

Cartier Iron Corporation

Financial Statements

December 31, 2016 and 2015

(expressed in Canadian dollars)



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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cartier Iron Corporation

We have audited the accompanying financial statements of Cartier Iron Corporation, which comprise the statements of financial position as at December 31, 2016 and December 31, 2015 and the statements of loss and other comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cartier Iron Corporation as at December 31, 2016 and December 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which describes matters and conditions that indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
April 28, 2017

Cartier Iron Corporation

Statements of Financial Position

(expressed in Canadian dollars)

	Notes	As at December 31, 2016	2015
		\$	\$
Assets			
Current			
Cash		132,683	193,925
Receivables	5	11,566	135,212
Marketable securities	6	2,350	6,714
Prepaid expenses		18,180	45,275
		164,779	381,126
Investment in associate	7	533,242	184,549
		698,021	565,675
Liabilities			
Current			
Accounts payable and accrued liabilities		695,492	517,115
Due to Champion Iron Mines Limited	9	346,268	1,317,584
		1,041,760	1,834,699
Shareholders' equity (deficiency)			
Share capital	10	7,290,564	6,606,564
Contributed surplus	10	240,000	240,000
Warrants	10	-	563,000
Deficit		(7,874,303)	(8,678,588)
		(343,739)	(1,269,024)
		698,021	565,675
Going concern	2		
Commitments	9		

Approved by the Board:

Thomas G. Larsen
Director

Francis Sauve
Director

Cartier Iron Corporation

Statements of Income (Loss) and Comprehensive Income (Loss)

(expressed in Canadian dollars)

	Notes	Years ended December 31,	
		2016	2015
		\$	\$
Expenses			
Professional fees		50,956	27,781
Consulting fees	15	373,386	360,000
Stock-based compensation	10	-	213,000
General and administrative		221,145	232,102
Investor relations		64,311	129,832
Travel		21,036	57,089
Interest		28,684	26,306
Part XII.6 tax		-	4,031
Gain on sale of marketable securities		(810,952)	-
Gain on statute-barred accounts payable		(48,044)	-
Gain on settlement of due to Champion	9	(80,000)	-
Increase in fair value of marketable securities		(1,500)	(49,545)
Refundable tax credit		(251,079)	-
Impairment of exploration and evaluation	8	80,578	3,976,648
		<u>(351,481)</u>	<u>4,977,243</u>
Income (loss) before share of loss of an associate		351,481	(4,977,243)
Share of loss of an associate, net of dilution gains	7	452,804	(116,051)
Income (loss) before income taxes		804,285	(5,093,294)
Deferred income tax recovery	11 and 14	-	259,199
Income (loss) and comprehensive income (loss)		<u>804,285</u>	<u>(4,834,094)</u>
Income (loss) per common share-basic and diluted		<u>0.024</u>	<u>(0.145)</u>
Weighted average number of common basic and diluted		<u>33,886,656</u>	<u>33,372,917</u>

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

Cartier Iron Corporation

Statements of Changes in Equity

(expressed in Canadian dollars)

	Share capital \$	Contributed surplus \$	Warrants \$	Deficit \$	Total \$
Balance, December 31, 2015	6,606,564	240,000	563,000	(8,678,588)	(1,269,024)
Private placement of common shares	121,000	-	-	-	121,000
Fair value of expired warrants	563,000	-	(563,000)	-	-
Income	-	-	-	804,285	804,285
Balance, December 31, 2016	7,290,564	240,000	-	(7,874,303)	(343,739)
Balance, December 31, 2014	6,594,064	27,000	563,000	(3,844,494)	3,339,569
Option payment	12,500	-	-	-	12,500
Stock-based compensation	-	213,000	-	-	213,000
Loss	-	-	-	(4,834,094)	(4,834,094)
Balance, December 31, 2015	6,606,564	240,000	563,000	(8,678,588)	(1,269,025)

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

Cartier Iron Corporation

Statements of Cash Flows

(expressed in Canadian dollars)

	Years ended December 31,	
	2016	2015
	\$	\$
Cash provided by (used in)		
Operating activities		
Income (loss)	804,285	(4,834,094)
Item not affecting cash		
Interest not paid	28,684	26,306
Stock-based compensation	-	213,000
Gain on sale of marketable securities and investment in associate	(810,952)	-
Increase in fair value of marketable securities	(1,500)	(49,545)
Gain on statute-barred accounts payable	(48,044)	-
Gain on settlement of due to Champion	(80,000)	-
Impairment of exploration and evaluation	80,578	3,976,648
Share of loss of an associate, net of dilution gains	(452,805)	116,051
Deferred income tax recovery	-	(259,199)
Changes in non-cash working capital		
Receivables	123,646	568,485
Prepaid expenses	27,095	(18,450)
Accounts payable and accrued liabilities	236,174	399,898
	<u>(92,841)</u>	<u>139,098</u>
Financing activities		
Private placement of common shares	121,000	-
Investing activities		
Proceeds on sale of marketable securities	14,532	138
Purchase of common shares of associate	(13,603)	-
Exploration and evaluation	(90,330)	(899,013)
	<u>(89,401)</u>	<u>(898,875)</u>
Net decrease in cash	(61,242)	(759,777)
Cash, beginning of year	193,925	953,702
Cash, end of year	<u>132,683</u>	<u>193,925</u>
Non-cash transactions		
Conversion of due from Eoro into investment in associate	-	238,019
Issue of common shares for option payment	-	12,500
Repayment of due to Champion with common shares of associate	1,000,000	-

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

Cartier Iron Corporation

Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

1. Nature of operations

Cartier Iron Corporation (the "Company") is a public company engaged in the acquisition, exploration and development of iron ore properties in Québec, Canada. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6.

2. Going concern

The Company is in the exploration stage and has no revenue. As at December 31, 2016, the Company had a working capital deficit of \$876,983 (2015 - \$1,453,573) and for the year ended December 31, 2016, the Company recorded income of \$804,285 (2015 - loss of \$4,834,094). The working capital deficit and accumulated losses limit the Company's ability to fund its operations and the acquisition, exploration and development of its iron ore properties. As a result, there is significant doubt about the Company's ability to continue as a going concern.

The continued operations of the Company is dependent upon the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of iron ore properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The financial statements were approved and authorized for issue by the Board of Directors on April 28, 2017.

Basis of measurement

These financial statements have been prepared on the historical cost basis, except for marketable securities, which are measured at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Information about judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Going concern

The Company applied judgment in assessing its ability to continue as a going concern for at least 12 months.

Cartier Iron Corporation

Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

Determination of significant influence over investment in associate

The Company applied judgment in assessing the level of influence that it has over Eloro Resources Ltd. (“Eloro”) and determined that it has significant influence over Eloro. The Company has a 10.2% interest (2015 - 28.2%) in the voting rights of Eloro and two directors of the Company are directors of Eloro. The Company concluded that it does not control Eloro as it does not have sufficient rights to exercise control over Eloro.

Impairment of exploration and evaluation

Expenditures on exploration and evaluation are initially capitalized with the intent to establish commercially viable reserves. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of exploration and evaluation exceeds its recoverable amount, including the ability to renegotiate option agreements.

Share-based compensation

The Company uses the Black-Scholes option pricing model in determining share-based compensation, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, the actual share-based compensation expense may vary from the amount estimated. See note 11.

Deferred income taxes

Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates at the reporting date in effect for the period in which the temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized as part of the provision for income taxes in the period that includes the enactment date. The recognition of deferred income tax assets is based on the assumption that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. See note 15.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Financial instruments

Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Cartier Iron Corporation

Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value (i.e. quoted close price) and changes therein are recognized in profit or loss.

The Company has classified marketable securities as fair value through profit or loss.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the Company from classifying investment securities as held to maturity for the current and the following two financial years.

The Company has not classified any financial asset as held-to-maturity.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company has classified cash as loans and receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

The Company has not classified any financial asset as available-for-sale.

Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified accounts payable and accrued liabilities and due to Champion Iron Mines Limited as other financial liabilities.

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Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

Impairment of non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Financial assets carried at amortized cost

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the financial asset is reduced by the amount of the impairment loss and the impairment loss is recognized in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

An impairment loss in respect of a financial asset classified as available-for-sale is calculated as the difference between the acquisition cost and the current fair value, less any impairment loss recognized previously in profit or loss. The impairment loss is recognized when there is objective evidence that the impairment is other than temporary by reclassifying the loss from equity to profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss, except in the case where the decrease in impairment loss is recognized in other comprehensive income.

Investment in associate

Associates are entities over which the Company has significant influence, but not control. Significant influence is generally presumed to exist where the Company has between 20 percent and 50 percent of the voting rights of the associate. The Company accounts for its investment in associate using the equity method, under which, the investment in associate was initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the associate. Dilution gains and losses arising from changes in the interest in investment in associates where significant influence is retained are recognized in the statement of income (loss).

At each reporting date, the Company determines whether there is any objective evidence that the investment in associate is impaired. If impairment is determined to exist, the amount of the impairment is recognized in the statement of income (loss). The amount of impairment is calculated as the difference between the recoverable amount of the investment in associate and its carrying value.

Exploration and evaluation

Recognition and measurement

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluation. The costs are accumulated by property pending the determination of technical feasibility and commercial viability. Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits.

Non-repayable mining tax credits earned in respect of costs incurred in Quebec are recorded as a reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions needed to obtain the credits.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

Cartier Iron Corporation

Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review the technical feasibility and commercial viability of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the statement of income (loss) and comprehensive income (loss) to the extent of any impairment. As at December 31, 2016 and 2015, the Company had no property, plant and equipment.

Impairment

Exploration and evaluation is assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

An impairment loss is recognized in the statement of loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs of disposal ("FVLCTS"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. FVLCTS refers to the price that would be received to sell the property in an orderly transaction between market participants. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

Decommissioning liabilities

The Company's activities may give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the date of the statement of financial position. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. As at December 31, 2016 and 2015, the Company had no decommissioning liabilities.

Share capital

Share capital is classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects. In situations where the Company issues units, the value of the warrants is included as a separate reserve of the Company's equity.

Flow-through shares

Canadian tax legislation permits the Company to issue flow-through shares. Flow-through shares are securities whereby the deductions for tax purposes related to exploration and evaluation expenditures may be claimed by the investors rather than the Company, subject to a renouncement process. Renouncement may occur prospectively (the flow-through shares are issued, renouncement then occurs and eligible expenditures are incurred subsequently) or retrospectively (the flow-through shares are issued, eligible expenditures are then incurred and renouncement occurs subsequently).

The issue of flow-through shares is treated as an issue of shares and the sale of tax deductions. The Company uses the residual method to measure the sale of tax deductions. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as unrenounced flow-through share premium on the statements of financial position. When the Company fulfills its obligation to pass on the tax deduction to the investors, the sale of tax deductions is recognized as a reduction of deferred tax expense in the statement of loss and comprehensive loss and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

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Notes to Financial Statements

Years ended December 31, 2016 and 2015

(expressed in Canadian dollars)

If the renouncement is prospective, the obligation is fulfilled when eligible expenditures are incurred. If the renouncement is retrospective, the obligation is fulfilled when the paperwork to renounce is filed.

Share-based payments

The Company offers a stock option plan for its officers, directors, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation or asset and contributed surplus. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital. In the event that vested stock options expire, previously recognized share-based compensation is not reversed. In the event that stock options are forfeited, previously recognized share-based compensation associated with the unvested portion of the stock options forfeited is reversed.

The fair value of share-based payment transactions to non-employees and other share-based payments including shares issued to acquire exploration and evaluation are based on the fair value of the goods and services received. If the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. No provisions were recorded as at December 31, 2016 and 2015.

Income tax

Income tax expense comprises current and deferred taxes. Current tax and deferred tax is 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. Current tax payable also includes any tax liability arising from the declaration of dividends.

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:

- temporary differences on 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;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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.

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(expressed in Canadian dollars)

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

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted.

New standards and interpretations

Effective January 1, 2016, the Company adopted the following amendment to standards:

IAS 1, Presentation of Financial Statements

Amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The adoption of this amendment had no effect on the Company's financial statements.

The following amendment to standards will be effective for periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9")

This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The Company has not determined the extent of the impact of IFRS 9 on its financial statements.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")

This standard will replace *IAS 17, Leases*. IFRS 16 provides an updated definition of a lease contract, including guidance on the combination and separation of contracts. The standard requires lessees to recognize a right-of-use asset and a lease liability for substantially all lease contracts. The accounting for lessors is substantially unchanged from IAS 17. The Company has not determined the extent of the impact of IFRS 16 on its financial statements

5. Receivables

The Company files a Québec Corporation Income Tax Return claiming a refundable tax credit on eligible exploration expenditures incurred in Québec ("Refundable Tax Credits") and a Québec Mining Duties Return claiming a credit on duties refundable for losses ("Credit on Duties"). It is the Company's policy to record an estimate of amounts to be received for unassessed claims for Refundable Tax Credits and Credits on Duties as a receivable and a reduction to exploration and evaluation assets when there is reasonable assurance that the Company has complied with all conditions needed to obtain the credits. The amounts of the unassessed claims are subject to audit by Revenu Québec and Ressources naturelles et Faune Québec.

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Notes to Financial Statements
Years ended December 31, 2016 and 2015
(expressed in Canadian dollars)

	In respect of years ended December 31,	
	2015	2014
	\$	\$
Refundable Tax Credits		
As filed	251,079	177,164
As assessed	251,079	177,248
Received	(251,079)	(177,248)
Included in receivables at December 31, 2016 and 2015	–	–
Credit on Duties		
As filed	71,699	30,254
As assessed	–	–
Received	–	–
Included in receivables at December 31, 2016 and 2015	–	–

6. Marketable securities

Marketable securities consist of the following investment in a related party:

	December 31, 2016		December 31, 2015	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Champion Iron Limited	2,350	3,373	6,714	27,461

One director of the Company is also a director of Champion Iron Limited.

7. Investment in associate

	Number of Eloro common shares held	\$
Fair value of Eloro common shares held at January 26, 2015	250,000	13,750
Deemed value of Eloro common shares received on conversion of amount due from Eloro	4,760,000	238,000
Unrealized gain on investment in Eloro at January 26, 2015	–	48,850
Balance at January 26, 2015, at cost	5,010,000	300,600
Share of loss from January 26, 2015	–	(237,783)
Dilution gains	–	121,325
Balance at December 31, 2015	5,010,000	184,549
Shares purchased	33,500	13,603
Share of loss	–	(97,036)
Dilution gain	–	549,841
Settlement of amount due to Champion (note 9)	(2,000,000)	(117,715)
Balance at December 31, 2016	3,043,500	553,242

At December 31, 2014, there was an amount due from Eloro of \$238,000, which was unsecured, non-interest bearing and payable on demand. On January 26, 2015, the Company agreed to convert the amount due from Eloro of \$238,000 into 4,760,000 Eloro common shares at a deemed value of \$0.05 per share. The Company has significant influence over Eloro and accounts for its investment in Eloro as an investment in an associate using the equity method.

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As at December 31, 2016, the Company held 3,043,500 Eloro common shares (2015 - 5,010,000) with a fair value of \$1,247,835, representing 10.2% (2015 - 28.2%) of the outstanding Eloro common shares. The Company continues to account for its investment in Eloro as an investment in associate. Although the Company holds less than 20% of the voting rights of Eloro, the Company continues to have significant influence in Eloro as two directors of the Company are also directors of Eloro.

The following is a summary of Eloro's balance sheet and reconciliation to carrying amounts as at December 31, 2016:

	\$
Assets	
Cash	264,243
Other current assets	284,394
	548,637
Exploration and evaluation	4,842,058
	5,390,695
Liabilities and shareholders' equity	
Current liabilities	593,202
Shareholders' equity	4,797,493
	5,390,695
Reconciliation to carrying value:	
Share percentage ownership of Eloro	10.2%
\$	
Company's share of net assets of Eloro	489,344
Difference between the Company's share of net assets of Eloro and carrying value	63,898
Carrying value of investment in Eloro	553,242

The following is a summary of the statement of loss of Eloro for the period April 1, 2016 to December 31, 2016:

	\$
Expenses	
Expenses	579,430
Stock-based compensation	27,000
Unrealized gain on marketable securities	(170,292)
Gain on assignment of royalty	(82,000)
Writedown of exploration and evaluation	12,677
	339,815
Loss and comprehensive loss	(339,815)

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8. Exploration and evaluation

	December 31, 2015 \$	Acquisition costs \$	Exploration expenditures \$	Mining tax credits \$	Writedowns \$	December 31, 2016 \$
Property						
Gagnon	–	–	80,578	–	(80,578)	–
	December 31, 2014 \$	Acquisition costs \$	Exploration expenditures \$	Mining tax credits \$	Writedowns \$	December 31, 2015 \$
Property						
Borel River	306,644	–	7,248	–	(313,892)	–
Gagnon	2,638,516	312,500	888,988	(177,248)	(3,662,756)	–
	2,945,160	312,500	896,236	(177,248)	(3,976,648)	–

Borel River

On August 15, 2015, the Company abandoned Borel River, and accordingly, the Company recorded an impairment loss of \$313,892 to write off Borel River.

Gagnon

The Company has an option from Champion Iron Mines Limited (“Champion”), a wholly-owned subsidiary of Champion Iron Limited, to acquire a 55% interest in Round Lake (formerly known as Penguin Lake, Black Dan and Aubrey-Ernie), Aubertin-Tougaard, Jeannine Lake, Silicate-Brutus and Big Three Lakes in the Fermont Iron Ore District in the Labrador Trough in northeastern Quebec (“Gagnon”). In order to earn a 55% interest, the Company must:

a) make option payments, issue common shares and incur exploration expenditures, as follows:

	Option payments \$	Common shares Number	Fair value \$	Exploration expenditures \$
Upon execution of agreement (issued)	–	1,000,000	250,000	–
Upon conditional approval from a stock exchange for the listing of the common shares of Cartier (paid)	100,000	–	–	–
December 10, 2013 (paid, issued and incurred)	150,000	500,000	80,000	500,000
December 10, 2014 (issued and incurred)	–	500,000	80,000	750,000
Extended from December 10, 2014 to the date that Cartier received its refundable tax credit on eligible expenditures incurred in Québec for the year ended December 31, 2013 (paid)	250,000	–	–	–
December 10, 2015 (paid and issued)	50,000 (Note 2)	500,000	12,500	–
December 10, 2016 (incurred)	–	–	–	1,800,000 (note 4)
December 31, 2017 (Note 1)	450,000 (Note 3)	–	–	–
	1,000,000	2,500,000	422,500	3,050,000 (note 5)

Note 1: extended from December 10, 2016 to December 31, 2017.

Note 2: reduced from \$250,000 to \$50,000.

Note 3: increased from \$250,000 to \$450,000.

Note 4: reduced from \$4,750,000 to \$1,800,000.

Note 5: reduced from \$6,000,000 to \$3,050,000.

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b) repay the Term Loan due on December 31, 2017 (note 9).

In the event that the Company or Champion proposes to acquire any property within 10 kilometres of Gagnon, the acquirer must offer the property at cost to the other party for inclusion in Gagnon.

The Company has issued the common shares and incurred exploration expenditures required by the option agreement and in order to earn its 55% interest, the Company must make the remaining option payment of \$450,000 due on December 31, 2017 and repay the Term Loan due on December 31, 2017.

Upon the Company earning its 55% interest, a joint venture will be formed to incur additional exploration expenditures. If a joint venture partner does not fund its proportionate interest in the joint venture, its interest will be diluted and, when its interest is reduced below 10%, its interest would be reduced solely to a 1% royalty. The other joint venture partner will have the option to reduce the royalty from 1% to 0.5% by making a payment of \$3,000,000.

During the year ended December 31, 2015, the Company abandoned 275 claims.

At December 31, 2015, the Company had paid \$50,000 of the \$250,000 option payment that was due on December 10, 2015 and the Company was negotiating with Champion to obtain a deferral of the due date of the unpaid option payment of \$200,000.

On May 17, 2016, the Company and Champion amended the option agreement to:

- a) reduce the acreage covered by the option agreement by approximately 40% in order to reduce land maintenance expenditure commitments;
- b) reduce the interest to be earned under the option agreement from a 65% interest to a 55% interest;
- c) defer the due date of the unpaid option payment of \$200,000 from December 10, 2015 to December 10, 2016;
- d) reduce the required exploration expenditures from \$6,000,000 to \$3,050,000.

On November 15, 2016, the Company and Champion amended the option agreement for Gagnon to extend the due date for the option payment of \$450,000 from December 10, 2016 to December 31, 2017.

As December 31, 2015 and December 31, 2016, facts and circumstances suggested that the carrying amount of Gagnon may exceed its recoverable amount. As required by International Financial Reporting Standard 6, *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"), the Company assessed Gagnon for impairment. The Company concluded that there were a number of indicators of impairment, and accordingly, recorded impairment losses of \$3,662,756 for the year ended December 31, 2015 and \$80,578 for the year ended December 31, 2016.

The Company has incurred the following cumulative exploration and evaluation expenditures on Gagnon:

	\$
Balance, December 31, 2015	3,662,756
Exploration expenditures	80,578
Refundable tax credit	(251,079)
Balance, December 31, 2016	3,492,255

One director of the Company is a director of Champion Iron Limited, the parent company of Champion.

9. Due to Champion Iron Mines Limited

The amount due to Champion is a term loan, which is unsecured, bears interest at the rate of LIBOR plus 2% and is due on December 31, 2017 ("Term Loan"). Champion has the right to convert the Term Loan, plus accrued but unpaid interest, into Cartier common shares at a conversion price equal to the lowest subscription price per Cartier common share paid for the most recent capital raising undertaken by Cartier at the time of the conversion, subject to the minimum pricing rules and stock exchange approval.

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At December 31, 2015, the amount due to Champion was a demand loan, which was unsecured, bearing interest at the rate of LIBOR plus 2% and was due 6 months after Champion demanded repayment (the "Demand Loan"). Champion had the right to convert the Demand Loan plus accrued but unpaid interest into common shares of the Company at a conversion price equal to the lowest subscription price per common share paid for the most recent capital raising undertaken by the Company at the time of the conversion, subject to the minimum pricing rules and stock exchange approval.

On May 17, 2016, the Company and Champion agreed to convert the Demand Loan into a term loan with the same terms and conditions as the Demand Loan and an original due date of September 30, 2017.

On November 15, 2016, the Company made a partial repayment of \$1,000,000 of the Term Loan by delivering 2,000,000 common shares of Eoro at a deemed value of \$1,000,000 ("Eoro Shares"). The Eoro Shares had a fair value of \$920,000 and the Company recorded a gain of \$80,000 on the partial repayment of the Term Loan.

On November 15, 2016, the Company and Champion agreed to extend the due date for the Term Loan from September 30, 2017 to December 31, 2017.

For the year ended December 31, 2016, the Company recorded interest of \$28,648 (2015 - \$26,306) in respect of the Demand Loan.

Relationship with Champion

As at December 31, 2016, Champion held 11,519,971 common shares of the Company (2015 - 11,519,971), representing 32.4% of the outstanding common shares of the Company (2015 - 34%). One director of the Company is a director of Champion Iron Limited, the parent company of Champion.

The holdings of Champion in the Company are subject to the terms of a pre-emptive rights agreement and an agreement respecting board representation rights and standstill obligations entered into on December 10, 2012.

Until December 31, 2017, Champion shall not sell common shares without the prior written consent of the Company, and thereafter, Champion shall not sell more than 2,000,000 common shares during any 30-day period.

Until December 31, 2017, provided that Champion owns at least 10% of the outstanding common shares of the Company:

- a) The Company shall take all commercially reasonable steps to have a nominee of Champion elected as a director ("Champion Nominee") to the board of directors of the Company ("Board").
- b) Champion shall not vote against any shareholder resolution recommended by the Board, except in the event that the Champion Nominee dissented when the Board approved a shareholder resolution that proposes to: (i) reduce the voting or dividend rights of the common shares; (ii) issue shares which carry a number of votes proportionately greater than the capital to be represented thereby or which carry dividend rights at a rate which would substantially impair the dividends ordinarily payable on the common shares; and (iii) approve a transaction with an arm's length third party, which must be passed by at least two-thirds of the votes cast and in respect of which a shareholder has dissent rights.
- c) Champion shall not vote in favour of the election of nominees to the Board who are not proposed by the then Board.
- d) Champion shall not (i) participate in a take-over bid for any securities of the Company; (ii) solicit proxies from any shareholder or attempt to influence the voting by any shareholders other than in support of initiatives recommended by the Board or (iii) seek to influence or control the management, Board or the policies or affairs of Company; or (iv) make any public or private announcement or disclosure with respect to the foregoing.

10. Share capital

Authorized

An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at \$0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

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Issued

	Number of common shares	\$
Balance, December 31, 2014	33,344,150	6,594,264
Option payment (note 8)	500,000	12,500
Balance, December 31, 2015	33,844,150	6,606,564
Private placement	1,728,571	121,000
Fair value of expired warrants	–	563,000
Balance, December 31, 2016	35,572,721	7,290,564

Private placement

On December 22, 2016, the Company completed a private placement of 1,728,571 common shares at a price of \$0.07 per share for gross proceeds of \$121,000. Of the private placement, a company controlled by a director acquired 150,000 shares.

Stock options

The Company may grant options to its directors, officers, employees and consultants for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2016, there were 3,557,272 stock options (2014 - 3,384,415) authorized to be issued under the stock option plan, of which, 3,025,000 stock options (2015 - 3,025,000) were outstanding.

A summary of the Company's stock options is presented below:

	Expiry date	Weighted- average exercise price	Number of stock options outstanding and exercisable
Balance, December 31, 2014		–	–
Granted	July 9, 2020	0.10	3,025,000
Balance, December 31, 2015 and December 31, 2016		0.10	3,025,000

On July 9, 2015, the Company granted 3,025,000 stock options to directors, officers and a consultant, entitling the holder to purchase one common share for \$0.10 until July 9, 2020.

The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions:

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Date of grant	July 9, 2015
Expiry date	July 9, 2020
Options granted	3,025,000
Exercise price	\$0.100
Share price	\$0.095
Risk-free interest rate	0.79%
Expected volatility based on historical volatility	101%
Expected life of stock options	5 years
Expected dividend yield	0%
Forfeiture rate	0%
Vesting	On date of grant
Fair value	\$213,000
Fair value per stock option	\$0.07

Warrants

A summary of the Company's warrants is presented below:

	Weighted- average exercise price	Number of warrants
Balance, December 31, 2014 and December 31, 2015	0.26	6,661,683
Expired	0.26	(6,661,683)
Balance, December 31, 2016	—	—

11. Deferred income tax recovery

During the year ended December 31, 2014, the Company issued \$809,997 of flow-through common shares pursuant to the Income Tax Act (Canada). The deductions for income tax purposes of the related expenditures were renounced to the subscribers of the flow-through shares. As the renouncement was prospective, a flow-through share premium of \$259,199 representing the income tax benefits the expenditures renounced by the Company to the subscribers, was recorded in the statement of financial position as a reduction of share capital and an increase to other liabilities. During the year ended December 31, 2015, flow-through expenditures of \$809,997 were incurred reducing other liabilities by \$259,199 which was recorded as a deferred income tax recovery.

12. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion

The fair values of cash, accounts payable and accrued liabilities and due to Champion at December 31, 2016 approximated their respective carrying value due to their short term to maturity.

Marketable securities

The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1: quoted prices in active markets for identical assets and liabilities;
 - Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
 - Level 3: inputs for the asset or liability that are not based on observable market data
- Marketable securities are classified as Level 1 financial assets.

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13. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market 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 financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. 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 market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's cash and due from Eloro. The Company's limits its exposure to credit risk on its cash by holding deposits with high credit quality Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due, other than amounts owing to related parties. Accounts payable and accrued liabilities are subject to normal trade terms and the amount due to Champion is due on December 31, 2017.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company's income or the value of its financial instruments.

Equity price risk

Equity price risk arises from the Company's marketable securities. The Company's approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2016 had changed by 25%, with all other variables held constant, the income would have increased or decreased by \$588.

Currency risk

Currency risk arises from the Company's financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company's functional currency. As all of the Company's purchases are in Canadian dollars, the Company limits its exposure to currency risk by maintaining its cash in Canadian dollars.

Interest rate risk

The Company's exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

14. Income taxes

The Company's effective income tax rate differs from the amount that would be computed by applying the combined federal and provincial statutory rate of 26.5% (2015 - 26.25%) to the net loss for the year. The reasons for the difference are as follows:

Provision for income taxes

	2016	2015
	\$	\$
Expected income tax recovery based on statutory rate	233,141	(1,281,035)
Increase (decrease) resulting from:		
Non-deductible expenses	(247,559)	60,684
Flow-through share premium	–	(259,199)
Share issue costs and other	(41,047)	37,400
Change in valuation allowance	75,465	1,182,951
Deferred income tax recovery	–	(259,199)

Deferred income tax balances

The Company's deferred income tax assets are as follows:

	2016	2015
	\$	\$
Non-capital loss carryforward	1,147,000	926,000
Capital loss carryforward	2,625,000	2,654,000
Canadian exploration and evaluation	1,061,000	1,153,000
Foreign exploration and evaluation	376,000	376,000
Share issue costs	10,000	19,000
Other	–	15,000
	5,219,000	5,143,000
Benefit of deferred tax assets not recorded	(5,219,000)	(5,143,000)
	–	–

Due to losses incurred in the current year and expected future operating results, management determined that it is unlikely that the deferred income tax assets will be realized. Accordingly, the future income tax assets have not been recorded.

Losses carried forward

At December 31, 2016, the Company had non-capital loss carryforwards which expire as follows:

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	\$
2026	258,000
2028	304,000
2029	455,000
2030	269,000
2032	996,000
2033	248,000
2034	354,000
2035	970,000
2036	475,000
	4,329,000

As at December 31, 2016, the Company had resource deductions of \$5,424,000 which may be carried forward indefinitely to reduce taxable income in future years and capital losses of approximately \$20,148,000 which may be carried forward indefinitely to be applied against capital gains in future years.

15. Related party transactions

	Years ended December 31,		Outstanding at December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Exploration and evaluation				
Paid or payable to a company, of which, a director is a shareholder	21,843	278,077	37,527	38,197

Compensation of key management personnel

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	Years ended December 31,		Outstanding at December 31,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Consulting fees	360,000	360,000	566,325	303,825
Stock-based compensation	–	115,500	–	–

Additional related party transactions are disclosed in notes 6, 7, 8, 9 and 16. These transactions were in the normal course of business.

16. Commitments

Lease commitment

The Company has a joint and several commitment with Eloro for annual basic premises rent, as follows:

	\$
Less than 1 year	89,716
1-5 years	370,610
More than 5 years	–
	460,326