NuLegacy Gold
CORPORATION

Consolidated Financial Statements

For the year ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of NuLegacy Gold Corporation,

We have audited the accompanying consolidated financial statements of NuLegacy Gold Corporation and its subsidiary, which comprise the consolidated statements of financial position as at March 31, 2017 and 2016 and the consolidated statements of comprehensive loss, cash flows and changes in equity 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 as issued by the International Accounting Standards Board 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 overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained 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 NuLegacy Gold Corporation and its subsidiary as at March 31, 2017 and 2016 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

De Visser Gray LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
July 25, 2017

NULEGACY GOLD CORPORATION
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	March 31, 2017	March 31, 2016
		$	**$**
Assets			
Current assets			
Cash and cash equivalents		15,680,723	850,558
Receivables		60,757	12,725
Prepaid expenses	8	112,729	117,810
Available for sale financial assets	3	320,672	113,016
		16,174,881	1,094,109
Non-current assets			
Deposits	4	350,245	282,781
Equipment & vehicles	5	180,773	18,732
Exploration and evaluation assets	6	14,810,282	10,632,061
		31,516,181	**12,027,683**
Liabilities and Shareholders' Equity			
Current liabilities			
Trade and other payables	7,8	108,364	135,664
Shareholders' Equity			
Share capital	9	39,395,972	20,564,915
Warrants reserve	9	6,343,292	4,011,622
Share options reserve	9	4,282,510	3,138,266
Revaluation reserve		(2,972,169)	(3,196,298)
Accumulated deficit		(15,641,788)	(12,626,486)
		31,407,817	11,892,019
		31,516,181	**12,027,683**

Corporate Information and Going Concern (Note 1)
Subsequent Events (Note 14)

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

NULEGACY GOLD CORPORATION
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Year ended March 31, 2017	2016
		$	**$**
Operating expenses			
Consulting	8	**297,783**	49,573
Depreciation	5	**37,965**	11,921
Insurance		**39,356**	30,840
Investor relations	8	**295,536**	251,441
Management fees	8	**436,595**	297,796
Office	8	**362,751**	176,110
Professional fees	8	**200,647**	146,546
Regulatory and transfer agent		**108,911**	52,375
Rent		**93,218**	40,656
Share based payments	8,9	**1,259,273**	866,912
Travel and accommodation		**322,010**	37,570
		3,454,045	1,961,740
Other items			
Foreign exchange gain		**295,993**	212,715
Interest income		**67,750**	1,163
Other income		**75,000**	-
		438,743	213,878
Net loss before income tax		**(3,015,302)**	(1,747,862)
Income tax recovery	13	**-**	50,595
Net loss for the year		**(3,015,302)**	(1,697,267)
Other comprehensive loss			
Net change in fair value of available for sale financial assets	4	**224,129**	(1,550,060)
Comprehensive loss for the year		**(2,791,173)**	(3,247,327)
Basic and diluted loss per share	9		
Net loss for the year		**(0.01)**	(0.01)
Comprehensive loss for the year		**(0.01)**	(0.02)
Weighted average common shares outstanding		**272,177,682**	159,445,580

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

NULEGACY GOLD CORPORATION
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended March 31,	
	2017	2016
	$	$
Operating activities		
Net loss for the year	**(3,015,302)**	(1,697,267)
Items not affecting cash and cash equivalents:		
Depreciation	**37,965**	11,921
Income tax recovery	**-**	(50,595)
Share based payments	**1,259,273**	866,912
Unrealized gains	**16,473**	(124,185)
Changes in non-cash working capital:		
Receivables	**(48,032)**	1,291
Prepaid expenses and deposits	**5,081**	(16,315)
Trade and other payables	**14,104**	19,862
Total cash outflows from operating activities	**(1,730,438)**	(988,376)
Financing activities		
Proceeds from issuance of common shares	**17,342,918**	2,296,875
Share issuance costs	**(438,900)**	(117,135)
Proceeds from exercise of warrants	**3,982,432**	-
Proceeds from exercise of stock options	**161,248**	-
Total cash inflows from financing activities	**21,047,698**	2,179,740
Investing activities		
Purchase of equipment and vehicles	**(200,006)**	(15,887)
Deposits	**(67,464)**	(25,764)
Exploration and evaluation asset expenditures	**(4,219,625)**	(1,796,714)
Total cash outflows from investing activities	**(4,487,095)**	(1,838,365)
Net change in cash and cash equivalents	**14,830,165**	(647,001)
Cash and cash equivalents, beginning of year	**850,558**	1,497,559
Cash and cash equivalents, end of year	**15,680,723**	850,558
Other non-cash items		
Change in fair market value of available for sale financial assets	**224,129**	1,550,060
Warrants issued in private placement	**2,991,159**	329,937
Warrants issued as finders' fee	**123,631**	5,943
Shares issued in acquisition of exploration and evaluation assets	**-**	4,160,000
Share issuance costs in trade and other payables	**-**	14,045
Exploration and evaluation assets in trade and other payables	**12,278**	53,682
Transfer to share capital on exercise of stock options	**115,029**	-
Transfer to share capital on exercise of warrants	**783,120**	7,693
Supplementary disclosures:		
Interest received	24,403	1,076
Cash	4,013,511	850,558
Cash equivalents	11,667,212	-
	15,680,723	850,558

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

NULEGACY GOLD CORPORATION
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Warrants reserve	Share options reserve	Revaluation reserve	Accumulated deficit	Total
			$	$	$	$	$	$
Balance, March 31, 2015		141,453,879	14,567,407	3,734,030	2,271,354	(1,646,238)	(10,929,219)	7,997,334
Shares issued, private placement	9	18,288,600	2,286,075	-	-	-	-	2,286,075
Share issuance costs, private placement	9	-	(57,858)	5,943	-	-	-	(51,915)
Shares issued, acquisition of exploration and evaluation assets	6	32,000,000	4,160,000	-	-	-	-	4,160,000
Shares issuance costs, exploration and evaluation assets	6	-	(79,265)	-	-	-	-	(79,265)
Share purchase warrants, private placement	9	-	(329,937)	329,937	-	-	-	-
Shares issued, exercise of warrants	9	108,000	18,493	(7,693)	-	-	-	10,800
Expiration of warrants, income tax recovery		-	-	(50,595)	-	-	-	(50,595)
Share based payments	9	-	-	-	866,912	-	-	866,912
Comprehensive loss for the year		-	-	-	-	(1,550,060)	(1,697,267)	(3,247,327)
Balance, March 31, 2016		191,850,479	20,564,915	4,011,622	3,138,266	(3,196,298)	(12,626,486)	11,892,019
Shares issued, private placements	9	78,152,637	17,342,918	-	-	-	-	17,342,918
Share issuance costs, private placements	9	-	(562,531)	123,631	-	-	-	(438,900)
Share purchase warrants, private placements	9	-	(2,991,159)	2,991,159	-	-	-	-
Shares issued, exercise of stock options	9	850,000	276,277		(115,029)	-	-	161,248
Shares issued, exercise of warrants	9	22,185,980	4,765,552	(783,120)	-	-	-	3,982,432
Share based payments	9	-	-	-	1,259,273	-	-	1,259,273
Comprehensive loss for the year		-	-	-	-	224,129	(3,015,302)	(2,791,173)
Balance, March 31, 2017		**293,039,096**	**39,395,972**	**6,343,292**	**4,282,510**	**(2,972,169)**	**(15,641,788)**	**31,407,817**

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

1. Corporate Information and Going Concern

Corporate Information

NuLegacy Gold Corporation (the "Company") is a publicly listed entity on the TSX Venture Exchange (the "Exchange") and incorporated under the laws of the Province of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral properties. Its principal mineral property interests are located in Nevada, USA.

The head office, principal address, and records office of the Company are located at 1055 West Hastings Street, Suite 300, Vancouver, British Columbia, Canada, V6E 2E9.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's mineral property interests are located outside of Canada and are subject to the risks associated with foreign investment, including increases in taxes and royalties, renegotiations of contracts, currency exchange fluctuations and political uncertainty. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Going Concern

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and/or to achieve profitable operations. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The continuance of the Company's operations is dependent on obtaining sufficient additional financing in order to realize the recoverability of the Company's investments in exploration and evaluation assets, which is dependent upon the existence of economically recoverable reserves and market prices for the underlying minerals. Management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur. The Company believes they have sufficient working capital to maintain operations for the next 12 months.

2. Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements.

Statement of compliance

The consolidated financial statements of the Company and its subsidiary have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements, including the comparative amounts, were approved and authorized for issue by the audit committee and board of directors on July 25, 2017

2. Significant Accounting Policies (continued)

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss and available for sale that have been measured at fair value at the reporting date. The consolidated financial statements are presented in Canadian dollars, unless otherwise indicated.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, NuLegacy Gold N.V., which was incorporated in Nevada, USA. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Functional currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. The reporting currency of the Company is the Canadian dollar.

Foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined.

Financial assets

The Company's financial assets are classified into one of the following categories:

- Fair value through profit or loss ("FVTPL"); and
- Available for sale ("AFS")

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets:
Financial assets are classified as FVTPL when the financial asset is held for trading or it is designed as FVTPL.
A financial asset is classified as FVTPL if:

- It has been acquired principally for the purpose of selling in the near future;
- It is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

The Company's cash and cash equivalents are classified as FVTPL.

2. Significant Accounting Policies (continued)

Financial assets (continued)

(ii) AFS financial assets:
AFS financial assets are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity in the investment revaluation reserve. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investment revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation difference due to a change in amortized cost of the asset is recognized in profit or loss, while all other changes are recognized in equity.

The Company's available for sale financial assets are classified as AFS.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

2. Significant Accounting Policies (continued)

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either FVTPL or other financial liabilities.

(i) FVTPL:
This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company does not have any financial liabilities classified as FVTPL.

(ii) Other financial liabilities:
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company has classified trade and other payables as other financial liabilities.

Cash and cash equivalents
Cash and cash equivalents comprise cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Receivables
Receivables are recognized at the amounts due for settlement no more than 90 days from the date of recognition. The collectability of trade receivables is reviewed on an ongoing basis. Accounts which are known to be uncollectible are written off. A provision for impairment is recorded when there is evidence that the Company will not be able to collect fully the amounts due.

2. Significant Accounting Policies (continued)

Mineral exploration, evaluation and development expenditure

(i) Pre-license costs:
Pre-license costs are expensed in the period in which they are incurred.

(ii) Exploration and evaluation costs:
Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the Company concludes that a future economic benefit is more likely than not to be realized. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors. In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Exploration and evaluation expenditure incurred on licences where a resource has not yet been established is expensed as incurred until sufficient evaluation has occurred in order to establish a resource. Costs expensed during this phase are included in 'exploration expenditure' in profit or loss.

Upon the establishment of a resource (at which point, the Company considers it probable that economic benefits will be realized), the Company capitalizes any further evaluation costs incurred for the particular licence to exploration and evaluation assets up to the point when a reserve is established. Once reserves are established and development is sanctioned, exploration and evaluation assets are tested for impairment and transferred to 'Mines under construction'. No amortization is charged during the exploration and evaluation phase.

Equipment & vehicles

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation for equipment and vehicles is calculated using the straight line method over the following expected useful lives:

- Equipment 2 years
- Vehicles 5 years

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

2. Significant Accounting Policies (continued)

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase and is recognized through other comprehensive income.

Share based payments

The Company's share purchase option plan allows Company directors, officers, employees and service providers to acquire shares of the Company. The fair value of share purchase options granted to employees (which includes directors and officers and service providers that meet the definition of an employee) is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized over the vesting period. The fair value of options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. For options granted to non-employees, the fair value of the services is measured at the date the services are rendered which could consist of multiple measurement dates.

2. Significant Accounting Policies (continued)

Income taxes

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Comprehensive loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive loss, components of other comprehensive loss and cumulative translation adjustments are presented in the consolidated statements of comprehensive loss and the consolidated statements of changes in equity.

Warrants

Share issuances during the year that include a warrant have been bifurcated into a share and warrant component for accounting purposes. The warrant component is recorded as a separate line item in equity and is reclassified to share capital when exercised.

2. Significant Accounting Policies (continued)

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the year.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share based compensation and income taxes.

Critical judgments exercised in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are as follows:

(a) Economic recoverability and probability of future economic benefits of exploration and evaluation assets:

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

(a) Valuation of share based payments and warrants:

The Company uses the Black-Scholes Option Pricing Model for valuation of share based compensation and for the valuation of warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and share option reserves.

(b) Recovery of deferred tax assets:

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

Standards issued or amended but not yet effective:
A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the year ended March 31, 2016 and have not been applied in preparing these consolidated financial statements. The Company is currently considering the possible effects of the new and revised standards which will be effective to the Company's consolidated financial statements for the year ending March 31, 2017 or later:

- IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not expect any effect on the Company's consolidated financial statements.

3. Available for Sale Financial Assets

In March 2014, the Company completed a share exchange financing transaction with Global Resources Investment Ltd. ("GRIT"), a U.K. based public company which trades on the London Stock Exchange ("LSE"), whereby the Company issued 20,000,000 common shares at a price of $0.16 per share ($3,200,000) in return for 1,731,200 GRIT common shares at a deemed issue price of £1.00 per share, equivalent to $3,210,510 on the transaction date.

The fair value of GRIT common shares as at March 31, 2017 was $320,672 (2016 – $113,016). During the year ended March 31, 2017, the Company recorded a revaluation reserve gain on the investment of $224,129 (2016 – loss of $1,550,060) and an unrealized foreign exchange gain of $16,473 (2016 – loss of $98,016).

There is a 3% finder's fee payable on the net proceeds from the future sale of the GRIT shares.

4. Deposits

	March 31, 2017	March 31, 2016
	$	$
Credit card collateral	31,575	31,625
Reclamation bonds	313,925	246,411
Security deposits	4,745	4,745
	350,245	**282,781**

(Expressed in Canadian dollars)

5. Equipment & vehicles

	Computers	Vehicles	Total
	$	$	$
Cost			
As at March 31, 2015	49,873	-	49,873
Additions	15,887	-	15,887
As at March 31, 2016	65,760	-	65,760
Additions	69,682	130,324	200,006
As at March 31, 2017	**135,442**	**130,324**	**265,766**
Accumulated depreciation			
As at March 31, 2015	35,107	-	35,107
Charge for the year	11,921	-	11,921
As at March 31, 2016	47,028	-	47,028
Charge for the period	26,932	11,033	37,965
As at March 31, 2017	**73,960**	**11,033**	**84,993**
Net book value			
As at March 31, 2016	18,732	-	18,732
As at March 31, 2017	**61,482**	**119,291**	**180,773**

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets

	Red Hill Properties		
	Iceberg Property	Wilson Property	Total
	$	$	$
Balance March 31, 2015	3,727,130	905,980	4,633,110
Acquisition	4,160,000	33,760	4,193,760
Assays	125,009	-	125,009
Deposits	(25,108)	-	(25,108)
Drilling	819,014	546	819,560
Geological consulting	501,086	53,026	554,112
Miscellaneous	20,102	1,051	21,153
Property maintenance	168,729	100,629	269,358
Travel	41,107	-	41,107
Total Additions	5,809,939	189,012	5,998,951
Balance March 31, 2016	**9,537,069**	**1,094,992**	**10,632,061**
Acquisition	-	98,150	98,150
Assays	374,437	11,108	385,545
Drilling	2,104,377	95,542	2,199,919
Geological consulting	979,269	15,599	994,868
Miscellaneous	31,893	808	32,701
Property maintenance	182,131	107,207	289,338
Travel	171,895	5,805	177,700
Total Additions	3,844,002	334,219	4,178,221
Balance March 31, 2017	**13,381,071**	**1,429,211**	**14,810,282**

Eureka County, Nevada

Iceberg Property
On September 16, 2010, the Company entered into an exploration agreement with a joint venture election and option to purchase from Barrick Gold Exploration Inc. ("Barrick") for a 70% undivided interest in 818 unpatented mining claims in the Iceberg Property located in Eureka County, Nevada, U.S.A. On August 23, 2012, the parties signed an Amended Agreement amending some of the requirements to be upheld by the Company. Under the Amended Agreement, in order to exercise the option, the Company was to incur a minimum of US$5,000,000 in exploration or development expenditures on the Iceberg Property (inclusive of maintenance fees) as follows:

Expenditure deadline	Expenditure commitment (US$)	Total cumulative expenditure (US$)
December 31, 2011	375,000 (spent)	375,000
December 31, 2012	875,000 (spent)	1,250,000
December 31, 2013	625,000 (spent)	1,875,000
December 31, 2014	1,125,000 (spent)	3,000,000
December 31, 2015	2,000,000 (spent)	5,000,000

(Expressed in Canadian dollars)

6. Exploration and Evaluation Assets (continued)

Iceberg Property (continued)
In September 2015, the Company completed the required US$5,000,000 in expenditures and earned a 70% undivided interest in the property.

In February 2016, the Company entered into an exchange agreement with Barrick to acquire their 30% interest in the property. Pursuant to the terms of the exchange agreement, the Company issued 32,000,000 common shares (Note 9) to Barrick and granted a 2% net profits interest royalty from commercial production on the property. As a result of this transaction, the Company increased its working interest in the Iceberg Property to 100%.

Wilson Property
On October 18, 2010, the Company entered into a mining lease ("Lease") with Idaho Resources Corp. ("Idaho"), in which Idaho granted to the Company exclusive possession and control to explore, develop, mine and operate on the Idaho Property, which consists of 482 unpatented mining claims.

On November 7, 2012 (further amended in January 2016), the Company entered into a restated mining lease whereby future requirements for exploration expenditures were eliminated. In order to maintain the Lease, the Company must make the following annual advance royalty payments:

- $75,000 of annual payments and issue 200,000 shares prior to execution of the restated mining lease (paid and issued);
- $25,000 payment and issue 100,000 shares on January 1, 2014 and January 1, 2015 (paid and issued); and
- $12,500 payment on January 1st, April 1st, July 1st and October 1st of all succeeding years (all payments are made through March 31, 2017).

After an initial term of 10 years, the Lease will continue in full force and effect provided that the Company continues to maintain the property in good standing and make the requisite annual cash payments to Idaho. Upon commencement of commercial production, the annual cash payments will convert to an overriding royalty of 3% of the applicable royalty base on all gold, silver and other ores/metals from the property.

7. Trade and Other Payables

	March 31, 2017	March 31, 2016
	$	$
Trade payables and accruals	88,404	110,664
Related party payables	19,960	25,000
	108,364	**135,664**

(Expressed in Canadian dollars)

8. Related Party Transactions

During the year ended March 31, 2017, the Company entered into the following transactions with related parties, not disclosed elsewhere in these consolidated financial statements:

- Paid or incurred professional fees of $85,456 (2016 - $50,344) and share issuance costs of $85,043 (2016 - $58,300) to a company controlled by an officer of the Company. As at March 31, 2016, $5,694 (2016 - $25,000) was included in trade and other payables owing to this company for accrued professional fees.

As at March 31, 2017, advances of $Nil (2016 - $37,747), on account of future expenses was included in prepaid expenses to a director and companies controlled by directors and officers of the Company.

As at March 31, 2017, $5,595 (2015 - $nil) was included in trade and other payables for accrued directors fees owing to an independent director of the Company.

As at March 31, 2017, $8,671 (2015 - $nil) was included in trade and other payables for accrued expenses owing to officers of the Company.

All related party amounts were incurred in the normal course of operations, bear no interest and have no fixed terms of repayment.

Summary of key management personnel compensation:

	Year ended March 31,	
	2017	2016
	$	$
Consulting	**-**	29,989
Exploration and evaluation assets	**169,922**	123,371
Investor relations	**-**	9,796
Management fees	**435,845**	297,796
Office	**38,419**	29,300
Professional fees	**29,250**	39,000
Share based payments	**203,055**	583,091
	876,491	1,102,547

(Expressed in Canadian dollars)

9. Share Capital and Reserves

Authorized Share Capital - Unlimited common shares without par value

Issued Share Capital

	Shares	Share capital - gross	Share issue costs	Share capital - net
		$	$	$
Balance, March 31, 2015	141,453,879	15,385,822	818,415	14,567,407
Private placement (vi)	18,288,600	1,956,138	57,858	1,898,280
Exercise of warrants (v)	108,000	18,493	-	18,493
Exploration and evaluation assets (iv)	32,000,000	4,160,000	79,265	4,080,735
Balance, March 31, 2016	191,850,479	21,520,453	955,538	20,564,915
Private placement (iii)	78,152,637	14,351,759	562,531	13,789,228
Exercise of warrants (ii)	22,185,980	4,765,552	-	4,765,552
Exercise of stock options(i)	850,000	276,277	-	276,277
Balance, March 31, 2017	**293,039,096**	**40,914,041**	**1,518,069**	**39,395,972**

i. During the year ended March 31, 2017, a total of 850,000 stock options were exercised at various prices for gross proceeds of $161,248. As a result, the Company transferred $115,029 from share option reserve to share capital.

ii. During the year ended March 31, 2017, a total of 22,185,980 warrants were exercised for $0.15 and $0.20 per warrant for gross proceeds of $3,982,432. As a result, the company transferred $783,120 from warrant reserves to share capital.

iii. In April 2016, the Company closed a private placement for 47,663,228 common shares at $0.14 per share for gross proceeds of $6,672,852. The Company incurred share issue costs of $96,251 in connection with the close of this private placement.

In July 2016, the Company closed a private placement for 20,334,463 units at $0.30 per unit for gross proceeds of $6,100,339. Each unit consisted of one common share and one full share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period, subject to acceleration (described below), of 18 months at an exercise price of $0.45. The fair value attributable to these share purchase warrants were $1,248,776. Finders' fees of $226,140 were paid and 753,800 finders' warrants (valued at $121,649) were issued in connection with the closing of this private placement. The finders' warrants entitles the holder to purchase one additional common share for a period, subject to acceleration (described below), of 18 months at an exercise price of $0.30. In addition, the Company also incurred share issue costs of $68,055.

In the event the common shares of the Company trade on the Exchange at $0.75 per share or more for 15 consecutive trading days, the warrants will expire on the earlier of (i) the date of expiry of the warrants and (ii) the date which is 30 calendar days after the Company has given notice to the holders of the warrants that the acceleration event has occurred. In regards to the finders' warrants, the terms of the acceleration period are the same with the only difference as the trigger price being $0.60 per share or more for 15 consecutive trading days.

In October 2016, the Company closed the initial tranche of a private placement for 10,010,590 units at $0.45 per unit for gross proceeds of $4,504,766. Each unit consisted of one common share and one full share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period, subject to acceleration, of 18 months at an exercise price of $0.65. In November 2016, the Company closed the final tranche of this private placement for 144,356 units at $0.45 per unit for gross proceeds of $64,960. Each unit consisted of one common share and one full share purchase warrant, with each warrant entitling the holder to purchase one additional common share for a period, subject to acceleration, of 18 months at an exercise price of $0.65. Finders' fees of $7,595 cash and 16,871 finders' warrants (valued at $1.982) were issued in connection with this private placement. Each finder's warrant entitles the holder to purchase one common share of the Company at a price of $0.45 for a period of 18 months. In addition, the Company also incurred share issue costs of $40,863.

(Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Issued Share Capital (continued)

iv. In March 2016, pursuant to an exchange agreement with Barrick, the Company issued 32,000,000 common shares at $0.13 per share (for a value of $4,160,000) in exchange for Barrick's remaining 30% working interest in the Iceberg property (Note 6).

v. In May and June 2015, a total of 108,000 warrants were exercised for $0.10 per warrant for gross proceeds of $10,800 and the Company transferred $7,693 from warrants reserves to share capital.

vi. On June 2, 2015, the Company closed a private placement for 18,288,600 units at $0.125 per unit for gross proceeds of $2,286,075. Each unit consisted of one common share and one half share purchase warrant with each whole warrant entitling the holder to purchase one additional common share for a period of two years at an exercise price of $0.15 during the first year and $0.20 during the second year. The fair value attributable to these share purchase warrants was $329,937. Finders' fees totaled $19,618 were paid and 156,940 finder's warrants (valued at $5,943) were issued in connection with the closing of this private placement. In addition, the Company also incurred share issue costs of $32,297. The finder warrants entitles the holder to purchase one additional common share of the Company at a price of $0.15 in the first year and $0.20 in the second year.

In the event the common shares of the Company trade on the Exchange at $0.25 per share or more for 15 consecutive trading days during the first 11 months of the exercise period (the "Initial Acceleration Period") or $0.35 per share or more for 15 consecutive trading days after the Initial Acceleration Period, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (2) the date which is 30 calendar days after the Company gives notice to the holders of the warrants that the Acceleration event has occurred.

Warrants

A summary of the warrant activities is as follows:

	Number of shares	**Weighted average exercise price ($)**
Balance, March 31, 2015	24,027,130	0.17
Granted[1]	9,301,240	0.15
Expired	(10,559,750)	0.20
Exercised	(108,000)	0.10
Balance, March 31, 2016	22,660,620	0.18
Granted	31,260,080	0.51
Expired	(300,000)	0.20
Exercised	(22,185,980)	0.18
Balance, March 31, 2017	**31,434,720**	**0.51**

[1] Each warrant entitles the holder to purchase one additional common share at $0.15 in the first 12 months and $0.20 in the last 12 months (subject to an acceleration clause).

(Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

The following share purchase warrants were outstanding as at March 31, 2017:

Expiry date		Number of warrants	Exercise price ($)	Remaining contractual life (years)
June 2, 2017	[1]	171,000	0.15	0.17
June 2, 2017	[1]	3,640	0.15	0.17
January 13, 2018	[2]	5,000,000	0.45	0.79
January 13, 2018	[3]	300,000	0.30	0.79
January 14, 2018	[2]	968,334	0.45	0.79
January 15, 2018	[2]	14,366,129	0.45	0.79
January 15, 2018	[3]	176,800	0.30	0.79
January 28, 2018	[3]	277,000	0.30	0.83
April 17, 2018		10,010,590	0.65	1.05
April 17, 2018		1,800	0.45	1.05
May 17, 2018		144,356	0.65	1.13
June 12, 2018		15,071	0.45	1.20
	[4]	**31,434,720**	**0.51**	**1.19**

[1] These warrants are subject to an acceleration clause whereby if the closing price of the Company's shares equals or exceeds $0.25 per share for 15 consecutive trading days during the first 11 months of the exercise period (the "Initial Acceleration Period") or $0.35 per share or more for 15 consecutive trading days after the Initial Acceleration Period, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (2) the date which is 30 calendar days after the Company gives notice to the holders of the warrants that the acceleration event has occurred. For the last 12 months of the term, the strike price increases to $0.20.

[2] These warrants are subject to an acceleration clause whereby if the closing price of the Company's shares equals or exceeds $0.75 per share for 15 consecutive trading days at any time prior to the expiration of the warrants, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (ii) the date which is 30 calendar days after the Company has given notice that the acceleration event has occurred.

[3] These warrants are subject to an acceleration clause whereby if the closing price of the Company's shares equals or exceeds $0.75 per share for 15 consecutive trading days at any time prior to the expiration of the warrants, the warrants will expire on the earlier of (1) the date of expiry of the warrants and (ii) the date which is 30 calendar days after the Company has given notice that the acceleration event has occurred.

[4] Subsequent to March 31, 2017, a total of 171,000 share purchase warrants were exercised (Note 14d).

The weighted average life of warrants outstanding at March 31, 2017 is 1.19 years.

9. Share Capital and Reserves (continued)

Stock Options

The Company has a fixed stock-based compensation plan (the "Plan") providing for the grant of stock options to purchase a maximum of 45,000,000 common shares to eligible recipients.

<u>During the year ended March 31, 2017:</u>

a. In April 2016, the Company granted 400,000 stock options (all vested immediately) exercisable at $0.16 per share to consultants of the Company. The fair value attributable to these stock options was $56,921 using the Black Scholes option pricing model of which the full amount was expensed during the year.

b. In June 2016, the Company granted 700,000 stock options exercisable at $0.30 per share to a director and consultant of the Company. The options vest 25% six months after the grant date and 25% every six months thereafter. The fair value attributable to these stock options was $170,159 using the Black Scholes option pricing model of which $117,769 was expensed during the year.

c. In June 2016, the Company granted 250,000 stock options exercisable at $0.34 per share to a consultant of the Company. The options vest 25% six months after the grant date and 25% every six months thereafter. The fair value attributable to these stock options was $70,165 using the Black Scholes option pricing model of which $42,641 was expensed during the year.

d. In July 2016, the Company granted 750,000 stock options exercisable at $0.31 per share to consultants of the Company with various vesting terms. The fair value attributable to these stock options was $195,034 using the Black Scholes option pricing model of which $117,093 was expensed during the year.

e. In September 2016, the Company granted 300,000 stock options exercisable at $0.27 per share to a consultant of the Company. The options vest 25% three months after the grant date and 25% every six months thereafter. The fair value attributable to these stock options was $72,447 using the Black Scholes option pricing model of which $46,480 was expensed during the year.

f. In September 2016, the Company granted 1,685,000 stock options exercisable at $0.40 per share to consultants of the Company with various vesting terms. The fair value attributable to these stock options was $698,993 using the Black Scholes option pricing model of which $436,145 was expensed during the year.

g. In October 2016, the Company granted 150,000 stock options exercisable at $0.40 per share to a consultant of the Company. The options vest 25% on January 15, 2017 and 25% every six months thereafter. The fair value attributable to these stock options was $52,781 using the Black Scholes option pricing model of which $29,278 was expensed during the year.

h. In November 2016, the Company granted 750,000 stock options exercisable at $0.325 per share to a director of the Company. The options vest 8.33% on April 1, 2017 and 8.33% every three months thereafter. The fair value attributable to these stock options was $155,086 using the Black Scholes option pricing model of which $48,842 was expensed during the year.

i. In November 2016, the Company granted 2,960,000 stock options exercisable at $0.325 per share to officers, directors and consultants of the Company. The options vest 8.33% on April 1, 2017 and 8.33% every three months thereafter. The fair value attributable to these stock options was $571,497 using the Black Scholes option pricing model of which $282,050 was expensed during the year.

j. In January 2017, the Company granted 750,000 stock options exercisable at $0.325 per share to a director of the Company. The options vest 8.33% on April 24, 2017 and 8.33% every three months thereafter. The fair value attributable to these stock options was $177,199 using the Black Scholes option pricing model of which $33,363 was expensed during the year.

(Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Stock Options (continued)

k. In February 2017, the Company granted 150,000 stock options exercisable at $0.325 per share to a consultant of the Company. The options vest 8.33% on May 15, 2017 and 8.33% every three months thereafter. The fair value attributable to these stock options was $34,128 using the Black Scholes option pricing model of which $4,300 was expensed during the year.

l. In March 2017, the Company granted 150,000 stock options exercisable at $0.325 per share to a consultant of the Company. The options vest 8.33% on June 15, 2017 and 8.33% every three months thereafter. The fair value attributable to these stock options was $34,074 using the Black Scholes option pricing model of which $1,537 was expensed during the year.

During the year ended March 31, 2016:

m. In April 2015, the Company granted 4,675,000 stock options at $0.15 per share exercisable for a period of five years to various directors, officers and consultants. 4,600,000 of these options vest 25% on grant and 25% every six months thereafter while the remaining options vest 25% after three months and 25% every six months thereafter. The fair value attributable to these stock options (using the Black Scholes option pricing model) was $529,910 of which $483,921 was expensed during the year.

n. In November 2015, the Company granted 3,300,000 stock options (all vested immediately) at $0.15 per share exercisable for a period of five years to various directors, officers and consultants. The fair value attributable to these stock options (using the Black Scholes option pricing model) was $282,654 which was fully expensed during the year.

o. In February 2016, the Company granted 325,000 stock options at $0.15 exercisable for a period of five years to various consultants. The options vest 25% after six months from the date of grant and 25% every six months thereafter. The fair value attributable to these stock options (using the Black Scholes option pricing model) was $31,034 of which $3,190 was expensed during the year.

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	Year ended March 31,	
	2017	**2016**
Risk-free interest rate	0.83%	0.81%
Expected life	5.0	5.0
Annualized volatility	115.46%	117.18%
Dividend rate	-	-
Grant date fair value	$ 0.256	$ 0.102

(Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Stock Options (continued)

A summary of the stock options activities is as follows:

	Number of shares	Weighted average exercise price ($)
Balance, March 31, 2015	14,925,000	0.20
Granted	8,300,000	0.15
Expired	(4,500,000)	0.25
Forfeited	(150,000)	0.18
Balance, March 31, 2016	18,575,000	0.16
Granted	8,995,000	0.33
Expired	(1,025,000)	0.25
Exercised	(850,000)	0.19
Balance, March 31, 2017	**25,695,000**	**0.22**

The following table summarizes information about the options outstanding and exercisable at March 31, 2017:

Expiry date	Options outstanding	Options exercisable	Exercise price ($)	Remaining contractual life (years)
July 18, 2017	300,000	300,000	0.15	0.30
October 15, 2017	250,000	250,000	0.15	0.54
November 5, 2017	75,000	75,000	0.15	0.60
March 5, 2018	2,350,000	2,350,000	0.20	0.93
July 3, 2018	500,000	500,000	0.15	1.26
September 15, 2018	400,000	400,000	0.15	1.46
February 3, 2019	2,700,000	2,700,000	0.15	1.85
March 24, 2019	900,000	900,000	0.15	1.98
September 15, 2019	1,150,000	1,150,000	0.15	2.46
September 29, 2019	250,000	250,000	0.15	2.50
October 14, 2019	50,000	50,000	0.15	2.54
*April 2, 2020	4,350,000	4,350,000	0.15	3.01
April 2, 2020	75,000	75,000	0.15	3.01
November 16, 2020	3,275,000	3,275,000	0.15	3.63
February 24, 2021	325,000	162,500	0.15	3.91
April 14, 2018	400,000	400,000	0.16	1.04
June 6, 2021	700,000	175,000	0.30	4.19
July 18, 2021	750,000	183,333	0.31	4.30
September 1, 2021	300,000	75,000	0.27	4.42
September 21, 2021	1,685,000	597,500	0.40	4.48
October 20, 2021	150,000	37,500	0.40	4.56
November 14, 2021	750,000	-	0.325	4.63
November 23, 2021	2,960,000	592,000	0.325	4.65
January 24, 2022	750,000	-	0.325	4.82
February 15, 2022	150,000	-	0.325	4.88
March 15, 2022	150,000	-	0.325	4.96
	25,695,000	**18,847,833**	**0.17**	**3.07**

**450,000 options expired and 850,000 options were forfeited subsequent to March 31, 2017(Note 14b)*

The weighted average life of stock options outstanding at March 31, 2017 is 3.07 years.

(Expressed in Canadian dollars)

9. Share Capital and Reserves (continued)

Stock Options (continued)

Loss per share

The effect of dilutive securities including options and warrants has not been shown as the effect of all such securities is anti-dilutive.

10. Segmented Information

Operating segment:
The Company operated in one operating segment, which is mineral exploration in the United States.

Geographic segments:
The Company operates in two geographic segments: Canada and the United States.

	March 31, 2017	March 31, 2016
Non-current assets	$	$
Canada	65,404	54,714
United States	15,275,896	10,878,860
	15,341,300	**10,933,574**

11. Financial Instruments and Risk Management

Fair values

The Company has the following financial instruments carried at fair value:

		Fair Value	
Financial Assets	**Financial instrument classification**	**March 31, 2017 ($)**	**March 31, 2016 ($)**
Cash and cash equivalents	Fair value through profit or loss	15,680,723	850,558
GRIT common shares	Available for sale	320,672	113,016
		16,001,395	**963,574**

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value that are not observable, either directly or indirectly.
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

All financial instruments measured at fair value use level 1 valuation techniques in each period, being the closing bid price of the shares as quoted on a public exchange, or, where not quoted, as determined by the share of fair values of the underlying net assets of the investee.

(Expressed in Canadian dollars)

11. Financial Instruments and Risk Management (continued)

Fair value hierarchy (continued)

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2017:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Cash and cash equivalents	15,680,723	-	-	15,680,723
GRIT common shares	320,672	-	-	320,672
	16,001,395	-	-	16,001,395

The following table summarizes the classification of the Company's financial instruments within the fair value hierarchy at March 31, 2016:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Cash and cash equivalents	850,558	-	-	850,558
GRIT common shares	113,016	-	-	113,016
	963,574	-	-	963,574

There were no transfers between levels of the fair value hierarchy during the year.

The aggregate fair value of investments with unrealized losses is:

	Fair Value	Unrealized Gain (Loss)
	$	$
As at March 31, 2017:		
GRIT common shares	320,672	207,656
As at March 31, 2016:		
GRIT common shares	113,016	(3,196,298)

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

11. Financial Instruments and Risk Management (continued)

Financial Risk Management (continued)

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by placing cash with major Canadian financial institutions. Management believes that credit risk related to these amounts is nominal.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to liquidity risk is to ensure that it always has sufficient cash and credit facilities to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation. Management typically forecasts cash flows for a period of six to twelve months to identify financing requirements. These requirements are then addressed primarily through access to capital markets. All of the Company's financial liabilities mature within one year.

(iii) Interest rate risk:

Interest rate risk is the risk of financial loss to the Company if market rates of interest were to change adversely. The Company's exposure to interest rate risk is not material.

(iv) Foreign currency risk:

Foreign currency risk is the risk that the future cash flows or fair value of the Company's financial instruments that are denominated in a currency that is not the Company's functional currency will fluctuate due to the change in foreign exchange rate.

The functional currency of the Company and its wholly owned subsidiary is the Canadian dollar. While the Company's parent is Canadian and its capital is raised in Canadian dollars, the Company conducts business outside of Canada. As such, it is subject to risk due to fluctuations in the exchange rates for the United States dollar and Euros. As at March 31, 2017, the Company has cash denominated in US dollars of $11,485,537 (2016 - $624,113), deposits in US dollars of $238,205 (2016 - $189,737) and trade and other payables in US dollars of $28,992 (2016 - $52,773). Each 1% change in the Canadian dollar versus the US dollar would result in a gain/loss of approximately USD $115,790 (2016 – USD $7,611). The Company also had trade and other payables in Euros of €nil (2016 - €14,450); however, each 1% change in the Canadian dollar versus the Euro would not be significant.

11. Financial Instruments and Risk Management (continued)

Financial Risk Management (continued)

(iv) Foreign currency risk (continued):

In addition, the Company holds an investment that is denominated in British Pounds (£). As such, it is subject to fluctuations in the exchange rates for the Canadian dollar and British Pounds. As at March 31, 2017, the Company has an available for sale investment denominated in British Pounds of £192,596 (2016 - £60,592). Each 1% change in the Canadian dollar versus the British Pound will result in a gain/loss of approximately £1,907 (2016 - £606).

(v) Other price risk:

Other price risk is the risk that changes in market prices including commodity or equity prices will have an effect on future cash flows associated with financial instruments.

The equity price risk associated with the Company's current available for sale investment primarily relates to the change in the market prices of the investments in the portfolio. As at March 31, 2017, the Company owned 1,731,200 (2016 – 1,731,200) GRIT common shares with each common share valued at £0.11 or $0.18 (2016 - £0.035 or $0.07). Each £0.01 change in the value per common share will result in a gain/loss of approximately £15,148 or $28,824 (2016 - £17,312 or $32,290).

12. Capital Disclosure and Management

The Company's capital management policy is to maintain a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $31,407,817 (2016 - $11,892,019). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and projected debt levels. The Company is not subject to externally imposed capital requirements other than as noted above.

There were no changes to the Company's approach to capital management during the year ended March 31, 2017.

13. Income Taxes

A reconciliation of the provision for income taxes is as follows:

	March 31, 2017	March 31, 2016
	$	$
Net loss before income tax	(3,015,302)	(1,747,862)
Combined effective statutory rate	27%	27%
Expected income tax recovery at statutory tax rates	(813,562)	(477,018)
Non-deductible expenses and other items	(20,203)	(149,575)
Unrecognized benefit of non-capital losses	833,765	677,188
Income tax recovery	-	50,595

(Expressed in Canadian dollars)

13. Income Taxes (continued)

The Company's deferred tax assets and liabilities are:

	March 31, 2017	March 31, 2016
	$	$
Share issuance costs	467,104	186,033
Equipment	84,994	47,028
Exploration and evaluation assets	(6,376,960)	(2,520,395)
Tax loss carry-forwards	13,770,890	11,434,221
Total unrecognized deferred tax assets	7,946,028	9,146,887

At March 31, 2017, the Company has Canadian unrecognized losses for income tax purposes of approximately $6,359,000 (2016 - $5,455,000) and US$5,866,000 (2016 – US$4,604,000) which may be used to offset taxable incomes of future years. If unused, these losses will expire as follows:

	Canadian$	US$
2030	280,000	-
2031	705,000	-
2032	1,088,000	127,000
2033	1,178,000	3,446,000
2034	743,000	52,000
2035	567,000	-
2036	279,000	983,000
2037	1,519,000	965,000
	6,359,000	5,573,000

In assessing the Company's ability to utilize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are or become deductible or during the periods before expiry of the loss carry forwards. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which tax assets are deductible, management currently believes it is probable that the benefits of the deferred tax assets will not be realized.

14. Subsequent Events

a. In April 2017, the Company granted 200,000 stock options at a price of $0.325 per share exercisable for a period of five years to an employee.

b. In May 2017, 450,000 stock options expired.

c. In June 2017, the Company granted 350,000 stock options at a price of $0.325 per share exercisable for a period of five years to an employee and a consultant.

d. In April and May 2017, the Company received proceeds of $34,200 from the exercise of 171,000 warrants.

e. In July 2017, the Company exchanged its 1,731,200 GRIT common shares with another Company for 1,904,320 GRIT common shares which were subject to a transfer restriction. The transfer restriction expired in July 2017.