances in foreign currencies to give rise to foreign exchange risk.

(d) Fair value

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the balance sheet. These have been prioritized into three levels:

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 the asset or liability that are not based on observable market data.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

At March 31, 2017 and December 31, 2016, the Company's financial instruments that are carried at fair value, consist of investments that have been classified as Level 1 within the fair value hierarchy.

**9. Capital management**

The Company manages and adjusts its capital structure based on available funds in order to support its operations and the acquisition, exploration and evaluation of mineral properties. The capital of the Company consists of share capital, warrants and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

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

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

**10. Subsequent events**

Subsequent to March 31, 2017, the Company entered into shares for debt agreements with certain directors and officers of the Company and an unrelated company that administers the costs of the office space that the Company shares with other potentially related companies wherein \$251,459 worth of debt was settled through the issuance of 2,793,990 shares.

Subsequent to March 31, 2017, 150,000 common stock options were exercised for cash proceeds of \$15,000.

Subsequent to March 31, 2017, the Company issued 375,000 common stock options to certain officers, directors and consultants with an exercise price of \$0.30 and an expiry date of April 20, 2022. All options have an immediate vesting term.

Subsequent to March 31, 2017, the Company announced that it intends to complete a non-brokered private placement financing of up to 571,428 common shares of the Company at a price of \$0.35 per share for gross proceeds of up to \$200,000. Completion of the financing is subject to a number of conditions including receipt of the approval of the NEX Board of the TSX Venture Exchange. The Company intends to use the proceeds for general corporate purposes and to maintain its mineral properties in good standing.