



Ascot Resources Ltd.

Consolidated Financial Statements

For the years- ended March 31, 2018 and 2017
(Express in thousands of Canadian Dollars, except where indicated)



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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. and its subsidiary, which comprise the consolidated statements of financial position as at March 31, 2018 and 2017, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Ascot Resources Ltd. and its subsidiary as at March 31, 2018 and 2017, and 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 \$54,503,411 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 5, 2018

Ascot Resources Ltd.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Canadian Dollars in Thousands)

	Notes	March 31, 2018	March 31, 2017
ASSETS			
Current			
Cash and cash equivalents	4	\$ 20,511	\$ 29,090
Trade and other receivables		217	366
Prepaid expenses and deposits	5	364	46
Total Current Assets		21,092	29,502
Reclamation deposits	6	357	340
Exploration and evaluation assets	7	69,947	51,592
Property, plant and equipment	8	1,140	650
Total Non-Current Assets		71,444	52,582
Total Assets		\$ 92,536	\$ 82,084
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	10	\$ 466	\$ 575
Other liabilities	11	1,035	1,750
Total Current Liabilities		1,501	2,325
Provisions	12	430	397
Deferred income tax liabilities	13	9,856	7,147
Total Non-Current Liabilities		10,286	7,544
Total Liabilities		11,787	9,869
Shareholders' Equity			
Share capital	14	119,046	106,196
Share-based payment reserve		16,206	11,582
Accumulated deficit		(54,503)	(45,563)
Total Shareholders' Equity		80,749	72,215
Total Liabilities and Shareholders' Equity		\$ 92,536	\$ 82,084

Commitments (Notes 7 and 22)

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

"Rick Zimmer"

Director

"Don Njegovan"

Director

Ascot Resources Ltd.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS- ENDED MARCH 31, 2018 AND 2017

(Canadian Dollars in Thousands Except Loss per Share)

	<i>Notes</i>	Year ended March 31, 2018	Year ended March 31, 2017
General and administrative	16	\$ 7,698	\$ 7,159
Property maintenance costs	7	599	163
Finance expense		68	132
Other income	11	(2,010)	(455)
Loss before income taxes		(6,355)	(6,999)
Income tax expense	13	(2,709)	(1,379)
Net loss for the year		\$ (9,064)	\$ (8,378)
Other comprehensive income			
Unrealized loss on marketable securities		-	(53)
Total comprehensive income		\$ (9,064)	\$ (8,431)
Loss per share			
Basic and diluted	19	\$ (0.06)	\$ (0.06)
Weighted average shares outstanding - basic and diluted (in thousands)		146,472	129,440

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

Ascot Resources Ltd.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS- ENDED MARCH 31, 2018 AND 2017

(Canadian Dollars in Thousands except No. of Shares)

	No. of Shares issued and outstanding	Share capital	Share-based payment - Reserve	Accumulated other comprehensive income (loss)	Deficit	Total Shareholders' equity
Balance, March 31, 2016	112,984,269	\$ 75,630	\$ 6,181	\$ 53	\$ (38,314)	\$ 43,550
Share issued for cash						
Private placement, net of issue costs	2,347,400	2,689	-	-	-	2,689
Private placement, net of issue costs	1,032,100	1,163	-	-	-	1,163
Private placement, net of issue costs	435,000	453	-	-	-	453
Private placement, net of issue costs	17,391,306	18,495	-	-	-	18,495
Private placement, net of issue costs	4,000,997	8,284	-	-	-	8,284
Exercise of warrants	1,604,254	1,675	-	-	-	1,675
Exercise of options	880,000	1,009	-	-	-	1,009
Issued for other consideration						
Fair value of finder's fee warrants	-	(2,022)	2,022	-	-	-
Transfer to share capital on exercise of options	-	850	(850)	-	-	-
Transfer to share capital on exercise of warrants	-	17	(17)	-	-	-
Transfer to deficit on expiry of options	-		(1,129)		1,129	-
Premium on flow-through shares	-	(2,047)	-	-	-	(2,047)
Available-for-sale investment	-	-	-	(53)	-	(53)
Share-based payment (note 15)	-	-	5,375	-	-	5,375
Net loss for the year	-	-	-	-	(8,378)	(8,378)
Balance, March 31, 2017	140,675,326	\$ 106,196	\$ 11,582	\$ -	\$ (45,563)	\$ 72,215
Share issued for cash						
Private placement, net of issue costs	4,362,350	5,955	-	-	-	5,955
Exercise of options	155,000	144	-	-	-	144
Exercise of warrants	7,058,941	7,474	-	-	-	7,474
Issued for other consideration						
Transfer to share capital on exercise of options	-	112	(112)	-	-	-
Transfer to deficit on cancellation of options	-		(124)	-	124	-
Transfer to share capital on exercise of warrants	-	210	(210)	-	-	-
Transfer to share capital on expiry of warrants	-	2	(2)	-	-	-
Premium on flow-through shares	-	(1,047)	-	-	-	(1,047)
Share-based payment (note 15)	-	-	5,072	-	-	5,072
Net loss for the year	-	-	-	-	(9,064)	(9,064)
Balance, March 31, 2018	152,251,617	\$ 119,046	\$ 16,206	\$ -	\$ (54,503)	\$ 80,749

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

Ascot Resources Ltd.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years-Ended March 31, 2018 and 2017
(Canadian Dollars in Thousands)

	<i>Notes</i>	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities			
Loss for the year		\$ (9,064)	\$ (8,378)
Adjustment to reconcile loss to net cash used in operating activities:			
Share-based payments	15	5,072	5,376
Amortization, depletion and depreciation	8	278	76
Unrealized gain on marketable security	9	-	(12)
Gain on flow through share premium	11	(1,762)	(2,047)
Finance expense	12	33	132
Deferred income tax expense	13	2,709	1,379
Changes in non-cash working capital balances:			
Receivables		149	(323)
Prepaid expenses and deposits		(318)	(16)
Trade and other payables		(71)	3
Other liabilities		-	1,750
Total cash outflows from operating activities		(2,974)	(2,060)
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(768)	(708)
Investment in exploration and evaluation assets	7	(18,393)	(5,895)
Deposits for environmental bonds		(17)	-
Total cash outflowd from investing activities		(19,178)	(6,603)
Cash flows from financing activities			
Proceeds from share issuance	14	6,500	33,727
Costs of issue of shares	14	(545)	(2,643)
Proceeds from exercise of warrants	14	7,474	1,675
Proceeds from exercise of stock options	14	144	1,008
Total cash inflows from financing activities		13,573	33,767
Total (decrease)increase in cash during the year		(8,579)	25,104
Cash and cash equivalents, beginning of year		29,090	3,986
Cash and cash equivalents, end of year		\$ 20,511	\$ 29,090

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

1. NATURE OF OPERATIONS

Ascot Resources Ltd. (“Ascot” or the “Company”) is a junior exploration company focusing on re-starting the past producing historic Premier gold mine, once North America’s largest gold mine, located in British Columbia’s Golden Triangle. The Company also has two other projects; Swamp Point, an aggregate project located in British Columbia on the Portland Canal and Mt. Margaret, a porphyry copper-molybdenum-gold-silver deposit located in Washington State, USA.

Ascot 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 and trading on OTCQX market in the U.S. (symbol: AOTVF).

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 PRESENTATION

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared on a historical cost basis.

These financial statements were approved for issue by Ascot’s board of directors on July 5, 2018.

b) Basis of Measurement

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

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.

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 7) and income taxes (Note 13).

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are rehabilitation provisions (Note 12) and share-based payment transactions (Note 15 b).

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

d) Going Concern of Operations

These consolidated financial statements have been prepared in accordance with IFRS applicable to going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. The Company has not generated revenue from operations. The Company incurred a net loss of \$9,064 during the year ended March 31, 2018 and, as of that date, the Company's accumulated deficit was \$54,503 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. SIGNIFICANT ACCOUNTING POLICIES**a) Business combinations**

The acquisition method is applied to all business combinations whereby the identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. The fair value of the consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities assumed, and the equity interests issued by the Company at the date of exchange. Goodwill is initially measured as the excess of the fair value of the consideration transferred over the fair value of the acquiree's net identifiable assets acquired. When the consideration transferred is less than the fair value of the net identifiable assets, a gain is recognized immediately in profit or loss.

Transaction costs such as finder's fees, legal fees, other professional and consulting fees, and due diligence fees are expensed as incurred unless they are costs related to the issue of debt or equity instruments.

Business combinations or the amalgamation of companies under common control are accounted for using the predecessor accounting method. Under this method, the assets and liabilities are stated at predecessor carrying values, no goodwill is recognized and any gains or losses are recognized in retained earnings. The results of predecessor entities are recognized on a prospective basis in the statements of comprehensive income and loss from the date of amalgamation and prior period comparatives are not restated.

b) Transactions eliminated on consolidation

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same manner as unrealized gains, but only to the extent that there is no evidence of impairment.

c) Exploration and evaluation expenditures

Exploration and evaluation expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves.

Recognition and measurement

Exploration and evaluation expenditures include costs of conducting geological surveys, and exploratory drilling and sampling. Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred.

Costs related to the acquisition of an exploration asset are capitalized. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration assets and are classified as an intangible asset. The Company capitalizes the cost of acquiring, maintaining its interest, exploring and developing mineral properties as exploration assets when future inflow of economic benefits from the properties is probable and until such time as the properties are placed into development, abandoned, sold or considered to be impaired in value.

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to mineral properties. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Exploration costs that do not relate to any specific property are expensed as incurred.

Impairment

Management tests for impairment when facts and circumstances indicate that the carrying value of exploration and evaluation assets might exceed recoverable amounts or when the technical feasibility and commercial viability of mineral resources is demonstrable.

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.

d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses.

Recognition and measurement

Mineral property acquisition and development costs including exploration and evaluation assets transferred, mine construction costs, and overburden and waste removal costs, are capitalized until production is achieved, or the property is sold, abandoned or impaired. Development costs are net of proceeds from the sale of metal extracted during the development phase prior to the date mining assets are capable of operating in the way intended by management.

When the Company incurs debt directly related to the construction of a new operation or major expansion, the related financing costs are capitalized during the construction period.

Property, plant and equipment costs include the fair value of the consideration given to acquire assets at the time of acquisition or construction and include expenditures that are directly attributable to bringing the asset to the location and

condition necessary for their intended use. Also, these costs include an initial estimate of the costs of dismantling and removing the assets and restoring the site on which they are located, and for qualifying assets, borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately as major components.

Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected. Gains and losses on disposal are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

Major spare parts and stand-by equipment with a significant initial cost, whose anticipated useful life is longer than one year, and meet the definition of an asset, are recognized as an item of property, plant and equipment.

Depreciation

The carrying values of property, plant and equipment are depreciated using the straight line method to their estimated residual values over their estimated useful lives.

Office furniture and equipment	Straight line basis over 5 years
Machinery and equipment	Straight line basis over 3 years
Building	Straight line basis over 10 years

Management conducts an annual assessment of the estimated residual values, useful lives, and depreciation methods used for property, plant and equipment. Any material changes in estimates are applied prospectively.

e) Impairment of non-current assets

Non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units, or "CGU's"). Value in use is determined as the present value of future cash inflows expected to be derived from a CGU using a pre-tax discount rate that reflects the current time value of money and the risks specific to that CGU.

Impairment losses for other assets or CGU's recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. If so, an impairment loss is reversed only to the extent that the related asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f) Financial assets

Purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial assets in the following categories: (i) at fair value through profit or loss, (ii) loans and receivables, and (iii) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired.

(i) Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling it in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Financial assets carried at fair value through profit or losses are initially and subsequently recognized at fair value, and transaction costs are expensed through net loss in the consolidated statement of comprehensive loss. Gains or losses arising from changes in the fair value of these assets are presented in the consolidated statement of comprehensive loss within 'other (losses)/gains', a component of net loss, in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are classified as current assets, unless they have maturities extending to more than 12 months after the end of the reporting period. Ascot's loans and receivables comprise cash and cash equivalents, short-term investments, reclamation deposits, and trade and other receivables. Loans and receivables are initially recognized at the amount expected to be received less, if applicable, a discount to reduce the asset to its fair value. Subsequently, they are carried at amortized cost using the effective interest method less a provision for impairment.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Available-for-sale financial assets are initially recognized at fair value plus transaction costs and subsequently carried at fair value. Changes in the fair value of assets classified as available-for-sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in accumulated other comprehensive income are included in net loss on the consolidated statement of comprehensive loss as 'other (losses)/gains'.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the consolidated statement of comprehensive loss as part of other income, a component of net loss.

g) Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset or group of financial assets (other than financial assets classified at fair value through profit or loss) is impaired as a result of one or more events that occurred after the initial recognition of the asset.

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired.

(i) Assets carried at amortized cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognized in net loss.

(ii) *Assets classified as available for sale*

The amount of the impairment loss is measured as the difference between the acquisition cost of the asset and its current fair value, less any impairment loss previously recognized in net loss. This amount is removed from accumulated other comprehensive income and recognized in net loss.

Impairment losses on financial assets carried at amortized cost or available for sale are reversed in a subsequent period if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in net loss on the consolidated statement of comprehensive loss. Impairment losses on available for sale equity instruments are not reversed.

h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held with banks, including monetary instruments that may be cashed or redeemed within three months of purchase.

i) Share capital

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

j) 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 period by the weighted average number of common shares outstanding during the period

k) Income taxes

Tax is recognized in net loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is the expected tax payable on the taxable income for the year plus any adjustment to tax payable in respect to previous years. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

l) Share-based compensation

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of shares or stock options awarded to employees, measured on their grant date. The fair value of shares or stock options awarded to non-employees is measured on the date that the goods or services are received.

The fair value of the shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

m) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: (1) the Company has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

n) 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 liabilities are derecognized and recorded in other income in the statement of comprehensive income when qualified expenditures are incurred.

o) New standards and interpretations not yet adopted

A number of new standards, amendment to standards, and interpretation are effective for annual periods beginning after January 1, 2018, and have not been applied in preparing these consolidated financial statements.

Financial instruments

In July 2014, the complete version of IFRS 9, Financial Instruments ("IFRS 9") was issued. The standard provides revised guidance on the classification, measurement and recognition of financial assets and financial liabilities. It also introduces a new expected credit loss model for calculating impairment for financial assets. IFRS 9 is effective for accounting periods beginning on or after January 1, 2018, with early adoption permitted. Based on its current circumstances, the Company does not expect any material impact on its financial position and results from the adoption of IFRS 9.

Leases

IFRS 16, Leases will be effective for accounting periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 Leases specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Company is currently assessing whether the adoption of this new standard would have a material impact on the financial position and results of the Company.

4. CASH AND CASH EQUIVALENTS

	March 31,		March 31,
	2018		2016
Cash	\$ 561	\$	1,090
Guaranteed Investment Certificates ("GICs")	19,950		28,000
	\$ 20,511	\$	29,090

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 variable rate of prime minus 1.90 % and fixed interest rate at 1.4% (March 31, 2017 – 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 \$6,423 (March 31, 2017 – \$8,593) which is required to be spent on flow-through expenditures.

5. PREPAID EXPENSES AND DEPOSITS

	March 31,		March 31,
	2018		2017
Advance to drilling contractor	\$ 300	\$	-
Other prepaids	64		46
	\$ 364	\$	46

In December 2017, the Company signed a contract with a drilling company to complete the 50,000 meter drill program at Premier-Dilworth property. Under the term of the contract, the Company made an advance payment of \$300 to the drilling contractor for mobilization of equipment.

6. RECLAMATION DEPOSITS

The Company is required to maintain reclamation deposits for its Swamp Point and Premier properties in respect of its 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 of British Columbia.

The following table summarizes the reclamation deposit by properties:

		March 31,		March 31
		2018		2017
Swamp Point	\$	300	\$	300
Premier		47		30
	\$	347	\$	330

7. EXPLORATION AND EVALUATION ASSETS

		Premier	Dilworth	Mt. Margaret	Total
Cost - acquisition	\$	6,175	\$ 4,979	\$ 2,142	\$ 13,296
Cost - exploration		22,398	6,710	2,922	32,030
Total March 31, 2016		28,573	11,689	5,064	45,326
Change in Cost					
Additions - acquisition		100	200	-	300
Additions - exploration		5,824	-	142	5,966
		5,924	200	142	6,266
Cost - acquisition		6,275	5,179	2,142	13,596
Cost - exploration		28,222	6,710	3,064	37,996
Total March 31, 2017		34,497	11,889	5,206	51,592
Change in Cost					
Additions - acquisition		4,776	2,075	-	6,851
Additions - exploration		11,358	-	146	11,504
		16,134	2,075	146	18,355
Cost - acquisition		11,051	7,254	2,142	20,447
Cost - exploration		39,580	6,710	3,210	49,500
Total March 31, 2018	\$	50,631	\$ 13,964	\$ 5,352	\$ 69,947

PREMIER

In June 2009, the Company signed an Option Agreement with Boliden Limited (“Boliden”) for the Silbak-Premier gold mine in northern British Columbia (the “Premier Property”), whereby it could acquire a 100% interest in certain mineral claims, mining leases, crown granted mineral claims and freehold and surface titles (“the Assets”) in British Columbia, Canada and Alaska, U.S.A. (“the Option Agreement”). This property adjoins the Company’s Dilworth property.

In order to purchase the Assets, the Company made the following payments:

- (1) \$100 within ten days of the approval of the agreement by the TSX Venture Exchange (paid);
- (2) \$100 on or before June 2010 (paid);
- (3) \$100 on or before June 2011 (paid);
- (4) \$100 on or before June 2012 (paid);
- (5) \$500 on or before December 30, 2013 (paid);
- (6) \$500 on or before December 30, 2014 (paid);
- (7) \$4,775 on or before December 30, 2015 (paid);
- (8) \$100 on or before December 30, 2016 (paid); and
- (9) \$4,776 on or before June 30, 2017 (paid)

On November 19, 2015, the Company signed an amended agreement confirming the terms as set out above. In addition, pursuant to a July 19, 2013 amendment, Ascot granted Boliden an additional 5% NSR (“the Premier NSR”) which can be purchased by the Company for \$9,550 at any time after the Option Agreement has been exercised. Ascot cannot purchase the Premier NSR unless the Company also exercises the Dilworth Option (see below).

In accordance with the terms of the Option Agreement and its amendments, the Company exercised its right to acquire the adjoining Dilworth property from Boliden and one of Ascot’s former directors (“the Dilworth Optionors”) and granted Boliden a 1% Net Smelter Royalty (“NSR”) and the first right to purchase all base metal concentrates produced from the Premier Property. Pursuant to the Option Agreement, the Company also assumed certain royalties on the Premier Property that result from obligations of a previous owner of the property. These royalties consist of an additional 1% NSR and a 5% Net Profit Interest royalty on production from certain areas of the Premier Property.

In 2017, the Company paid the final option payment of \$4,776. The payment has been placed in escrow and will be released to Boliden subject to the satisfaction of all closing conditions relating to the Premier Property. According to the terms of the July 31, 2017 Asset Purchase Agreement between the Company and Boliden (“the APA”), the Company is responsible for certain environmental remediation costs relating to the Premier Property. As at March 31, 2018, the Company reimbursed Boliden for a total of \$972, of which \$594 was for care and maintenance costs and \$378 was for water pond construction pursuant to the terms of the APA.

The closing conditions of the APA include the assumption by the Company of environmental bonding requirements on the Premier Property. The amount of this bonding has yet to be finalized and will be determined in negotiation with the Province of British Columbia. As such, the required bonding has not been recognized in these consolidated financial statements.

DILWORTH

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

- (1) \$200 on receiving regulatory approval, which occurred in April 2007 (paid);
- (2) \$300 on or before April 2008 (paid);
- (3) \$200 on or before April 2009 (paid);
- (4) \$200 on or before April 2010 (paid);
- (5) \$500 on or before April 2011 (paid);
- (6) \$200 on or before April 2012 (paid);
- (7) \$400 on or before December 30, 2013 (paid);
- (8) \$400 on or before December 30, 2014 (paid);
- (9) \$2,075 on or before December 30, 2015 (paid);
- (10) \$200 on or before December 30, 2016 (paid); and
- (11) \$2,075 on or before June 30, 2017 (paid).

On November 19, 2015, the Company signed an amended agreement with the Dilworth Optionors confirming the terms as set out above. Also as part of the amended agreement, Ascot granted the Dilworth Optionors an additional 5% NSR ("the Dilworth Option") which can be purchased by the Company for \$4,150 at any time after the option to purchase the Dilworth Property has been exercised.

In November 2007 the Company acquired three crown grants (Old Timer, Butte and Yellowstone) which are located near the Dilworth Property. As consideration, the Company paid \$100 cash and issued 200,000 common shares of the Company, 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 2017, the Company paid the final option payment of \$2,075, of which \$1,038 was paid to a former director of Ascot and his partner with the balance of \$1,037 being placed in escrow to be released to Boliden subject to the satisfaction of all closing conditions of the Premier Property APA.

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 US on signing (paid);
- ii) \$300 US fifteen months from the date of signing (paid);
- iii) \$335 US on May 31, 2012 (paid); and
- iv) \$1,300 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 British Columbia. Operations were suspended in 2008 due to unfavourable aggregate markets. The property was subsequently written off in 2010.

8. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Machinery and equipment	Office furniture and equipment	Total
Cost	\$ -	\$ 843.00	-	\$ 843
Accumulated depletion, depreciation and amortization	-	825.00	-	(825)
Net book value, March 31, 2016	-	18.00	-	18
Change in Cost				
Additions	-	565	143	708
Subtotal	-	565	143	708
Change in Accumulated Amortization				
Depletion, depreciation and amortization charge	-	(67)	(9)	(76)
Subtotal	-	(67)	(9)	(76)
Cost	-	1,408	143	1,551
Accumulated depletion, depreciation and amortization	-	(892)	(9)	(901)
Net book value, March 31, 2017	-	516	134	650
Change in Cost				
Additions	454	281	33	768
Subtotal	454	281	33	768
Change in Accumulated Amortization				
Depletion, depreciation and amortization charge	(13)	(231)	(34)	(278)
Subtotal	(13)	(231)	(34)	(278)
Cost	454	1,689	176	2,319
Accumulated depletion, depreciation and amortization	(13)	(1,123)	(43)	(1,179)
Net book value, March 31, 2018	\$ 441	\$ 566	\$ 133	\$ 1,140

In June 2017, the Company purchased two properties, located in Stewart, BC, for the aggregate total of \$454. The first property consists of land and a work shop, the second purchase comprises land adjoining the first property.

9. AVAILABLE-FOR-SALE INVESTMENT

Financial assets classified as available-for-sale consists on an investment in common shares of Cardero Resource Corporation. During the year ended March 31, 2017, the Company wrote off the investment and derecognized the cumulative fair value gain on the investment into net loss. The company recorded an unrealized gain of \$12.

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10. TRADE AND OTHER PAYABLES

	March 31, 2018	March 31, 2017
Liabilities on goods and services	\$ 330	\$ 498
Liabilities on employee taxes and social security	37	-
Liabilities for wages	30	-
Accrued expenses	69	77
	\$ 466	\$ 575

11. OTHER LIABILITIES

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

Balance at March 31, 2016	\$ -
Premium on flow through share issue	2,047
Derecognition of premium liability on expenditure of flow-through share proceeds	(297)
Balance at March 31, 2017	1,750
Premium on on flow through share issue	1,047
Derecognition of premium liability on expenditure of flow-through share proceeds	(1,762)
Balance at March 31, 2018	\$ 1,035

12. PROVISIONS

Site closure and reclamation provisions for Swamp Point are as follows:

Balance at March 31, 2016	\$ 265
Change in estimated timing and amount of closure cost	132
Balance at March 31, 2017	397
Change in estimated timing and amount of closure cost	33
Balance at March 31, 2018	430
Current	-
Non Current	\$ 430

As of March 31, 2018, the Company has not set up reclamation provisions for Premier-Dilworth property as the purchase agreement for this property has not closed.

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13. INCOME TAXES

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the loss for the year. These differences result from the following items:

	March 31, 2018	March 31, 2017
Loss before income taxes	\$ (6,355)	\$ (6,999)
Statutory tax rate	26.25%	26.00%
Income tax expense calculated using statutory rate	(1,668)	(1,820)
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	872	1,398
Flow-through shares	2,256	1,120
Financing costs	(143)	(687)
Other, net	147	(50)
Change in unrecognized deferred tax assets	1,245	1,418
Income tax expense	\$ 2,709	\$ 1,379

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities at March 31, 2018 and 2017 as summarized as follows:

Deferred tax assets	2018	2017
Non-capital loss carry-forwards	\$ 9,371	\$ 8,202
Property, plant and equipment	1,211	1,096
Reclamation liabilities	633	710
Financing costs	50	48
Marketable securities	116	80
	11,381	10,136
Unrecognized deferred tax assets	(11,381)	(10,136)
Deferred tax assets recognized	-	-
Deferred tax liabilities		
Exploration and evaluation assets	(9,856)	(7,147)
Deferred tax liabilities recognized	\$ (9,856)	\$ (7,147)

As at March 31, 2018, the Company has estimated non-capital losses for Canadian and US income tax purposes of \$32,648 and US \$2,110 respectively (2017 - \$29,051 and US \$1,853 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
2030	405
2031	19,913
2032	1,304
2033	1,216
2034	1,179
2035	1,069
2036	1,099
2037	2,312
2038	3,682
Total	<u>\$ 32,648</u>

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 there is no certainty that sufficient future taxable profit will allow the deferred tax asset to be recovered.

14. SHARE CAPITAL

a) Common Shares

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

During the year ended March 31, 2018, the Company issued 7,058,941 (2017 – 1,604,254) common shares on the exercise of warrants for proceeds of \$7,474 (2017 - \$1,675).

During the year ended March 31, 2018, the Company issued 155,000 (2017 – 880,000) common shares on the exercise of options for proceeds of \$144 (2017 - \$1,009).

On March 22, 2018 the Company raised \$6,500 by issuing 4,362,350 Flow-through shares at \$1.49 per share. In connection with the private placement, the Company paid to the agents a cash commission equal to 6% of the gross proceeds and incurred other share issuance costs of \$155.

On December 16, 2016 the Company raised \$9,002 by issuing 4,000,997 Flow-through shares at \$2.25 per share. 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 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 \$1,918 and recorded to share issuance costs.

On July 11, 2016 the Company raised \$500 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 \$23 and recorded to share issuance costs.

On June 30, 2016, the Company closed the second tranche of a non-brokered private placement for 1,032,100 units at a price of \$1.25 per unit for a gross proceeds of \$1,290. 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 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. 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 \$54 and recorded to share issuance costs.

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.

As at March 31, 2018, the Company had \$6,423 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, 2017 - \$8,593).

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.

15. WARRANTS AND OPTIONS

a) Warrants

As of March 31, 2018, the Company had outstanding and exercisable warrants as follows:

	Warrants	Weighted-average exercise price (C\$)
Outstanding at March 31, 2016	9,495,060	1.05
Issued	12,085,069	1.50
Expired	(1,091,765)	1.05
Exercised	(1,604,254)	1.02
Outstanding at March 31, 2017	18,884,110	1.32
Exercised	(7,058,941)	1.06
Expired	(1,664,175)	1.75
Share-based warrants at March 31, 2018	10,160,994	1.46

The following summarizes information about the warrants outstanding and exercisable at March 31, 2018:

Exercise price	Number oustanding and exerciable	Remaining contractual life (years)
\$1.15	1,247,841	0.35
\$1.50	8,695,653	0.35
\$1.75	217,500	0.27
\$1.46	10,160,994	0.35

Stock options

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.

The total stock-based compensation expense for the year ended March 31, 2018 was \$5,072 (2017:\$5,375). The unrecognized compensation cost for non-vested share options at March 31, 2018 was \$1,287 (March 31, 2017: \$Nil).

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Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Options	Weighted-average exercise price (C\$)
Outstanding at March 31, 2016	7,750,000	0.98
Granted	4,300,000	1.86
Expired	(1,150,000)	1.20
Exercised	(880,000)	1.15
Outstanding at March 31, 2017	10,020,000	1.32
Granted	7,440,000	1.56
Cancelled	(150,000)	1.15
Exercised	(155,000)	0.93
Share -based Options at March 31, 2018	17,155,000	1.43

The Company uses the Black Scholes option pricing model to estimate the fair value for all stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per option, for the options granted are as follows:

	2018	2017
Average risk-free rate	1.65% - 2.14%	0.62% - 1.15%
Expected life	5 years	5 years
Expected volatility	71.08% - 71.71%	77.3% - 80.5%
Expected dividends	nil	nil
Weighted average fair value per option	\$ 0.93	\$ 1.86

The following summarizes information about the stock options outstanding and exercisable at March 31, 2018:

Range of price	Options outstanding			Options exercisable		
	Number outstanding	Weighted- average remaining contractual life (years)	Weighted- average exercise price C\$	Number exercisable	Weighted- average remaining contractual life (years)	Weighted- average exercise price C\$
\$0.88 to \$1.29	5,465,000	0.88	0.91	5,565,000	0.89	0.91
\$1.30 to \$1.50	1,340,000	4.69	1.34	900,000	4.74	1.34
\$1.51 to \$2.00	9,650,000	3.38	1.67	7,033,332	2.92	1.69
\$2.01 to \$2.34	700,000	3.38	2.32	700,000	3.38	2.32
	17,155,000	3.11	1.43	14,198,332	2.79	1.39

16. GENERAL AND ADMINISTRATIVE COSTS

	Year ended March 31, 2018	Year ended March 31, 2017
Employee wages and benefits	\$ 708	\$ 489
Management fees	435	365
Share-based payment	5,072	5,376
Depreciation	278	76
Legal and professional services	580	228
Office and administration expenses	270	104
Travel	32	182
Investor relations and shareholders costs	323	339
	<u>\$ 7,698</u>	<u>\$ 7,159</u>

17. 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:

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and short-term benefits	\$ 349	\$ 365
Management fees	421	365
Exploration and evaluation costs	788	201
Share-based payment transactions	4,838	3,906
	<u>\$ 6,396</u>	<u>\$ 4,837</u>

b) Other Related Party Transactions

A former director and his partner were paid \$1,038 (2017 - \$25) for their share of the option payment made on the Dilworth property (Note 7).

During the year ended March 31, 2018, directors and officers were granted 7,070,000 stock options at a weighted average price of \$1.57 (2017 - 3,150,000 at a weighted average price of \$1.77). Using the Black-Scholes model, (see Note 15 b) the fair value of the options granted to directors was determined at \$4,903 (2017 - \$3,906).

Included in accounts payable are \$36 (2017 - \$24) due to related party, of which \$21 pertains to royalties on gravel product sold by the Company during the year ended March 31, 2008.

18. SEGMENT 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 7.

19. LOSS PER SHARE

	March 31, 2018	March 31, 2017
Loss attributable to ordinary shareholders	\$ (9,064)	\$ (8,378)
Weighted average number of shares outstanding (basic and diluted) (in thousands)	146,472	129,440
Basic and diluted EPS	\$ (0.06)	\$ (0.06)

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, 2018 common equivalent shares totaling 27,465,994 (March 31, 2017 – 28,904,110) 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.

20. FINANCIAL INSTRUMENT 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. These risks arise from the normal course of the Group's operations and all transactions undertaken are to support the Group's ability to continue as a going concern (see Note 2d). 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, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes:

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

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

Fair value

The Company's financial instruments include cash and cash equivalents, interest and other receivables, trade and other payables and other 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 and other receivables, trade and other payables and other 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.

21. 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, 2018

22. COMMITMENTS

The Company has an agreement to lease office premises which expires on December 1, 2019. The gross payments for this lease are as follows:

	March 31, 2018	March 31, 2017
Within one year	\$ 49	\$ 49
After one year but not more than five years	32	81
	<u>\$ 81</u>	<u>\$ 130</u>

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

23. SUBSEQUENT EVENTS

Subsequent to March 31, 2018, 15,000 stock options and 15,225 warrants were exercised for total proceeds of \$32.