Ascot Resources Ltd.

Consolidated Condensed Interim Financial Statements

(unaudited)

For the six months ended September 30, 2017

NOTICE OF NO AUDIT REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 5 1-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

Carol Li

CFO

November 14, 2017

Expressed in Canadian Dollars

	September 30, 2017	March 31, 2017 (Audited)
Assets		
Current assets		
Cash and cash equivalents (Note 7)	**$18,801,190**	$29,089,584
Receivables	**357,854**	366,041
Prepaid expenses and deposits	**202,338**	46,371
Total current assets	**$19,361,382**	$29,501,996
Non-current assets		
Reclamation deposits (Note 4)	**$357,000**	$340,000
Exploration and evaluation assets (Note 3)	**67,073,971**	51,591,644
Property, plant and equipment (Note 6)	**1,277,716**	649,878
Total non-current assets	**$68,708,687**	$52,581,522
Total assets	**$88,070,069**	$82,083,518
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**$346,992**	$574,829
Other liabilities (Note 8)	-	1,749,678
Total current liabilities	**$346,992**	$2,324,507
Non-current liabilities		
Provisions (Note 5)	**$429,982**	$396,982
Deferred tax liability	**9,224,167**	7,147,000
Total non-current liabilities	**$9,654,149**	$7,543,982
Total liabilities	**$10,001,141**	$9,868,489
Shareholders' equity		
Share capital (Note 9)	**$113,699,032**	$106,195,794
Share-based payment reserve (Note 10)	**11,394,620**	11,582,345
Accumulated deficit	**(47,024,724)**	(45,563,110)
Total shareholders' equity	**$78,068,928**	$72,215,029
Total liabilities and shareholders’ equity	**$88,070,069**	$82,083,518

Signed on behalf of the Board of Directors by:

“Robert A, Evans” (signed) — Director

“Ken Carter” (signed) — Director

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

Expressed in Canadian Dollars

	For the three months ended September 30,		For the six months ended September 30,	
	2017	**2016**	**2017**	**2016**
General and administrative expenses				
Professional fees	**$ 323,487**	$ 151,077	**$ 467,557**	$ 300,846
Depreciation	**69,964**	-	**126,872**	-
Office and administration	**160,137**	38,195	**305,614**	55,335
Share based compensation (Note 11)	**-**	3,355,797	**-**	3,355,797
Promotion and shareholders' costs	**89,411**	80,700	**179,957**	108,574
Accretion expense	**-**	2,000	**33,000**	4,000
	(642,999)	(3,627,769)	**(1,113,000)**	(3,824,552)
Interest	**59,064**	24,734	**118,433**	30,807
Recognition of premium on flow-through shares (Note 9(b))	**1,014,470**	149,563	**1,749,678**	156,748
Premier environmental costs	**(136,155)**	-	**(136,155)**	-
Swamp Point maintenance costs	**-**	(155,568)	**(3,403)**	(161,064)
Gain (loss) before income tax	**294,380**	(3,609,040)	**615,553**	(3,798,061)
Deferred tax expense	**(1,137,270)**	(667,473)	**(2,077,167)**	(698,036)
Loss after income tax	**$(842,890)**	$(4,276,513)	**$(1,461,614)**	$(4,496,097)
Other comprehensive income, net of tax				
Fair value losses on available for sale investment net of deferred taxes	**$ -**	$ (2,231)	**$ -**	$ 8,182
Total other comprehensive income, net of tax	**-**	(2,231)	**-**	8,182
Total comprehensive loss/income for the period	**$(842,890)**	$(4,278,744)	**$(1,461,614)**	$(4,487,915)
Loss per common share, basic and diluted (Note 15)	**$(0.01)**	$(0.03)	**$(0.01)**	$(0.04)

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

Expressed in Canadian Dollars

	Share Capital		Shared-based payment	Accumulated other comprehensive		Total Shareholder'
	No. of Shares	**Amount**	**reserve**	**Income (loss)**	**Deficit**	**Equity**
Balance, March 31, 2016	112,984,269	$75,630,110	$9,477,935	$52,715	$(41,610,279)	$43,550,481
Shares issued for cash						
Private placement, net of issue costs	2,347,000	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	18,514,291				18,514,291
Exercise of options	750,000	860,000	-	-	-	860,000
Exercise of warrants	705,654	725,876	-	-	-	725,876
						-
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	-	689,645	(689,645)	-	-	-
Transfer to share capital on exercise of warrants	-	69,738	(69,738)	-	-	-
Premium on flow-through shares	-	(236,565)	-	-	-	(236,565)
Available-for-sale investment	-	-	-	8,182	-	8,182
Share-based payments	-	-	3,355,797	-	-	3,355,797
Loss for the period	-	-	-	-	(4,496,097)	(4,496,097)
Balance, September 30, 2016	**135,645,329**	**$98,536,195**	**$14,095,951**	**$60,897**	**$(46,106,376)**	**$66,586,667**
Balance, March 31, 2017	140,675,326	$106,195,794	$11,582,345	$ -	$(45,563,110)	$72,215,029
Shares issued for cash						
Exercise of warrants	6,899,313	7,274,513	-	-	-	7,274,513
Exercise of options	45,000	41,000	-	-	-	41,000
Issued for other consideration						
Transfer to share capital on exercise of options	-	30,897	(30,897)	-	-	-
Transfer to share capital on exercise of warrants	-	156,828	(156,828)	-	-	-
Loss for the period	-	-	-	-	(1,461,614)	(1,461,614)
Balance, September 30, 2017	**147,619,639**	**$113,699,032**	**$11,394,620**	**$ -**	**$(47,024,724)**	**$78,068,928**

Expressed in Canadian Dollars

	September 30, 2017	September 30, 2016
Cash flows from operating activities		
Loss for the period	**$(1,461,614)**	$(4,496,097)
Adjustments to reconcile loss to net cash used in operating activities:		
Accretion expense	**33,000**	4,000
Depreciation	**126,872**	-
Share-based payments	-	3,355,797
Deferred income tax expense	**2,077,167**	698,036
Premium on flow-through shares	-	-
Changes in non-cash working capital balances:		
Receivables	**8,187**	(180,629)
Prepaid expenses and deposits	**(155,967)**	(160,252)
Trade and other payables	**(161,803)**	85,179
Other liabilities	**(1,749,678)**	79,817
Total cash outflows from operating activities	**(1,283,836)**	(614,149)
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(754,710)**	(107,530)
Investment in exploration and evaluation assets	**(15,548,361)**	(4,122,478)
Deposits	**(17,000)**	-
Total cash outflows from investing activities	**(16,320,071)**	(4,230,008)
Cash flows from financing activities		
Proceeds from share issuance	-	24,634,878
Costs of issue of shares	-	(2,052,450)
Proceeds from exercise of warrants	**7,274,513**	725,876
Proceeds from exercise of stock options	**41,000**	860,000
Total cash inflows from financing activities	**7,315,513**	24,168,304
Total increase (decrease) in cash during the period	**(10,288,394)**	19,324,147
Cash and cash equivalents at beginning of period	**29,089,584**	3,986,306
Cash and cash equivalents at end of period	**$18,801,190**	$23,310,453

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 unaudited condensed interim financial statements for the three and six months ended September 30, 2017 (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards applicable to the preparation of interim financial statements, including International Auditing Standard ("IAS") 34, Interim Financial Reporting ("IAS 34").These Interim Financial Statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the year ended March 31,2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the Company's 2017 annual consolidated financial statements.

The consolidated financial statements were authorized for issue by the Board of Directors on November 14, 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 3) and income taxes.

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 10).

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.

Expressed in Canadian Dollars

2. BASIS OF PREPARATION CONTINUED

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 $1,461,614 during the period-ended September 30, 2017 and, as of that date, the Company's accumulated deficit was $47,024,724 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 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 March 31, 2017 $	**Additions $**	**Disposals $**	**Balance September 30, 2017 $**
Premier				
Acquisition	6,275,000	4,775,500	-	11,050,500
Exploration	28,221,888	8,573,431	-	36,795,319
Dilworth				
Acquisition	5,178,659	2,075,000	-	7,253,659
Exploration	6,709,695	-	-	6,709,695
Mt. Margaret				
Acquisition	2,142,209	-	-	2,142,209
Exploration	3,064,193	58,396	-	3,122,589
Total	**51,591,644**	**15,482,327**	**-**	**67,073,971**

3. EXPLORATION AND EVALUATION ASSETS CONTINUED

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 (paid)

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).

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 satisfaction of all conditions to closing on the Premier property.

The conditions of closing include the assumption of the environmental bonding on the Premier property, the amount of this bonding will be determined in negotiation with the Province of British Columbia.

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 (paid).

EXPLORATION AND EVALUATION ASSETS CONTINUED

DILWORTH CONTINUED

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.

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 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.

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.

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.

Expressed in Canadian Dollars

6. 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.

During the quarter ended September 30, 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. The depreciation on the building is provided on a 10 year straight-line basis.

		September 30, 2017			March 31, 2017		
	Useful Life	Cost	Accumulated Depreciation	Total	Cost	Accumulated Depreciation	Total
Drills	3 years	$1,518,394	$840,763	$677,631	$1,236,394	$735,768	$500,626
Field Equipment	3 years	171,728	160,398	11,330	171,728	156,137	15,591
Office Equipment	5 years	42,039	7,361	34,678	39,899	3,211	36,688
Furniture	5 years	119,159	17,591	101,568	102,839	5,866	96,973
Building	10 years	174,060	1,741	172,319	-	-	-
Property		280,190	-	280,190	-	-	-
		$2,305,570	$1,027,854	$1,277,716	$1,550,860	$900,982	$649,878

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.

	September 30, 2017	March 31, 2017
Cash	$ 801,190	$ 1,089,584
Guaranteed Investment Certificates ("GICs")	18,000,000	28,000,000
	$18,801,190	$29,089,584

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 0.95% and prime 3.20% minus 1.90 % (March 31, 2016 – 0.90%). The GICs may be redeemed on twenty-four hour notice to the bank.

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

Included in cash and cash equivalents is $284,098 (March 31, 2017 – $8,592,768l) which is required to be spent on flow-through expenditures.

Expressed in Canadian Dollars

8. 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, 2017	**$1,749,678**
Derecognition of premium liability on expenditure of flow-through share proceeds	(1,749,678)
Balance at September 30, 2017	**$ -**

9. 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, 2016 to September 30, 2017:

For the period ended September 30, 2017, the Company issued 6,899,313 (2016 – 705,654) common shares on the exercise of warrants for proceeds of $7,274,513 (2016 - $725,876).

For the period ended September 30, 2017, the Company issued 45,000 (2016 – 750,000) common shares on the exercise of options for proceeds of $41,000 (2016 - $860,000).

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.

Expressed in Canadian Dollars

9. SHARE CAPITAL AND RESERVES CONTINUED

a) Common Shares (continued)

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.

As at September 30, 2017, the Company had $284,098 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 (September 30, 2016 - $1,424,000).

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 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, 2016 to September 30, 2017:

	Number of Warrants	Average Exercise Price
Balance at 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 March 31, 2017	**18,884,110**	**$1.32**
Issue of warrants	-	-
Exercise of warrants	(6,899,313)	(1.05)
Expiry of warrants	-	-
Balance as at September 30, 2017	**11,984,797**	**$1.50**

Expressed in Canadian Dollars

9. SHARE CAPITAL AND RESERVES CONTINUED

c) Share Purchase Warrants (continued)

As at September 30, 2017, the Company had outstanding warrants as follows:

Number of warrants	Exercise price	Expiry
1,157,700	$1.75	December 24, 2017
130,606	$1.25	December 24, 2017
501,050	$1.75	December 30, 2017
34,447	$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
11,984,797		

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.

10. 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.

10. SHARE-BASED PAYMENTS CONTINUED

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.

Expressed in Canadian Dollars

10. Share-Based Payments CONTINUED

The following is a summary of changes in options, outstanding and exercisable, from March 31, 2016 to September 30, 2017:

				During the Year				During the period		
Grant Date	Expiry Date	Price	March 31, 2016	Granted	Exercised	Expired	March 31, 2017	Exercised	Expired	September 30, 2017
02/08/2012	02/08/2017	$1.20	1,800,000	-	(650,000)	(1,150,000)	-	-	-	-
09/17/2013	09/17/2018	$0.95	2,600,000	-	(30,000)	-	2,570,000	(20,000)	-	2,550,000
02/21/2014	02/21/2019	$1.04	150,000	-	(150,000)	-	-	-	-	-
06/20/2014	06/20/2019	$0.88	3,200,000	-	(50,000)	-	3,150,000	(25,000)	-	3,125,000
07/21/2016	07/21/2021	$1.68	-	2,300,000	-	-	2,300,000	-	-	2,300,000
08/04/2016	08/04/2021	$2.34	-	600,000	-	-	600,000	-	-	600,000
11/04/2016	11/04/2021	$2.19	-	100,000	-	-	100,000	-	-	100,000
02/14/2017	02/14/2022	$1.93	-	1,300,000	-	-	1,300,000	-	-	1,300,000
			7,750,000	4,300,000	(880,000)	(1,150,000)	10,020,000	(45,000)	-	9,975,000
Weighted Average Exercise Price			$0.98	$1.86	$1.15	$1.20	$1.32	$0.91	-	$1.32

Expressed in Canadian Dollars

10. 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 $1.68 (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 from March 31, 2016 to September 30, 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	$1.68	$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	$2.19	$2.19	0.68%	60 months	78.1%	0.00%
14/02/2017	14/02/2022	$1.93	$1.93	1.15%	60 months	77.3%	0.00%

11. 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.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTINUED

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.

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.

Expressed in Canadian Dollars

12. 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 period September 30, 2017

13. 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:

	September 30, 2017	September 30, 2016
Office and other services	$130,000	$100,000
Management fees	130,000	100,000
Exploration and evaluation costs	143,336	123,294
Share-based payments	-	2,308,600
	$403,336	$2,631,894

b) Other Related Party Transactions

A director was paid $518,750 (2016 - $Nil) for his share of the option payment made on the Dilworth property.

Included in prepaid expenses is $130,000 (2016 - $100,000) in prepaid management fees.

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

14. 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.

15. 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.

Expressed in Canadian Dollars

15. LOSS PER SHARE CONTINUED

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

	September 30, 2017	September 30, 2016
Loss attributable to ordinary shareholders	$(2,019,837)	$(4,487,915)
Weighted average number of common shares (basic and diluted)	144,925,541	120,844,084
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 period ended September 30, 2017 common equivalent shares totaling 21,959,797 (September 30, 2016 - 29,682,710) 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.

16. EVENTS AFTER THE REPORTING DATE

Subsequent to the period ended September 30, 2017, the Company issued 47,768 common shares on the exercise of warrants for proceeds of $59,710 and 25,000 common shares on the exercise of stock options for proceeds of $22,000.

Subsequent to the period ended September 30, 2017, the Company granted an aggregate of 6,670,000 incentive stock options to directors, officers and employees of the Company.

17. 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	$ 24,389
2019	48,778
2020	32,519
	$105,686

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

18. 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 unrealized 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.

18. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS CONTINUED

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.