Ascot Resources Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

For the year-ended March 31, 2017

Tel: 604 688 5421
Fax: 604 688 5132
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Shareholders of Ascot Resources Ltd.

We have audited the accompanying consolidated financial statements of Ascot Resources Ltd. and it subsidiary, which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of Ascot Resources Ltd. and its subsidiary as at March 31, 2017 and 2016, and it 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 consolidated financial statements, which indicates that the Company has not yet achieved profitable operations, has a deficit of $45,563,110 and expects to incur future operating losses in the development of its business. These conditions, along with other matters as set forth in Note 2, indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Also, without modifying our opinion, we draw attention to Note 3 in the financial statements, which explains that certain comparative information has been restated as a result of a change in the Company's accounting policy in respect of the expired options.

(signed) "BDO CANADA LLP'

Chartered Professional Accountants

Vancouver, British Columbia
July 27, 2017

Expressed in Canadian Dollars

	March 31, 2017	March 31, 2016 (restated) (Note 3)	April 1, 2015 (restated) (Note 3)
Assets			
Current assets			
Cash and cash equivalents (Note 8)	**$29,089,584**	$3,986,306	$4,522,443
Receivables	**366,041**	43,773	284,750
Prepaid expenses and deposits	**46,371**	30,309	48,015
Total current assets	**$29,501,996**	$4,060,388	$4,855,208
Non-current assets			
Available-for-sale investment (Note 9)	**$ -**	$7,650	$25,500
Reclamation deposits (Note 5)	**340,000**	340,000	340,000
Exploration and evaluation assets (Note 4)	**51,591,644**	45,326,437	34,701,733
Property, plant and equipment (Note 7)	**649,878**	17,806	31,806
Total non-current assets	**$52,581,522**	$45,691,893	$35,099,039
Total assets	**$82,083,518**	$49,752,281	$39,954,247
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	**$574,829**	$201,830	190,576
Other liabilities (Note 10)	**1,749,678**	-	24,597
Total current liabilities	**$2,324,507**	$201,830	$215,173
Non-current liabilities			
Provisions (Note 6)	**$396,982**	$265,112	$257,112
Deferred tax liability (Note 13)	**7,147,000**	5,734,858	5,186,895
Total non-current liabilities	**$7,543,982**	$5,999,970	$5,444,007
Total liabilities	**$9,868,489**	$6,201,800	$5,659,180
Shareholders' equity			
Share capital (Note 11)	**$106,195,794**	$75,630,110	$65,166,229
Share-based payment reserve (Note 12)	**11,582,345**	6,181,792	6,721,424
Accumulated other comprehensive income	**-**	52,715	68,335
Accumulated deficit	**(45,563,110)**	(38,314,136)	(37,660,921)
Total shareholders' equity	**$72,215,029**	$43,550,481	$34,295,067
Total liabilities and shareholders’ equity	**$82,083,518**	$49,752,281	$39,954,247

Signed on behalf of the Board of Directors by:

“Robert A. Evans” (signed)
Director

“Ken M. Carter” (signed)
Director

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

Expressed in Canadian Dollars

	March 31, 2017	March 31, 2016
Interest and other income	**$448,851**	$63,853
Professional fees	**913,457**	542,527
Depreciation	**76,448**	-
Office and administration	**337,617**	72,934
Promotion and shareholders' costs	**449,761**	135,752
Accretion expense	**131,870**	8,000
Swamp Point costs	**163,433**	4,236
Share-based payments (Note 12)	**5,375,620**	-
Total expenses	**7,448,206**	763,449
Loss before income tax	**(6,999,355)**	(699,596)
Deferred tax expense (Note 13)	**(1,378,977)**	(550,194)
Net loss for the year	**$(8,378,332)**	$(1,249,790)
Other comprehensive income, net of tax		
Fair value loss on available for sale investment, net of deferred taxes (Note 9)	**(52,715)**	(15,620)
Comprehensive loss for the year	**$(8,431,047)**	$(1,265,410)
Loss per common share, basic and diluted (Note 18)	**$(0.06)**	$(0.01)

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

Expressed in Canadian Dollars

	Share Capital		Shared-based payment reserve	Accumulated other comprehensive Income (loss)	Deficit	Total Shareholder' Equity
	No. of Shares	**Amount**				
Balance, March 31, 2015	100,266,730	$65,166,229	$6,721,424	$68,335	$(37,660,921)	$34,295,067
Shares issued for cash						
Private placement, net of issue costs	7,533,967	6,882,324	-	-	-	6,882,324
Exercise of options	150,000	115,000	-	-	-	115,000
Exercise of warrants	5,033,572	3,523,500	-	-	-	3,523,500
Issued for other consideration						
Fair value of finder's fee warrants	-	(148,611)	148,611	-	-	-
Transfer to share capital on exercise of options	-	91,668	(91,668)	-	-	-
Transfer to deficit on expiry of options	-	-	(596,575)	-	596,575	-
Available-for-sale investment	-	-	-	(15,620)	-	(15,620)
Loss for the year	-	-	-	-	(1,249,790)	(1,249,790)
Balance, March 31 2016	**112,984,269**	**75,630,110**	**6,181,792**	**52,715**	**(38,314,136)**	**43,550,481**
Shares issued for cash						
Private placement, net of issue costs	2,347,400	2,689,156	-	-	-	2,689,156
Private placement, net of issue costs	1,032,100	1,162,815	-	-	-	1,162,815
Private placement, net of issue costs	435,000	452,731	-	-	-	452,731
Private placement, net of issue costs	17,391,306	18,495,264	-	-	-	18,495,264
Private placement, net of issue costs	4,000,997	8,283,566	-	-	-	8,283,566
Exercise of warrants	1,604,254	1,674,726	-	-	-	1,674,726
Exercise of options	880,000	1,008,500	-	-	-	1,008,500
Issued for other consideration						
Fair value of finder's fee warrants	-	(2,021,602)	2,021,602	-	-	-
Transfer to share capital on exercise of options	-	850,029	(850,029)	-	-	-
Transfer to share capital on exercise of warrants	-	17,282	(17,282)	-	-	-
Transfer to deficit on expiry of options	-	-	(1,129,358)	-	1,129,358	-
Premium on flow-through shares	-	(2,046,783)	-	-		(2,046,783)
Available-for-sale investment	-	-	-	(52,715)	-	(52,715)
Share-based compensation	-	-	5,375,620	-	-	5,375,620
Loss for the year	-	-	-	-	(8,378,332)	(8,378,332)
Balance, March 31, 2017	**140,675,326**	**$106,195,794**	**$11,582,345**	**$ -**	**$(45,563,110)**	**$72,215,029**

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

Expressed in Canadian Dollars

	March 31, 2017	March 31, 2016
Cash flows from operating activities		
Loss for the year	**$(8,378,332)**	$(1,249,790)
Adjustments to reconcile loss to net cash used in operating activities:		
Accretion expense	**131,870**	8,000
Depreciation	**76,448**	-
Unrealized gain on marketable security	**(11,900)**	-
Share-based payments	**5,375,620**	-
Deferred income tax expense	**1,378,977**	550,194
Premium on flow-through shares	**(2,046,783)**	-
Changes in non-cash working capital balances:		
Receivables	**(322,268)**	240,977
Prepaid expenses and deposits	**(16,062)**	17,706
Trade and other payables	**2,985**	106,912
Other liabilities	**1,749,678**	(24,597)
Total cash outflows from operating activities	**(2,059,767)**	(350,598)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(708,520)**	-
Investment in exploration and evaluation assets	**(5,895,193)**	(10,706,363)
Total cash outflows from investing activities	**(6,603,713)**	(10,706,363)
Cash flows from financing activities		
Proceeds from share issuance	**33,726,870**	7,533,967
Costs of issue of shares	**(2,643,338)**	(651,643)
Proceeds from exercise of warrants	**1,674,726**	3,523,500
Proceeds from exercise of stock options	**1,008,500**	115,000
Total cash inflows from financing activities	**33,766,758**	10,520,824
Total increase (decrease) in cash during the year	**25,103,278**	(536,137)
Cash and cash equivalents at beginning of year	**3,986,306**	4,522,443
Cash and cash equivalents at end of year	**$29,089,584**	$3,986,306

1. CORPORATE INFORMATION

Ascot Resources Ltd.'s business activity is the exploration and evaluation of mineral properties. Ascot Resources Ltd. (the "Company") was incorporated under the Business Corporations Act of British Columbia in May 1986. The Company has one wholly-owned subsidiary, Ascot USA Inc., a Washington corporation. The Company is listed on the TSX Venture Exchange, having the symbol AOT-V, as a Tier 2 mining issuer and is in the process of exploring its mineral properties.

The address of the Company's corporate office and principal place of business is #1550 505 Burrard Street, Vancouver, British Columbia, V7X 1M5, Canada.

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated 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").

The consolidated financial statements were authorized for issue by the Board of Directors on July 27, 2017.

b) Basis of Measurement

These consolidated financial statements are presented in Canadian dollars, which is also the Company's and wholly-owned subsidiary's functional currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income.

These consolidated financial statements include the accounts of Ascot Resources Ltd. and its wholly-owned US subsidiary, Ascot USA Inc. All intercompany transactions and balances are eliminated on consolidation.

The accounting policies have been applied consistently to all years presented in these consolidated financial statements, unless otherwise indicated.

c) Judgments and Estimates

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving 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 within the next financial year are exploration and evaluation assets (Note 4) and income taxes (Note 13).

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are rehabilitation provisions (Note 6) and share-based payment transactions (Note 12).

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

d) Going Concern of Operations

These consolidated financial statements have been prepared in accordance with IFRS applicable to going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The Company has not generated revenue from operations. The Company incurred a net loss of $8,378,332 during the year-ended March 31, 2017 and, as of that date, the Company's accumulated deficit was $45,563,110 all of which indicate material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification

Expressed in Canadian Dollars

2. BASIS OF PREPARATION CONTINUED

d) Going Concern of Operations (continued)

of assets and liabilities should the Company be unable to continue as a going concern. Realization values may be substantially different from carrying values as shown.

3. CHANGE IN ACCOUNTING POLICY

Effective at year ended March 31, 2017, the Company voluntarily changed its accounting policy in regards to share-based payments. Previously, all stock-based payments in respect to expired or cancelled stock options were accumulated in share-based payment reserve. The Company felt that this was miss representing the value of the amount in share-based payment reserve. The Company has restated the previous years 2016 and 2015 to reflect these changes and has allocated these amounts to accumulated deficit.

The change in accounting policy resulted in the following changes to the Company's consolidated financial statements:

Consolidated Statement of Financial Position as at April 1, 2015 – Shareholders' equity section:

		As previously reported	Effect of change in accounting policy	As restated under new policy
Shareholders' equity				
Share capital		$ 65,166,229	$ -	$ 65,166,229
Share-based payment reserve	(i)	9,420,992	(2,699,568)	6,721,424
Accumulated other comprehensive income		68,335	-	68,335
Accumulated deficit	(i)	(40,360,489)	2,699,568	(37,660,921)
Total shareholders' equity		$ 34,295,067	$ -	$ 34,295,067

(i) Fair value of options expired prior to April 1, 2015, which has been allocated to accumulated deficit.

Consolidated Statement of Financial Position as at March 31, 2016 – Shareholders' equity section:

		As previously reported	Effect of change in accounting policy	As restated under new policy
Shareholders' equity				
Share capital		$ 75,630,110	$ -	$ 75,630,110
Share-based payment reserve	(ii)	9,477,935	(3,296,143)	6,181,792
Accumulated other comprehensive income		52,715	-	52,715
Accumulated deficit	(ii)	(41,610,279)	3,296,143	(38,314,136)
Total shareholders' equity		$ 43,550,481	$ -	$ 43,550,481

(ii) The adjustment consist of $2,699,568, being the fair value of options expired prior to April 1, 2015, and $596,575, being the fair value of 1,000,000 options expired in fiscal year 2016.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs, until the technical feasibility and commercial viability of extracting the mineral resource has been determined. Costs not directly attributable to exploration and evaluation activities, including pre-explorations costs and general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired and exploration and evaluation expenditure in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Granted	**Balance March 31, 2016 $**	**Additions $**	**Disposals $**	**Balance March 31, 2017 $**
Premier				
Acquisition	6,175,000	100,000	-	6,275,000
Exploration	22,398,436	5,823,452	-	28,221,888
Dilworth				
Acquisition	4,978,659	200,000	-	5,178,659
Exploration	6,709,695	-	-	6,709,695
Mt. Margaret				
Acquisition	2,142,209	-	-	2,142,209
Exploration	2,922,438	141,755	-	3,064,193
Total	**45,326,437**	**6,265,207**	**-**	**51,591,644**

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS CONTINUED

	Balance March 31, 2015 $	Additions $	Disposals $	Balance March 31,2016 $
Premier				
Acquisition	1,400,000	4,775,000	-	6,175,000
Exploration	18,836,531	3,561,905	-	22,398,436
Dilworth				
Acquisition	2,903,659	2,075,000	-	4,978,659
Exploration	6,709,695	-	-	6,709,695
Mt. Margaret				
Acquisition	2,142,209	-	-	2,142,209
Exploration	2,709,639	212,799	-	2,922,438
Total	**34,701,733**	**10,624,704**	**-**	**45,326,437**

PREMIER

In June 2009, the Company signed an Option agreement for the Silbak-Premier gold mine in northern British Columbia, whereby, it could acquire a 100% interest in the mineral claims, mining leases, crown granted mineral claims and freehold and surface titles in British Columbia, Canada and Alaska, U.S.A. This property adjoins the Company's Dilworth property.

In order to purchase the assets the Company must make the following payments:

(1) $100,000 within ten days of the approval of the agreement by the TSX Venture Exchange (paid);

(2) $100,000 on or before June 2010 (paid);

(3) $100,000 on or before June 2011 (paid);

(4) $100,000 on or before June 2012 (paid);

(5) $500,000 on or before December 30, 2013 (paid);

(6) $500,000 on or before December 30, 2014 (paid);

(7) $4,775,000 on or before December 30, 2015 (paid);

(8) $100,000 on or before December 30, 2016 (paid); and

(9) $4,775,000 on or before June 30, 2017.

On November 19, 2015, the Company signed an amended agreement with the optionors confirming the terms as set out above.

In order to exercise the option the Company must have exercised its right to acquire the Dilworth property and will grant the optionor a 1% Net Smelter Royalty ("NSR") and the first right to purchase at market prices all base metal concentrates produced from the Silbak-Premier option. In addition, as part of the amended agreement, Ascot will grant the optionor an additional 5% NSR which can be bought out for $9,550,000 at any time after the exercise of the option. The NSR can only be bought out once the NSR on the Dilworth option has been bought out (see below).

Subsequent to the year ended March 31, 2017, the Company paid the final option payment of $4,775,000. The payment has been placed in escrow and will be released to Boliden Limited ("Boliden") subject to the Company and Boliden entering into a definitive agreement and the satisfaction of all conditions to closing on the Premier property.

4. EXPLORATION AND EVALUATION ASSETS CONTINUED

DILWORTH

The Company can acquire a 100% interest in the Dilworth Property, British Columbia, subject to a 1% NSR, by making the following option payments.

(1) $200,000 on receiving regulatory approval, which occurred in April 2007 (paid);

(2) $300,000 on or before April 2008 (paid);

(3) $200,000 on or before April 2009 (paid);

(4) $200,000 on or before April 2010 (paid);

(5) $500,000 on or before April 2011 (paid);

(6) $200,000 on or before April 2012 (paid);

(7) $400,000 on or before December 30, 2013 (paid);

(8) $400,000 on or before December 30, 2014 (paid);

(9) $2,075,000 on or before December 30, 2015 (paid);

(10) $200,000 on or before December 30, 2016 (paid); and

(11) $2,075,000 on or before June 30, 2017.

On November 19, 2015, the Company signed an amended agreement with the optionors confirming the terms as set out above.

In November 2007 the Company acquired three crown grants (Old Timer, Butte and Yellowstone) which are located near the Company's Dilworth property. The consideration included $100,000 cash (paid) and 200,000 common shares of the Company (issued), which were recorded at fair market value at the date of agreement. These properties are subject to a 1% NSR on the crown grants. In addition, as part of the amended agreement, Ascot will grant the optionor an additional 5% NSR which can be bought out for $4,150,000 at any time after the exercise of the option.

Subsequent to the year ended March 31, 2017, the Company paid the final option payment of $2,075,000. The Company, Boliden and Rick Kasum have agreed to amend the Dilworth option agreement allowing the Company to make a final payment of $1,037,500 to Mr. Kasum and transferring Mr. Kasum's portion to the Company. The final payment of $1,037,500 has been placed in escrow and will be released to Boliden Limited ("Boliden") subject to the Company and Boliden entering into a definitive agreement and the satisfaction of all conditions to closing on the Premier property.

MT. MARGARET

In March 2010 the Company signed an Option agreement, whereby, it could acquire a 100% interest in General Moly Inc.'s 50% interest in the Mt. Margaret property in Washington, USA. In order to purchase the property the Company made the following payments:

i) $100,000 US on signing (paid);

ii) $300,000 US fifteen months from the date of signing (paid);

iii) $335,000 US on May 31, 2012 (paid); and

iv) $1,300,000 US on October 10, 2012 (paid).

The optionor retains a 1.5% NSR. The Company may purchase one-half of the NSR upon completion of a preliminary economic assessment. The purchase price shall be negotiable but shall not be less than 50% of the net present value of the NSR.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS CONTINUED

SWAMP POINT

The Company holds a 100% interest in a Lease and foreshore tenure, expiring May 15, 2028, for the purpose of quarrying, digging and removal of sand and gravel at Swamp Point.

In July 2008, the Company announced that it was suspending work on the construction of a ship loading facility at Swamp Point until such time as aggregate markets improve. In December 2010, with no activity at Swamp Point, management decided to write the property off as impaired.

5. RECLAMATION DEPOSITS

The Company is required to maintain reclamation deposits for its Swamp Point and Premier properties in respect of their expected rehabilitation obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company. The reclamation deposits are held in certificates of deposits with a Canadian chartered bank and the Ministry of Finance. Reclamation deposits are classified as loans and receivables, and are therefore initially measured at fair value and subsequently at amortized cost less impairment.

6. PROVISIONS

The Company makes full provision for the future cost of site rehabilitation on a discounted basis at the time exploration and evaluation activities take place. Rehabilitation provisions have been created based on the Company's internal estimates.

7. PROPERTY, PLANT AND EQUIPMENT

On initial recognition, property, plant and equipment are recorded at cost, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, and any accumulated impairment losses. Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets.

		March 31, 2017			March 31, 2016		
	Useful Life	Cost	Accumulated Depreciation	Total	Cost	Accumulated Depreciation	Total
Drills	3 years	$1,236,394	$735,768	$500,626	$684,754	$684,754	$ -
Field Equipment	3 years	171,728	156,137	15,591	157,586	139,780	17,806
Office Equipment	5 years	39,899	3,211	36,688	-	-	-
Furniture	5 years	102,839	5,866	96,973	-	-	-
		$1,550,860	$900,982	$649,878	$842,340	$824,534	$17,806

Expressed in Canadian Dollars

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash at banks and on hand, demand deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

	March 31, 2017	March 31, 2016
Cash	$ 1,089,584	$ 486,306
Guaranteed Investment Certificates ("GICs")	28,000,000	3,500,000
	$ 29,089,584	$ 3,986,306

Cash is held at a Canadian chartered bank and at registered brokers. The GICs are held at a Canadian Chartered Bank. The GICs bear interest at 0.90 % (March 31, 2016 – 0.90%). The GICs may be redeemed on twenty-four hours' notice to the bank.

For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

Included in cash and cash equivalents is $8,592,768 (March 31, 2016 – $nil) which is required to be spent on flow-through expenditures.

9. AVAILABLE-FOR-SALE INVESTMENT

Financial assets classified as available-for-sale consists of an investment in common shares of Cardero Resource Corp.

Available-for-sale investments are recorded on a trade date basis and initially and subsequently measured at fair value. Changes in fair value, other than impairment, are recognized in other comprehensive loss/income. The fair value of the listed available-for-sale investment has been determined directly by reference to published price quotations in an active market (Level 1 valuation).

During the year ended March 31, 2017, the Company wrote off the investment and derecognized the cumulative fair value gain on the investment into net loss. The Company recorded an unrealized gain of $11,900.

10. OTHER LIABILITIES

Other liabilities comprise the premium liability of the flow-through shares issued, representing the estimated difference between the quoted market price of a non flow-through share and the amount the investors pay for the flow-through shares.

The following is a continuity schedule of the premium liability of the flow-through shares issuances.

	Total
Balance at March 31, 2015	**$** 24,597
Derecognition of premium liability on expenditure of flow-through share proceeds	(24,597)
Balance at March 31, 2016	**$** -
Premium on flow through share issue	**2,046,783**
Derecognition of premium liability on expenditure of flow-through share proceeds	**(297,105)**
Balance at March 31, 2017	**$ 1,749,678**

11. SHARE CAPITAL AND RESERVES

The Company's common shares, share warrants and flow-through shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

a) Common Shares

The Company is authorized to issue an unlimited number of common shares.

The holders of common shares are entitled to receive dividends which may be declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regard to the Company's residual assets.

The following is a summary of changes in common share capital from March 31, 2015 to March 31, 2017:

On December 16, 2016 the Company raised $9,002,243 by issuing 4,000,997 Flow-through shares at $2.25. In connection with the private placement, the Company paid to the finders a cash commission equal to 6% of the gross proceeds.

On August 5, 2016 the Company raised $20,000,002 by issuing 17,391,306 units at $1.15 per unit. Each unit consisted of one common share and one-half common share purchase warrant. Each whole warrant is exercisable for one common share until August 5, 2018 at an exercise price of $1.50 per warrant. In connection with the private placement, the Company paid to the finders a cash commission equal to 7% of the gross proceeds plus 1,217,391 finders' warrants were incurred as finders' fees. Each finders' warrant can be exercised for one common share until August 5, 2018 at an exercise price of $1.15. Using the Black-Scholes model, a risk free factor at 0.52%, an expected dividend yield of 0.00%, an average expected life of 2 years and a volatility factor of 81.07% the value of the warrants was determined to be $1,917,685 and recorded to share issuance costs.

On July 11, 2016 the Company raised $500,250 by issuing 435,000 units at $1.15 per unit. Each unit consisted of one common share and one-half common share purchase warrant. Each whole warrant is exercisable for one common share until July 8, 2018 at an exercise price of $1.75 per warrant. In connection with the private placement, the Company paid to the finders a cash commission equal to 7% of the gross proceeds plus 30,450 finders' warrants were incurred as finders' fees. Each finders' warrant can be exercised for one common share until July 8, 2018 at an exercise price of $1.15. Using the Black-Scholes model, a risk free factor at 0.50%, an expected dividend yield of 0.00%, an average expected life of 2 years and a volatility factor of 78.10% the value of the warrants was determined to be $22,811 and recorded to share issuance costs.

On June 30, 2016, the Company closed the second tranche of a non-brokered private placement for 1,032,100 units at a price of $1.25 per unit for a gross proceeds of $1,290,125. Each unit consists of one flow-through share and one-half of one non-transferable share purchase warrant. Each warrant is exercisable for an additional common share until December 30, 2017 at an exercise price of $1.75. In connection with the private placement, the Company paid to the finders a cash commission equal to 7% of the gross proceeds plus 72,247 non-transferrable warrants exercisable into common shares until December 30, 2017 at an exercise price of $1.25. Using the Black-Scholes model, a risk free factor at 0.52%, an expected dividend yield of 0.00%, an average expected life of 1.5 years and a volatility factor of 73.90% the value of the warrants was determined to be $27,447 and recorded to share issuance costs.

On June 24, 2016, the Company closed the first tranche of a non-brokered private placement for 2,347,400 units at a price of $1.25 per unit for a gross proceeds of $2,934,250. Each unit consists of one flow-through share and one-half of one non-transferable share purchase warrant. Each warrant is exercisable for an additional common share until December 24, 2017 at an exercise price of $1.75. In connection with the private placement, the Company paid to the finders a cash commission equal to 7% of the gross proceeds plus 162,078 non-transferrable warrants exercisable into common shares until December 24, 2017 at an exercise price of $1.25. Using the Black-Scholes model, a risk free factor at 0.54%, an expected dividend yield of 0.00%, an average expected life of 1.5 years and a volatility factor of 74.23% the value of the warrants was determined to be $53,659 and recorded to share issuance costs.

On December 15, 2015, the Company closed a non-brokered private placement for 7,533,967 units at a price of $1.00 per unit for a gross proceeds of $7,533,967. Each unit consists of one share and one non-transferable share purchase warrant. Each warrant is exercisable for an additional common share until June 15, 2017 at an exercise price of $1.05. In connection with the private placement, the Company paid to the finders a cash commission of $513,471 plus 513,471 non-transferrable warrants exercisable into common shares until June 15, 2017 at an exercise price of $1.05. Using the Black-Scholes model, a risk free factor at 0.52%, an expected dividend yield of 0.00%, an average expected life of eighteen months and a volatility factor of 76.52% the value of the warrants was determined to be $148,611 and recorded to share issuance costs.

Expressed in Canadian Dollars

11. Share Capital and Reserves continued

As at March 31, 2017, the Company had $8,592,768 still to spend on qualifying Canadian exploration expenses as defined by the Canadian Income Tax Act to meet its obligations under the issuance of flow through shares (March 31 2016 - $nil).

b) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's reporting year is disclosed separately as flow-through share proceeds.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

c) Share Purchase Warrants

The following is a summary of changes in warrants from March 31, 2015 to March 31, 2017:

	Number of Warrants		Average Exercise Price
Balance at March 31, 2015	**6,864,194**	**$**	**0.77**
Issue of warrants	8,047,438		1.05
Exercise of warrants	(5,033,572)		(0.70)
Expiry of warrants	(383,000)		(0.70)
Balance March 31, 2016	**9,495,060**	**$**	**1.05**
Issue of warrants	12,085,069		1.50
Exercise of warrants	(1,604,254)		(1.02)
Expiry of warrants	(1,091,765)		(1.05)
Balance as at March 31, 2017	**18,884,110**	**$**	**1.32**

As at March 31, 2017, the Company had outstanding warrants as follows:

Number of warrants	Exercise price		Expiry
6,825,641	$	1.05	June 15, 2017
1,173,700	$	1.75	December 24, 2017
162,078	$	1.25	December 24, 2017
516,050	$	1.75	December 30, 2017
45,647	$	1.25	December 30, 2017
217,500	$	1.75	July 8, 2018
30,450	$	1.15	July 8, 2018
8,695,653	$	1.50	August 5, 2018
1,217,391	$	1.15	August 5, 2018
18,884,110			

11. SHARE CAPITAL AND RESERVES CONTINUED

d) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Contributed Surplus', 'Accumulated Other Comprehensive Income' and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise or expiration.

'Accumulated Other Comprehensive Income' includes an available-for-sale reserve. This reserve is used to recognize fair value changes on available-for-sale investments.

'Accumulated Deficit' is used to record the Company's change in deficit from earnings from period to period.

12. SHARE-BASED PAYMENTS

Where equity-settled share options are awarded to employees, the grant date fair value of the options is recognized in comprehensive loss/income over the vesting period.

Estimating fair value for share-based payment transactions 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 life of the stock option, volatility and dividend yield and making assumptions about them.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed below.

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

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

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 an 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.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount in contributed surplus is credited to share capital, adjusted for any consideration paid.

a) Option Plan Details

The Company has an incentive Stock Option Plan ("the Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company. The terms of the Plan provide that the Directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant at terms of up to five years. No amounts are paid or payable by the recipient on receipt of the option, and the options granted are not dependent on any performance-based criteria. All options granted vest immediately.

Expressed in Canadian Dollars

12. Share-Based Payments CONTINUED

The following is a summary of changes in options, outstanding and exercisable, from March 31, 2015 to March 31, 2017:

				During the Year		Closing Balance		During the Year		Closing Balance
Grant Date	Expiry Date	Price	March 31, 2015	Exercised	Expired	March 31, 2016	Granted	Exercised	Expired	March 31, 2017
01/19/2011	01/19/2016	$0.71	1,100,000	(100,000)	(1,000,000)	-	-	-		-
02/08/2012	02/08/2017	$1.20	1,800,000	-	-	1,800,000	-	(650,000)	(1,150,000)	-
09/17/2013	09/17/2018	$0.95	2,600,000	-	-	2,600,000	-	(30,000)	-	2,570,000
02/21/2014	02/21/2019	$1.04	150,000	-	-	150,000	-	(150,000)		-
06/20/2014	06/20/2019	$0.88	3,250,000	(50,000)	-	3,200,000	-	(50,000)		3,150,000
07/21/2016	07/21/2021	$1.68	-	-	-	-	2,300,000	-		2,300,000
08/04/2016	08/04/2021	$2.34	-	-	-	-	600,000	-		600,000
11/04/2016	11/04/2021	$2.19	-	-	-	-	100,000	-		100,000
02/14/2017	02/14/2022	$1.93	-	-	-	-	1,300,000	-	-	1,300,000
			8,900,000	(150,000)	(1,000,000)	7,750,000	4,300,000	(880,000)	(1,150,000)	10,020,000
Weighted Average Exercise Price			$ 0.95	$0.77	$ 0.71	$ 0.98	$ 1.86	$1.15	$1.20	$1.32

Expressed in Canadian Dollars

12. SHARE-BASED PAYMENTS CONTINUED

b) Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options issued and vested during the years ended March 31, 2017 was $1.86 (2016 $nil).

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

The model inputs for options granted during the year ended March 31, 2017 included:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
07/21/2016	07/21/2021	$1.86	$1.68	0.65%	60 months	80.5%	0.00%
08/04/2016	08/04/2021	$2.34	$2.34	0.62%	60 months	80.1%	0.00%
11/04/2016	11/04/2021	$2.29	$2.19	0.68%	60 months	78.1%	0.00%
14/02/2017	14/02/2022	$1.92	$1.93	1.15%	60 months	77.3%	0.00%

c) Amounts Expensed Arising from Share-based Payment Transactions

Total expenses arising from share-based payment transactions that were capitalized during the year as part of exploration and evaluation activities were $nil (2016 $nil).

13. INCOME TAXES

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Taxation in the Company's operational jurisdiction is calculated at the rate prevailing in its respective jurisdiction.

Expressed in Canadian Dollars

13. INCOME TAXES CONTINUED

The difference between tax expense for the year and the expected income taxes based on the statutory tax rate arises as follows:

	March 31,2017	March 31, 2016
Loss before income tax	$(6,999,335)	$(699,596)
Recovery based on the statutory rates- 26% (2016- 26%)	(1,820,000)	(182,000)
Non-deductible expenses	1,398,000	-
Flow-through shares	1,120,000	556,194
Financing costs	(687,000)	(169,000)
Other	(50,023)	10,000
Change in unrecognized deferred tax assets	1,418,000	335,000
Deferred tax expense	$ 1,378,977	$ 550,194

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at March 31, 2017 and 2016 are summarized as follows:

	March 31,2017	March 31, 2016
Non-capital loss carry-forwards	$ 8,202,000	$ 7,469,000
Financing costs	710,000	246,000
Property, plant and equipment	1,096,000	1,059,000
Marketable securities	48,000	47,000
Provisions	69,000	69,000
	10,125,000	8,890,000
Offset against deferred tax liabilities	11,000	(172,142)
Unrecognized deferred tax asset	(10,136,000)	(8,717,858)
Deferred tax assets	-	-
Exploration and evaluation assets	(7,136,000)	(5,907,000)
Offset against deferred tax assets	(11,000)	172,142
Deferred tax liabilities	(7,147,000)	(5,734,858)
Net deferred tax balance	$ (7,147,000)	$ (5,734,858)

As at March 31, 2017, the Company has estimated non-capital losses for Canadian and US income tax purposes of $29,051,000 and US $1,853,000 respectively, which may be carried forward to reduce taxable income derived in future.

Non-capital Canadian tax losses expiring as follows:

Year of Expiry	**Taxable Losses**
2029	$ 469,000
2030	405,000
2031	19,913,000
2032	1,304,000
2033	1,216,000
2034	1,179,000
2035	1,069,000
2036	1,099,000
2037	2,397,000
Total	$ 29,051,000

The potential benefits of these carry-forward non-capital losses, capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk Management

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 consolidated financial statements.

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

General Objectives, Policies and Processes:

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Fair value

The Company's financial instruments include cash and cash equivalents, interest receivable, accounts payable and accrued liabilities. IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs in making fair value measurements as follows:

- 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.

The recorded amounts of cash and cash equivalents, interest receivable, accounts payable and accrued liabilities approximate their respective fair values due to their short-term nature.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash and cash equivalents with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Currency Risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results.

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is insignificant.

Interest Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash at bank and GIC's carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates.

The exposure to interest rates for the Company is considered minimal.

Expressed in Canadian Dollars

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

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.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days. To achieve this objective, the Company prepares annual capital expenditure budgets, which are regularly monitored and updated as considered necessary. Further, the Company utilizes authorizations for expenditures on exploration projects to further manage expenditure.

The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

15. CAPITAL MANAGEMENT

The Company monitors its cash and cash equivalents, common shares, warrants and stock options as capital. The Company's objectives when maintaining capital are to maintain sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements.

There has been no significant change to the Company's capital management policies during the year ended March 31, 2017

16. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Key management personnel compensation comprised:

	March 31, 2017	March 31, 2016
Office and other services	$365,000	$200,000
Management fees	365,000	200,000
Exploration and evaluation costs	200,576	180,294
Share-based payments	3,906,238	-
	$4,836,814	$580,294

b) Other Related Party Transactions

During the year ended March 31, 2017, directors and officers were granted 1,600,000 stock options at $1.68, 1,150,000 at $1.93 and 400,000 stock options at $2.34 (2016 – nil). Using the Black-Scholes model, (see Note 11) the fair value of the options granted to directors was determined at $3,906,238.

In December 2017 a director was paid $25,000 (2016 - $50,000) his share of the option payment made on the Dilworth property.

Included in accounts payable are $24,477 (2016 - $20,627) of amounts due to related parties, of which $20,627 pertains to royalties on product sold by the Company during the year ended March 31, 2008.

Expressed in Canadian Dollars

17. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. The Company has two geographic centres, Canada and the US.

All of the Company's assets are in Canada except for the Mt. Margaret property which is located in the US. Costs for Mt. Margaret are included in exploration and evaluation assets, as disclosed in Note 3.

18. LOSS PER SHARE

Loss Per Share
Basic earnings/loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings/loss per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Basic loss per share amounts are calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year.

	March 31, 2017	March 31, 2016
Loss attributable to ordinary shareholders	$(8,378,332)	$(1,249,790)
Weighted average number of common shares (basic and diluted)	129,439,548	105,788,322
Basic and diluted loss per share	$ (0.06)	$ (0.01)

The basic and diluted loss per share are the same as there are no instruments that have a dilutive effect on earnings.

For the year ended March 31, 2017 common equivalent shares totaling 28,904,110 (March 31, 2016: 29,781,310) consisting of shares issuable on the exercise of options and warrants have been excluded from the calculation of diluted loss per share because the effect is anti-dilutive.

19. EVENTS AFTER THE REPORTING DATE

Subsequent to the year ended March 31, 2017, the Company issued 6,898,641 common shares on the exercise of warrants for proceeds of $7,273,673 and 20,000 commons shares on the exercise of stock options for proceeds of $19,000.

Subsequent to the year ended March 31, 2017, the Company purchased two properties, located in Stewart, BC, for the aggregate total of $454,250. The first property consists of land and a work shop, the second purchase is land adjoining the previous purchase.

20. COMMITMENTS

The Company has an agreement to lease office premises which expires on December1, 2019. The gross payments for this lease are as follows:

Fiscal Year	**Amount**
2018	$ 48,778
2019	48,778
2020	32,519
	$130,075

In addition to basic rent, the Company is also subject to taxes and operating costs.

21. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The following are accounting standards anticipated to be effective January 1, 2017 or later:

IAS 7 *Statement of Cash Flows*

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The amendments are effective for annual periods beginning on or after January 1, 2017.

IAS 12 *Income Taxes*

IAS 12 has amendments to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explains in which circumstances taxable profit may include the recovery of some assets for more than their carrying amount. Application of the standard is mandatory for annual periods beginning on or after January 1, 2017. Currently, no impact on the Company's consolidated financial statements is expected.

IFRS 2 *Share-based Payments*

The IASB issued amendments to IFRS 2 in relation to classification and measurement of share-based payment transactions. The amendments address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018. Due to the terms of the Company's share-based payments this standard is not expected to impact the consolidated financial statements.

IFRS 9 *Financial Instruments*

IFRS 9 will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. It also introduces a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Based on current operations, the Company does not expect this standard to have significant financial reporting implications.

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non- monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation is effective for annual periods beginning on or after January 1, 2018. Currently, no impact on the Company's consolidated financial statements is expected.

IFRS 15 *Revenue from Contracts with Customers*
IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. Currently, no impact on the Company's consolidated financial statements is expected.