CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2017

(Unaudited - Expressed in Canadian Dollars)

Index	**Page**

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

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

(Expressed in Canadian Dollars)

	June 30, 2017	March 31, 2017
ASSETS	**$**	$
Current		
Cash	**241,952**	547,595
Accounts receivable	**42,058**	35,383
Prepaid expenses	**38,620**	50,855
	322,630	633,833
Non-Current		
Exploration and evaluation assets (Notes 4, 8 and 10)	**547,554**	353,493
	870,184	987,326
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	**146,350**	148,115
Flow-through share premium liability (Note 5)	**93,734**	100,000
Short-term loan (Note 6 and 9(a))	**11,000**	11,000
	251,084	259,115
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**9,552,516**	9,519,516
Share-based payments reserve	**120,996**	29,334
Deficit	**(9,054,412)**	(8,820,639)
	619,100	728,211
	870,184	987,326

Approved on behalf of the Board:
_*"Mike Rowley"*______, Director
_*"Bill Harris"*_______, Director

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED JUNE 30
(Unaudited)
(Expressed in Canadian Dollars)

	2017	2016
	$	$
Expenses		
Consulting (Notes 9(a), 9(d) and 9(e))	**53,911**	30,410
Exploration and evaluation assets expenditures (Note 4(g))	**23,976**	1,219
Investor relations	**34,613**	147
Office and administration	**4,385**	37,539
Professional fees	**19,449**	-
Property evaluation	**2,252**	-
Share-based payment expense (Notes 8(e) and 9(f))	**91,662**	-
Transfer agent, regulatory and filing fees	**7,975**	2,997
Travel and accommodation	**1,816**	32,058
	240,039	104,370
Other Item		
Other income (Note 5)	**(6,266)**	-
Gain on settlement of debt (Note 7)	**-**	(210,137)
	(6,266)	(210,137)
Net income (loss) and comprehensive income (loss) for the period	**(233,773)**	105,767
Basic and diluted loss per share	**$ (0.01)**	$ 0.02
Basic and diluted weighted average number of shares outstanding	**36,240,901**	4,433,742

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited)
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Share-based payments reserve	Deficit	Total
		$	$	$	$
Balance, March 31, 2016	**3,973,989**	**7,511,002**	**51,886**	**(8,374,551)**	**(811,663)**
Net income for the period	-	-	-	105,767	105,767
Shares issued for properties (Note 8(b))	142,857	25,000	-	-	25,000
Shares issued for debt (Note 8(b))	461,839	113,151	-	-	113,151
Balance, June 30, 2016	**4,578,685**	**7,649,153**	**51,886**	**(8,268,784)**	**(567,745)**
Net loss for the period	-	-	-	(585,487)	(585,487)
Private placements net of share issue costs	31,000,000	1,816,686	-	-	1,816,686
Shares issued as finders' fees	432,780	25,427	-	-	25,427
Shares issued for properties	150,000	28,250	-	-	28,250
Expiry of stock options and warrants	-	-	(33,632)	33,632	-
Share-based payment expense	-	-	11,080	-	11,080
Balance, March 31, 2017	**36,161,465**	**9,519,516**	**29,334**	**(8,820,639)**	**728,211**
Net loss for the period	-	-	-	(233,773)	(233,773)
Shares issued for properties (Note 8(b))	157,142	33,000	-	-	33,000
Share-based payment expense	-	-	91,662	-	91,662
Balance, June 30, 2017	**36,318,607**	**9,552,516**	**120,996**	**(9,054,412)**	**619,100**

See accompany notes to the condensed consolidated interim financial statements.

GROUP TEN METALS INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30
(Unaudited)
(Expressed in Canadian Dollars)

	2017	2016
	$	$
Operating Activities		
Net income (loss) for the period	**(233,773)**	105,767
Items not involving cash:		
Gain on settlement of debt	**-**	(210,137)
Other income	**(6,266)**	-
Share-based payment expense	**91,662**	-
	(148,377)	(104,370)
Net change in non-cash working capital (Note 10)	**3,795**	99,572
Cash used in operating activities	**(144,582)**	(4,798)
Investing Activity		
Acquisition of exploration and evaluation assets (Note 4)	**(161,061)**	(5,000)
Cash used in investing activity	**(161,061)**	(5,000)
Financing Activity		
Short-term loan proceeds (Note 6)	**-**	5,000
Cash provided by financing activity	**-**	5,000
Net decrease in cash	**(305,643)**	(4,798)
Cash, beginning of period	**547,595**	5,618
Cash, end of period	**241,952**	820

Supplemental cash flow information (Note 10)

1. NATURE OF OPERATIONS AND GOING CONCERN

Group Ten Metals Inc. (the "**Company**"), was incorporated on April 28, 2006, under the laws of British Columbia, Canada, under the name ABC Mining Ventures Inc. ("**ABC**"). On October 11, 2007, ABC changed its name to Dundee Mines Ltd., on May 27, 2008, to Duncastle Gold Corp. and on February 25, 2015, to Group Ten Metals Inc. The Company's principal business activities include the acquisition and exploration of mineral properties.

The Company's registered office is 900 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect current or future value.

These condensed consolidated interim financial statements were prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2017, the Company had working capital of $71,546 (March 31, 2017: $374,718). The Company had a net loss of $233,773 for the three month period ended June 30, 2017 (2016: net income of $105,767) and had an accumulated deficit of $9,054,412 as at June 30, 2017 (March 31, 2017: $8,820,639).

As at June 30, 2017, the Company does not have sufficient working capital to meet its administrative overheads and continue with its exploration programs. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. To finance future activities, the Company will be required to enter into joint venture agreements and/or issue share capital, through private placements and the exercise of options and warrants, and is actively seeking additional equity financing. There can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB and include the accounts of the Company and its wholly-owned subsidiary, Yankee Girl Resources Corp., incorporated in British Columbia, Canada. All inter-company transactions and balances have been eliminated upon consolidation.

These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2016 which include the accounting policies used in the preparation of these condensed consolidated interim financial statements.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

These condensed consolidated interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors (the "**Board**") approved these condensed consolidated interim financial statements on August 24, 2017.

3. MINERAL PROPERTY ACQUISITION

On June 26, 2017, the Company entered into an agreement to acquire a 100% interest in the Stillwater West project from a private owner, consisting of 282 claims in south central Montana, USA. In consideration, the Company will:

- Issue a total of 3.6 million shares of the Company beginning with 900,000 shares within ten days of regulatory approval (issued on July 6, 2017) and 900,000 shares on or before May 31 of each of 2018, 2019 and 2020;
- Make United States dollars ("**USD**") $40,000 in cash payments with USD$20,000 on or before each of May 31, 2018 and 2019;
- Make advance royalty payments until commencement of commercial production of USD$15,000 within ten days of regulatory approval (paid), USD$30,000 on or before May 31, 2018 and USD$50,000 on or before May 31, 2019 and annually thereafter; and
- Execute a work contract for a minimum of USD$50,000 per year for the duration of the option agreement for technical and management work which is three years.

The claims are subject to a 2% NSR, with an option to buy down to 1% for USD$2,000,000.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation acquisition costs for the three months ended June 30, 2017 were as follows:

	Yukon Properties	Duke Island	Drayton	Black Lake	Stillwater West	Total
	$	$	$	$	$	$
Balance, March 31, 2017	**144,869**	**70,377**	**28,225**	**110,022**	**-**	**353,493**
Shares issued	-	-	-	33,000	-	33,000
Staking	-	-	-	16,337	144,724	161,061
Balance, June 30, 2017	**144,869**	**70,377**	**28,225**	**159,359**	**144,724**	**547,554**

a) Yukon Properties

The Company has option agreements to acquire a 100% interest in four platinum group properties totaling over 240 square kilometres in the Kluane Ultramafic Belt in southwestern Yukon. Terms of the agreements are as follows:

CKR

The Company owns a 100% interest in the claims.

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) Yukon Properties (continued)

Spy

In order to obtain a 100% interest in the Spy Property, the Company had a commitment to issue 21,429 common shares on or before October 19, 2017 and a further 21,429 common shares on or before October 19, 2018.

On July 6, 2017, the Company issued a total of 42,857 post-consolidation common shares, satisfying the remaining commitments. The Company now owns a 100% interest in the Spy Property.

The Spy claims are subject to a 3% Net Smelter Return ("**NSR**"), with an option to buy down to 1% for $1,500,000.

Catalyst

The original agreement was amended on March 24, 2016 and again on July 24, 2107 to update the terms of the option to the following:

- Pay $10,000 to Ashburton Ventures Inc. ("**Ashburton**") within 90 days of obtaining regulatory approval;
- Provide Ashburton proof of payment of invoices totaling $28,062 within 90 days of obtaining regulatory approval,
- Issue 400,000 common shares to Denali Resources Ltd. ("**Denali**") within 10 days of regulatory approval;
- Issue 300,000 common shares to Denali on or before July 31, 2018; and
- Issue 300,000 common shares to Denali on or before July 31, 2019.

As of the date of filing of these financial statements, regulatory approval has not yet been received.

Ultra

In order to obtain a 100% in the Ultra Property, the Company has the following remaining commitments:

- Incur aggregate exploration expenditures of $28,000 on or before February 10, 2016 (outstanding);
- Issue 28,571 common shares and incur aggregate exploration expenditures of $150,000 (outstanding) on or before February 10, 2017;
- Incur aggregate exploration expenditures of $300,000 on or before February 10, 2018; and
- Incur aggregate exploration expenditures of $500,000 on or before February 10, 2019.

On July 6, 2017, the Company issued 28,571 common shares to satisfy the share issuance portion of the option agreement.

The claims are subject to a 2% NSR, with an option to buy down to 1% for $1,000,000.

4. EXPLORATION AND EVALUATION ASSETS (continued)

b) Duke Island (Alaska, United States)

The Company owns a 100% interest in 31 unpatented mineral claims located on Duke Island, Alaska. Pursuant to an agreement dated August 28, 2015, the only remaining commitment for the Company is to contract an amount of $200,000 worth of geological and/or geophysical expenditures to a specified vendor to be completed at Duke Island or on the Company's Yukon properties. Should less than this amount of expenditure be awarded within three years, ten per cent (10%) of the difference will become payable in cash.

The claims are subject to a 1% NSR.

c) Drayton (Ontario, Canada)

In order to obtain a 100% interest in 7 mineral claims located in the Patricia Mining Division near Sioux Lookout, Ontario, the Company must issue 35,714 post-consolidation common shares on or before October 1, 2017 and a further 142,857 post-consolidation common shares on or before October 1, 2018.

The claims are subject to a 1% NSR upon commencement of commercial production.

d) Black Lake (Ontario, Canada)

(i) In order to obtain a 100% interest in 19 mineral claims located in the Patricia Mining Division near Sioux Lookout, Ontario, the Company has the following remaining commitments:

- $25,000 on or before September 30, 2016 (outstanding);
- $30,000 on or before September 30, 2017; and
- $50,000 on or before September 30, 2018.

The claims are subject to a 2% NSR upon commencement of commercial production, with an option to buy down to 1% for $1,000,000.

(ii) To further consolidate the area between the Black Lake and Drayton Properties, the Company:

a. entered into an option agreement to earn an undivided 100% interest in 6 mineral claims. The Company has the following remaining cash commitments:

- $16,000 on December 30, 2017;
- $20,000 on December 30, 2018; and
- $30,000 on December 30, 2019.

The claims are subject to a 2% NSR upon commencement of commercial production, with an option to buy down to 1% for $1,000,000 any time up to the commencement of commercial production.

4. EXPLORATION AND EVALUATION ASSETS (continued)

d) Black Lake (Ontario, Canada) (continued)

b. entered into an option agreement to earn an undivided 100% interest in 5 mineral claims. On April 18, 2017, the option agreement was amended to remove $1.25 million of work commitments that were a component of the original agreement. As consideration for the removal of the work requirement, the Company has agreed to issue 100,000 additional common shares per year in each of 2017, 2018 and 2019. The Company has the following remaining commitments:

- Pay $10,000 and issue 128,571 post-consolidation common shares on or before March 11, 2018; and
- Pay $10,000 and issue 128,571 post-consolidation common shares on or before March 11, 2019.

The claims are subject to a 3% NSR upon commencement of commercial production, with an option to buy down to 2% for $1,000,000.

See Note 8(b) for disclosure of the number of shares that were issued during the three months ended June 30, 2017 and 2016 in relation to the Black Lake Property.

e) Yankee Dundee / Ronoke / Warkentin (British Columbia, Canada)

Yankee Dundee consists of 26 Crown-granted mineral claims located in the Nelson Mining District near Ymir, British Columbia.

On June 25, 2013, the Company closed the sale of its interests and obligations in the properties to Armex Mining Corp. ("**Armex**") in exchange for advance royalty payments, royalty payments, and production payments. Due to uncertainty surrounding completion of the transaction, the Company did not initially recognize the transaction as a sale.

Ronoke and Warkentin are also located in the Nelson Mining District. Subsequent to the sale agreement, all non-core Ronoke claims were allowed to lapse. Additionally, non-core Warkentin claims were allowed to lapse and the property now consists of nil mineral claims (2015 - 9 mineral claims).

The remaining terms of the agreement are as follows:

(i) Armex is to pay remaining advance royalty payments of:

- $50,000 on or before August 28, 2015 (unpaid); and
- $50,000 on or before August 28, 2016 (unpaid) and annually thereafter until the commencement of commercial production.

(ii) Armex is to pay production and additional payments of:

- $250,000 upon the commencement of commercial production;
- $250,000 upon the first anniversary of commencement of commercial production; and
- additional production payments aggregating $1,000,000 payable from 30% of net revenues as defined in the agreement.

Armex has the right to satisfy the production and additional payments by paying the aggregate sum of $1,250,000 any time during the first year of commercial production.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

e) Yankee Dundee / Ronoke / Warkentin (British Columbia, Canada) (continued)

Armex will also assume all obligations per existing underlying option agreements with respect to the Yankee Dundee claims which consist of a 1% NSR upon commencement of commercial production until the recovery of the lesser of aggregate expenditures incurred and $5,000,000, after such time, the NSR will increase to 2.5%. At any time up to the commencement of commercial production, an option is available to purchase 1.5% of the NSR for $500,000 and the remaining 1% for $500,000.

The Company will also be entitled to a 2.5% NSR upon commencement of commercial production, with Armex holding the right to repurchase the royalty at any time on the basis of $1,000,000 for each 1%. In addition, the Company retains back-in rights pursuant to the agreement by which it can re-acquire the property in the event specific production milestones are not met.

Armex disputes the overdue advance royalty payments that were payable on or before August 28, 2015 and August 28, 2016. As the Company believes that the financial situation of Armex has deteriorated to an extent that precludes it from completing the sale agreement, the capitalized costs relating to Yankee Dundee have been reduced to $Nil.

f) Stillwater West (Montana, United States)

In order to obtain a 100% interest in 282 claims in south central Montana, USA, the Company has the following remaining commitments:

- Issue a total of 3.6 million shares of the Company beginning with 900,000 shares within ten days of regulatory approval (issued on July 6, 2017) and 900,000 shares on or before May 31 of each of 2018, 2019 and 2020;
- Make USD $40,000 in cash payments with USD$20,000 on or before each of May 31, 2018 and 2019;
- Make advance royalty payments until commencement of commercial production of USD$15,000 within ten days of regulatory approval (paid), USD$30,000 on or before May 31, 2018 and USD$50,000 on or before May 31, 2019 and annually thereafter; and
- Execute a work contract for a minimum of USD$50,000 per year for the duration of the option agreement for technical and management work which is three years.

The claims are subject to a 2% NSR, with an option to buy down to 1% for USD$2,000,000.

g) Exploration and Evaluation Expenditures

Exploration expenditures incurred for the three months ended June 30, 2017, were as follows:

	Yukon Properties	Duke Island	Drayton	Black Lake	Total
Geological	9,940	210	1,715	8,900	20,765
Geophysics	-	-	1,050	1,050	2,100
Overhead and administration	1,040	-	-	-	1,040
Travel and accommodation	71	-	-	-	71
	11,051	210	2,765	9,950	23,976

(Expressed in Canadian Dollars)

5. FLOW-THROUGH SHARE PREMIUM LIABILITY

A summary of the changes in the Company's flow-through share premium liability was as follows:

	$
Balance, March 31, 2017	100,000
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	(6,266)
Balance, June 30, 2017	93,734

6. SHORT-TERM LOAN

At June 30, 2017, the Company had a short-term loan of $11,000 (March 31, 2017: $11,000) that was owed to the President and CEO of the Company. The short-term loan is non-interest bearing with no fixed term.

The short-term loan of $5,000 received in May 2016 and was non-interest bearing with no fixed term.

7. SETTLEMENT OF DEBT

On February 15, 2016, the Company entered debt settlement agreements with creditors to settle $888,046 of outstanding debt by way of a write-off and the issuance of 1,340,411 common shares (878,571 shares issued at March 31, 2016 and 461,839 shares issued during the three months ended June 30, 2016). A total of $723,287 of debt was settled at $0.10 per share while a further $107,500 was settled at $0.05 per share, including $152,258 of debt owed to the President and CEO of the Company, and MVR Consulting Inc., a company controlled by the President and CEO, to be settled for $47,500. During the three months ended June 30, 2016, the Company recorded a gain on the settlement of debt of $210,137.

8. SHARE CAPITAL

a) Authorized

Unlimited common shares without par value.

b) Share issuance details

Three months ended June 30, 2017

On May 16, 2017, the Company issued 157,142 common shares with a fair value of $33,000 in connection with the Black Lake Property agreement.

Three months ended June 30, 2016

On May 31, 2016, the Company issued 142,857 common shares with a fair value of $25,000 in connection with the Black Lake Property agreement; and

On April 11, 2016, the Company issued 461,839 common shares with a fair value of $113,151 to settle debts of $323,288 (see Note 7).

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

c) Stock options

The Company has a rolling stock-based compensation plan (the "**Plan**") allowing for the reservation of common shares issuable under the Plan to a maximum 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, March 31, 2017 and June 30, 2017	2,938,570	0.16

The following stock options were outstanding as at June 30, 2017:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
		$		
98,570	98,570	0.35	February 3, 2020	2.60
2,840,000	-	0.15	March 20, 2022	4.72
2,938,570	98,570	0.16		

d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, March 31, 2017 and June 30, 2017	29,264,714	0.13

The following share purchase warrants were outstanding as at June 30, 2017:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
157,651	157,651	0.53	December 31, 2017
174,283	174,283	0.70	December 31, 2017
26,432,780	26,432,780	0.12	February 27, 2020
2,500,000	2,500,000	0.16	February 27, 2020
29,264,714	29,264,714		

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

e) Share-based payment expense and reserve

The fair value at grant date of the 2,840,000 options granted on March 20, 2017 was $302,302, or $0.11 per option. Pursuant to vesting schedules, a portion of the fair value will be expensed in future periods. The share-based payment expense for the three months ended June 30, 2017 was $91,662 (2016: $Nil) and was recorded in the condensed consolidated interim statement of loss and comprehensive loss. The fair value of the stock options that vested during the three months ended June 30, 2017 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.97%
Expected stock price volatility	93%
Expected dividend yield	0.0%
Expected option life in years	5.0

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the Directors and Officers of the Company.

In addition to those transactions disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

a) For the three months ended June 30, 2017, MVR Consulting Inc. charged fees of $29,120 (2016: $25,610) for consulting services which were recorded as consulting fees. Included in accounts payable and accrued liabilities at June 30, 2017 was an amount of $9,965 (March 31, 2017: $Nil) for these services. In addition, the President loaned $11,000 to the Company during the three months ended June 30, 2016. The balance of the loan outstanding at June 30, 2017 was $11,000 (March 31, 2017: $11,000) and was included in short-term loans.

b) Included in accounts payable and accrued liabilities at June 30, 2017 was an amount of $Nil (March 31, 2017: $17,500) owed to MCC Geoscience Inc., a private company controlled by Tom McCandless, a former director and officer of the Company (resigned June 8, 2016) for geological and consulting services.

c) Included in accounts payable and accrued liabilities at June 30, 2017 was an amount of $3,000 (March 31, 2017: $3,000) owed to Kirkham Geosystems Ltd., a private company controlled by Garth Kirkham, a director of the Company, relating to an overpayment in regards to a private placement that was completed in February

d) For the three months ended June 30, 2017, a former officer of the Company charged fees of $750 (2016: $Nil) for consulting services. Included in accounts payable and accrued liabilities at June 30, 2017 was an amount of $Nil (March 31, 2017: $525) for these services.

e) For the three months ended June 30, 2017, the Company's CFO charged fees of $5,663 (2016: $Nil) for consulting services which were recorded as consulting fees. Included in accounts payable and accrued liabilities at June 30, 2017 was an amount of $5,663 (March 31, 2017: $Nil) for these services.

f) Of the $91,662 recorded as share-based payment expense, $42,632 was allocated to Directors and Officers of the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (continued)

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

10. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three months ended June 30 consisted of the following:

	2017	2016
	$	$
Accounts receivable	(6,675)	(245)
Prepaid expenses	12,235	(30,000)
Accounts payable and accrued liabilities	(1,765)	96,872
Due to related parties	-	32,945
	3,795	99,572

The non-cash transaction for the three months ended June 30, 2017 consisted of the Company issuing a total of 157,142 common shares valued at $33,000 as an option payment on its Black Lake property (see Note 8(b)).

The non-cash transactions for the three months ended June 30, 2016 consisted of the Company issuing a total of 142,857 common shares valued at $25,000 as an option payment on its Black Lake property (see Note 8(b)) and the Company recording a gain of $210,137 on the settlement of $323,288 of debt (see Note 7).

11. FINANCIAL INSTRUMENTS

a) Categories of Financial Instruments

The Company's financial instruments include cash, accounts payable and accrued liabilities and short-term loans. The Company has classified its financial instruments into the following categories:

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Short-Term Loans	Other Financial Liabilities	Amortized Cost

b) Fair Value

The carrying values of accounts payable and accrued liabilities, due to related parties and short-term loans approximate their fair values due to the short period to maturity.

c) Financial Risk Management

The Company's financial instruments are exposed to certain financial risks, including liquidity risk, currency risk, interest rate risk, credit risk, and other price risk.

11. FINANCIAL INSTRUMENTS (continued)

c) Financial Risk Management (continued)

The Company's exposure to these risks and its methods of managing the risks are summarized as follows:

(i) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities and through management of its capital structure.

As at June 30, 2017, all of the Company's financial liabilities had contractual maturities of less than 90 days. The Company does not have sufficient cash to meet requirements for administrative overhead, maintaining its mineral interests and continuing with its exploration program in the following twelve months. The Company will be required to raise additional capital in the future to fund its operations.

(ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools and considers the risks related to foreign currency are not significant at this time. The Company is not exposed to material currency risk.

(iii) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Based on the current cash balances and expected future interest rates, the Company is not exposed to material interest rate risk.

(iv) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk mainly in respect to managing its cash. The Company's mitigates such credit risk by risk management policies that require significant cash deposits or any short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

(v) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

(Expressed in Canadian Dollars)

12. CAPITAL MANAGEMENT

The Company's capital includes components of shareholders' equity. The Company's objectives in managing its capital are to maintain the ability to continue as a going concern and to continue to explore the Company's mineral properties for the benefit of its stakeholders. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place setting out the expenditures required to meet its strategic goals. The Company compares actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

As the Company is in the exploration stage, its operations have been substantially funded by the issuance of equity instruments. The Company will continue to rely on equity issuances for future funding depending upon market and economic conditions at the time.

There have been no changes in the Company's approach to capital management during the three months ended June 30, 2017.

The Company is not subject to externally imposed capital requirements.

13. SEGMENTED INFORMATION

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	June 30, 2017	March 31, 2017
	$	$
Non-current assets by geographic segment		
Canada	332,453	283,116
United States	215,101	70,377
	547,554	353,493

14. COMMITMENT

As a result of the issuance of FT Units on February 28, 2017, the Company has a commitment to incur $400,000 on qualifying Canadian exploration expenditures on or before December 31, 2018. At June 30, 2017, approximately $375,000 of the commitment was remaining.