Ascot Resources Ltd.

CONSOLIDATED FINANCIAL STATEMENTS

For the year-ended March 31, 2016

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Independent Auditor's Report

To the shareholders of Ascot Resources Ltd.

We have audited the accompanying consolidated financial statements of Ascot Resources Ltd., which comprise the consolidated statement of financial position as at March 31, 2016 and 2015, 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 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. as at March 31, 2016 and 2015, and the results of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has not yet achieved profitable operations, has a deficit of $41,610,279 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.

(signed) "BDO CANADA LLP"

Chartered Professional Accountants
Vancouver, British Columbia
July 13, 2016

Expressed in Canadian Dollars

		March 31, 2016		March 31, 2015
Assets				
Current assets				
Cash and cash equivalents (Note 7)	**$**	**3,986,306**	$	4,522,443
Receivables		**43,773**		284,750
Prepaid expenses and deposits		**30,309**		48,015
Total current assets		**4,060,388**		4,855,208
Non-current assets				
Available-for-sale investment (Note 8)		**7,650**		25,500
Reclamation deposits (Note 4)		**340,000**		340,000
Exploration and evaluation assets (Note 3)		**45,326,437**		34,701,733
Property, plant and equipment (Note 6)		**17,806**		31,806
Total non-current assets		**45,691,893**		35,099,039
Total assets	**$**	**49,752,281**	$	39,954,247
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables	**$**	**201,830**	$	190,576
Other current liabilities (Note 9)		**-**		24,597
Total current liabilities		**201,830**		215,173
Non-current liabilities				
Provisions (Note 5)		**265,112**		257,112
Deferred tax liability (Note 12)		**5,734,858**		5,186,895
Total non-current liabilities		**5,999,970**		5,444,007
Total liabilities		**6,201,800**		5,659,180
Shareholders' equity				
Share capital (Note 10)		**75,630,110**		65,166,229
Contributed surplus		**9,477,935**		9,420,992
Accumulated other comprehensive income		**52,715**		68,335
Accumulated deficit		**(41,610,279)**		(40,360,489)
Total shareholders' equity		**43,550,481**		34,295,067
Total liabilities and shareholders' equity	**$**	**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, 2016		**March 31, 2015**
Interest and other income	**$**	**63,853**	$	218,945
Professional fees		**542,527**		529,936
Office and administration		**72,934**		63,815
Promotion and shareholders' costs		**135,752**		239,465
Accretion expense		**8,000**		8,000
Swamp Point costs		**4,236**		61,031
Share based payments (Note 11)		**-**		2,271,387
Total expenses		**763,449**		3,173,634
Loss before income tax		**(699,596)**		(2,954,689)
Deferred tax expense (Note 12)		**550,194**		838,578
Net loss for the year	**$**	**(1,249,790)**	$	(3,793,267)
Other comprehensive income, net of tax				
Fair value loss on available for sale investment, net of deferred taxes (Note 8)		**(15,620)**		(66,937)
Comprehensive loss for the year	**$**	**(1,265,410)**	$	(3,860,204)
Loss per common share, basic and diluted (Note 17)	**$**	**(0.01)**	$	(0.04)

Expressed in Canadian Dollars

	Share Number		Share capital		Contributed surplus		Accumulated other comprehensive Income (loss)		Deficit		Total
Balance at April 1, 2014	92,491,301	$	58,530,138	$	7,532,168	$	135,272	$	(36,567,222)	$	29,630,356
Loss for the year	-		-		-		-		(3,793,267)		(3,793,267)
Share capital issued (Note 10)	3,679,556		3,495,578		-		-		-		3,495,578
Premium on flow-through shares (Note 10)	-		(183,978)		-		-		-		(183,978)
Options exercised (Note 11)	450,000		667,907		(296,907)		-		-		371,000
Options issued (Note 11)	-		-		2,271,387		-		-		2,271,387
Warrants exercised (Note 10)	3,645,873		3,065,045		(179,944)		-		-		2,885,101
Warrants issued (Note 10)	-		(94,288)		94,288		-		-		-
Share issue costs (Note 10)	-		(314,173)		-		-		-		(314,173)
Available-for-sale investment (Note 8)	-		-		-		(66,937)		-		(66,937)
Balance at March 31, 2015	**100,266,730**	**$**	**65,166,229**	**$**	**9,420,992**	**$**	**68,335**	**$**	**(40,360,489)**	**$**	**34,295,067**
Loss for the year	-		-		-		-		**(1,249,790)**		**(1,249,790)**
Share capital issued (Note 10)	**7,533,967**		**7,533,967**		-		-		-		**7,533,967**
Options exercised (Note 11)	**150,000**		**206,668**		**(91,668)**		-		-		**115,000**
Warrants exercised (Note 10)	**5,033,572**		**3,523,500**		-		-		-		**3,523,500**
Warrants issued (Note 10)	-		**(148,611)**		**148,611**		-		-		-
Share issue costs (Note 10)	-		**(651,643)**		-		-		-		**(651,643)**
Available-for-sale investment (Note 8)	-		-		-		**(15,620)**		-		**(15,620)**
Balance at March 31, 2016	**112,984,269**	**$**	**75,630,110**	**$**	**9,477,935**	**$**	**52,715**	**$**	**(41,610,279)**	**$**	**43,550,481**

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Expressed in Canadian Dollars

		March 31, 2016		**March 31, 2015**
Cash flows from operating activities				
Loss for the year	**$**	**(1,249,790)**	$	(3,793,267)
Adjustments to reconcile loss to net cash used in operating activities:				
Accretion expense		**8,000**		8,000
Depreciation		**-**		80,778
Share based payments		**-**		2,271,387
Deferred income tax expense		**550,194**		838,578
Premium on flow-through shares		**-**		(183,978)
Changes in non-cash working capital balances:				
Receivables		**240,977**		353,419
Prepaid expenses and deposits		**17,706**		(17,057)
Trade and other payables		**106,912**		52,384
Other liabilities		**(24,597)**		24,597
Total cash outflows from operating activities		**(350,598)**		(365,159)
Cash flows from investing activities				
Acquisition of property, plant and equipment		**-**		(41,040)
Investment in exploration and evaluation assets		**(10,706,363)**		(4,474,726)
Total cash outflows from investing activities		**(10,706,363)**		(4,515,766)
Cash flows from financing activities				
Proceeds from share issuance		**7,533,967**		3,495,578
Costs of issue of shares		**(651,643)**		(314,173)
Proceeds from exercise of warrants		**3,523,500**		2,885,101
Proceeds from exercise of stock options		**115,000**		371,000
Total cash inflows from financing activities		**10,520,824**		6,437,506
Total increase (decrease) in cash during the year		**(536,137)**		1,556,581
Cash and cash equivalents at beginning of year		**4,522,443**		2,965,862
Cash and cash equivalents at end of year	**$**	**3,986,306**	$	4,522,443

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 #202 15388 24Ave, Surrey, British Columbia, V4A 2J2, 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 13, 2016.

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 3) and income taxes (Note 12).

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 5) and share-based payment transactions (Note 11).

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.

c) 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 $1,249,790 during the year-ended March 31, 2016 and, as of that date, the Company's accumulated deficit was $41,610,279, 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

Expressed in Canadian Dollars

2. BASIS OF PREPARATION CONTINUED

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 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. 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.

	Balance April 1, 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**

Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS CONTINUED

	Balance April 1, 2014 $	Additions $	Disposals $	Balance March 31,2015 $
Premier				
Acquisition	900,000	500,000	-	1,400,000
Exploration	15,463,428	3,373,103	-	18,836,531
Dilworth				
Acquisition	2,503,659	400,000	-	2,903,659
Exploration	6,709,695	-	-	6,709,695
Mt. Margaret				
Acquisition	2,142,209	-	-	2,142,209
Exploration	2,508,016	201,623	-	2,709,639
Total	**30,227,007**	**4,474,726**	**-**	**34,701,733**

Included in Premier exploration additions is a British Columbia Mineral Exploration Tax Credit refund of $nil (2015 - $37,300). Total Premier exploration additions in the above table is net of this refund.

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; 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).

3. 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; 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.

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.

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.

Expressed in Canadian Dollars

4. 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.

5. 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.

6. PROPERTY, PLANT AND EQUIPMENT

On initial recognition, property, plant and equipment are valued 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.

		2016			2015		
	Useful Life	Cost	Accumulated Depreciation	Total	Cost	Accumulated Depreciation	Total
Drills	3 years	$ 684,754	$ 684,754	$ -	$ 684,754	$ 684,754	$ -
Field Equipment	3 years	157,586	139,780	17,806	157,586	125,780	31,806
		$ 842,340	$ 824,534	$ 17,806	$ 842,340	$ 810,534	$ 31,806

As of March 31, 2016, accumulated depreciation of $814,034 (2015 - $800,034) has been capitalized to exploration and evaluation activities.

7. 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.

	2016	2015
Cash	$ 486,306	$ 522,443
Guaranteed Investment Certificates ("GICs")	3,500,000	4,000,000
	$ 3,986,306	$ 4,522,443

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 % (2015 – 1.05%). 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 $nil (2015 – $2,192,000) which is required to be spent on flow-through expenditures.

Expressed in Canadian Dollars

8. 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).

9. 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 April 1, 2014	**$**	**-**
Premium on flow through share issue		183,978
Derecognition of premium liability on expenditure of flow-through share proceeds		(159,381)
Balance at March 31, 2015	**$**	**24,597**
Derecognition of premium liability on expenditure of flow-through share proceeds		**(24,597)**
Balance at March 31, 2016	**$**	**-**

10. 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 April 1, 2014 to March 31, 2016:

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 recorded to share issuance costs. The Company incurred share costs in the amount of $138,172 for legal and filing fees in relation to this private placement.

Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES CONTINUED

On May 30, 2014, the Company closed the first tranche of a non-brokered private placement for 2,146,530 units at a price of $0.95 per unit for a gross proceeds of $2,039,204. 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 May 30, 2016 at an exercise price of $1.05. In connection with the private placement, the Company paid to the finders a cash commission of $142,744 plus 150,257 non-transferrable warrants exercisable into common shares until May 30, 2016 at an exercise price of $0.95. Using the Black-Scholes model, a risk free factor at 1.05%, an expected dividend yield of 0.00%, an average expected life of two years and a volatility factor of 81.41% the value of the warrants was determined to be $57,588 recorded to share issuance costs.

On June 12, 2014, the Company closed the second tranche of a non-brokered private placement for 1,533,026 units at a price of $0.95 per unit for a gross proceeds of $1,456,375. 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 June 12, 2016 at an exercise price of $1.05. In connection with the private placement, the Company paid to the finders a cash commission of $101,946 plus 83,132 non-transferrable warrants exercisable into common shares until June 12, 2016 at an exercise price of $0.95. Using the Black-Scholes model, a risk free factor at 1.05%, an expected dividend yield of 0.00%, an average expected life of two years and a volatility factor of 81.41% the value of the warrants was determined to be $36,700 recorded to share issuance costs. In addition, the Company paid one finder an advisory fee of $25,000. The Company incurred share issuance costs in the amount of $81,507 for legal and filing fees in relation to this private placement.

As at March 31, 2016, the Company had $nil 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 2015 - $2,192,000).

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 recognised 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 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 April 1, 2014 to March 31, 2016:

	Number of Warrants		Average Exercise Price
Balance at April 1, 2014	**8,464,050**	**$**	**0.71**
Issue of warrants	2,073,167		1.04
Exercise of warrants	(3,645,873)		(0.78)
Expiry of warrants	(27,150)		(0.75)
Balance March 31, 2015	**6,864,194**	**$**	**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 as at March 31, 2016	**9,495,060**	**$**	**1.05**

Expressed in Canadian Dollars

10. SHARE CAPITAL AND RESERVES CONTINUED

Subsequent to March 31, 2016, 150,607 and 230,250 warrants were exercised at $0.95 and $1.05 per warrant, respectively, and 1,066,765 exercisable at $1.05 expired unexercised.

As at March 31, 2016, the Company had outstanding warrants as follows:

Number of warrants	Exercise price		Expiry
146,757	$	0.95	May 30, 2016
1,073,265	$	1.05	May 30, 2016
3,850	$	0.95	June 12, 2016
223,750	$	1.05	June 12, 2016
8,047,438	$	1.05	June 15, 2017
9,495,060			

d) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet 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.

'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.

11. 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.

11. SHARE BASED PAYMENTS CONTINUED

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

11. Share-Based Payments CONTINUED

The following is a summary of changes in options from April 1, 2014 to March 31, 2016:

Grant Date	Expiry Date	Price	Opening Balance April 1, 2014	During the Year		Closing Balance March 31, 2015	During the Year		Closing Balance March 31, 2016
				Granted	Exercised		Exercised	Expired	
03/30/2010	03/30/2015	$0.77	300,000	-	(300,000)	-	-	-	-
01/19/2011	01/19/2016	$0.71	1,100,000	-	-	1,100,000	(100,000)	(1,000,000)	-
02/08/2012	02/08/2017	$1.20	1,800,000	-	-	1,800,000	-	-	1,800,000
09/17/2013	09/17/2018	$0.95	2,600,000	-	-	2,600,000	-	-	2,600,000
02/21/2014	02/21/2019	$1.04	200,000	-	(50,000)	150,000	-	-	150,000
06/20/2014	06/20/2019	$0.88	-	3,350,000	(100,000)	3,250,000	(50,000)	-	3,200,000
			6,000,000	3,350,000	(450,000)	8,900,000	(150,000)	(1,000,000)	7,750,000
Weighted Average Exercise Price			$ 0.98	$0.88	$ 0.82	$ 0.95	$ 0.77	$ 0.71	$ 0.98

Subsequent to March 31, 2016 50,000 options were exercised at $0.88 per option.

Expressed in Canadian Dollars

11. SHARE-BASED PAYMENTS CONTINUED

b) Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options vested during the year ended March 31, 2016 was $nil (2015: $0.64).

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.

There were no options granted during the year ended March 31, 2016. The model inputs for options granted during the year ended March 31, 2015 included:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Risk-Free Interest Rate	Expected Life	Volatility Factor	Dividend Yield
02/21/2014	02/21/2019	$1.04	$1.04	1.69%	60 months	100%	0.00%
06/20/2014	06/20/2019	$0.88	$0.88	1.48%	60 months	94%	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 (2015: $nil).

12. 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

12. 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, 2016	March 31, 2015
Loss before tax per the accounts	$ (699,596)	$ (2,954,689)
Income taxed at local statutory rates- 26% (2015- 26%)	(182,000)	(770,000)
Non-deductible expense	-	591,000
Flow-through shares	556,194	899,578
Share issuance costs	(169,000)	(82,000)
Other	10,000	(112,000)
Change in unrecognized deferred tax assets	335,000	312,000
Deferred tax expenses	$ 550,194	$ 838,578

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, 2016 and 2015 are summarized as follows:

	March 31, 2016	March 31, 2015
Non-capital losses	$ 7,469,000	$ 7,076,000
Undeducted financing costs	246,000	184,000
Marketable securities	47,000	45,000
Exploration and evaluation assets	(5,907,000)	(5,246,000)
Provisions	69,000	67,000
Property, plant and equipment	1,059,000	1,071,105
Unrecognized deferred tax asset	(8,717,858)	(8,384,000)
Deferred tax liability	$ (5,734,858)	$ (5,186,895)

As at March 31, 2016, the Company has estimated non-capital losses for Canadian and US income tax purposes of $26,654,000 and US $1,539,000 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
Total	$ 26,654,000

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.

13. 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.

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.

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.

14. 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, 2016.

Expressed in Canadian Dollars

15. RELATED PARTY TRANSACTIONS

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

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 31,2016	March 31, 2015
Consulting fees and salaries	$ 580,294	$ 568,646
Share-based payments	-	1,515,017
	$ 580,294	$ 2,083,663

b) Other Related Party Transactions

During the year ended March 31, 2016, directors and officers exercised 100,000 stock options at $0.71 and 50,000 at $0.88. (2015 - nil).

Included in accounts payable are $20,627 (2015 - $20,627) of amounts due to related parties, which pertains to royalties on product sold by the Company during the year ended March 31, 2008 and $68,041in accrued management fees (2015 - $nil)

A party to the Dilworth agreement, who became a director of the Company during 2011, received an option payment of $259,375 in the year ended March 31, 2016 (2015 - $50,000).

16. 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.

17. LOSS PER SHARE

Earnings / 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, 2016	March 31, 2015
Loss attributable to ordinary shareholders	$ (1,249,790)	$ (3,793,267)
Weighted average number of common shares (basic and diluted)	105,788,322	97,830,024
Basic and diluted loss per share	$ (0.01)	$ (0.04)

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, 2016 common equivalent shares totaling 17,245,060 (2015: 15,764,194) 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.

18. EVENTS AFTER THE REPORTING DATE

On June 24, 2016 the Company raised $2,934,250 by issuing 2,347,400 units at $1.25 per unit. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole warrant is exercisable for one common share until December 24, 2017 at an exercise price of $1.75 per warrant. Cash commissions of 7% of gross proceeds and 162,078 finders' warrants were incurred as finders' fees. Each finders' warrant can be exercised for one common share until December 24, 2017 at an exercise price of $1.25.

On June 30, 2016 the Company raised $1,290,125 by issuing 1,032,100 units at $1.25 per unit. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole warrant is exercisable for one common share until December 30, 2017 at an exercise price of $1.75 per warrant. Cash commissions of 7% of gross proceeds and 72,247 finders' warrants were incurred as finders' fees. Each finders' warrant can be exercised for one common share until December 30, 2017 at an exercise price of $1.25.

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. Cash commissions of 7% of gross proceeds and 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. The financing is subject to regulatory approval and is expected to be received subsequent to the auditor's report date.

19. STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

i) New standards, interpretations and amendments effective from April 1, 2014

Effective April 1, 2015, the Company adopted the following new and revised IFRSs:

- Amendment to IAS 1, Presentation of Financial Statements
- IFRIC 21 Levies

None of the new standards, interpretations and amendments, effective for the first time from April 1, 2015 have had a material effect on the financial statements.

ii) New standards, interpretations and amendments not yet effective

The Company has performed an initial review of the following new standards, interpretations and amendments, which have not been applied in these financial statements:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

None of these or other new standards, interpretations and amendments, which are effective for periods beginning after April 1, 2016 and which have not been adopted early, are expected to have a material effect on the Company's future financial statements.