Great Thunder Gold Corp.

(An exploration stage company)

Condensed Interim Financial Statements

(Unaudited)

October 31, 2016

Contents

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements were prepared by management and approved by the Board of Directors.

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

Great Thunder Gold Corp.

(An exploration stage company)

Condensed Interim Statements of Financial Position

(Unaudited)

		October 31, 2016		April 30, 2016
ASSETS				
Current assets				
Cash	$	80,185	$	55,575
Accounts receivable		3,147		610
Deposits		1,565		-
Prepaid expenses		104,708		8,383
		189,605		64,568
Non-current assets				
Investments (note 5)		62,752		1,127
Reclamation bonds (note 6)		13,000		13,000
Exploration and evaluation assets (note 7)		1,886,963		1,394,707
	$	2,152,320	$	1,473,402
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	1,307	$	13,192
Due to related parties (note 9)		68,175		199,280
Site restoration obligation (note 6)		15,000		15,000
		84,482		227,472
SHAREHOLDERS' EQUITY				
Share capital (note 8)		13,718,405		12,823,430
Share-based payment reserve		39,034		22,656
Accumulated other comprehensive income (loss)		(11,800)		675
Deficit		(11,677,801)		(11,600,831)
		2,067,838		1,245,930
	$	2,152,320	$	1,473,402

Nature of Operations and Going Concern (note 1)
Commitments (note 13)

Approved on behalf of the Board of Directors

/s/ Kevin Whelan
Kevin Whelan

The accompanying Notes to the Condensed Interim Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.

(An exploration stage company)

Condensed Interim Statements of Operations and Comprehensive Loss

(Unaudited)

	For the Three Months Ended October 31		For the Six Months Ended October 31	
	2016	2015	2016	2015
GENERAL AND ADMINISTRATIVE EXPENSES				
Accounting and audit	$ -	$ (2,040)	$ (1,280)	$ (2,040)
Consulting	9,375	-	15,783	-
Insurance	1,025	1,025	2,050	2,050
Investor relations and shareholder information	25,482	15	29,899	30
Legal fees	-	-	-	204
Listing and filing fees	3,539	2,979	12,198	4,279
Management fees (note 9)	32,545	34,418	83,944	68,115
Office	1,824	1,976	4,359	2,972
Rent (note 9)	3,075	3,075	6,150	6,075
Transfer agency fees	1,196	415	2,718	1,263
Travel and accommodation	190	53	1,250	229
	78,251	41,916	157,071	83,177
OPERATING LOSS	(78,251)	(41,916)	(157,071)	(83,177)
OTHER INCOME				
Interest income	-	-	25	35
Realized gain on investments (note 5)	-	-	-	2,283
Gain on sale of exploration and evaluation assets	64,099	-	64,099	-
LOSS FOR THE PERIOD	(14,152)	(41,916)	(92,947)	(80,859)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss				
Unrealized gain (loss) on investments (note 5)	(13,056)	(56)	(12,475)	(2,718)
TOTAL COMPREHENSIVE LOSS	$ (27,208)	$ (41,972)	$ (105,422)	$ (83,577)
LOSS PER SHARE (basic and diluted)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING (basic and diluted)	29,654,162	16,292,162	27,531,241	16,284,553

The accompanying Notes to the Condensed Interim Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.
(An exploration stage company)
Condensed Interim Statements of Equity
(Unaudited)

	Issued Share Capital		Share-Based Payment Reserve	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
	Number	Amount				
Balances, April 30, 2015	**16,092,162**	**$ 12,732,953**	**$ 28,133**	**$ 2,850**	**$ (11,491,342)**	**$ 1,272,594**
Warrants exercised	200,000	10,000	-	-	-	10,000
Loss for the period	-	-	-	-	(80,859)	(80,859)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(2,718)	-	(2,718)
Balances, October 31, 2015	**16,292,162**	**12,742,953**	**28,133**	**132**	**(11,572,201)**	**1,199,017**
Warrants exercised	500,000	25,000	-	-	-	25,000
Stock options exercised	400,000	25,477	(5,477)	-	-	20,000
Shares issued for exploration and evaluation assets	3,000,000	30,000	-	-	-	30,000
Loss for the period	-	-	-	-	(28,630)	(28,630)
Other comprehensive income						
Unrealized gain on investments	-	-	-	543	-	543
Balances, April 30, 2016	**20,192,162**	**12,823,430**	**22,656**	**675**	**(11,600,831)**	**1,245,930**
Shares and warrants issued for cash	3,432,500	308,925	34,325	-	-	343,250
Warrants exercised	1,461,500	138,120	(1,970)	-	-	136,150
Transfer upon option expiration	-	-	(15,977)	-	15,977	-
Shares issued for exploration and evaluation assets	4,568,000	456,680	-	-	-	456,680
Share issue costs						
Finders' fees paid in cash	-	(3,000)	-	-	-	(3,000)
Finders' fees paid in shares and warrants	-	(5,750)	-	-	-	(5,750)
Loss for the period	-	-	-	-	(92,947)	(92,947)
Other comprehensive loss						
Unrealized loss on investments (note 5)	-	-	-	(12,475)	-	(12,475)
Balances, October 31, 2016	**29,654,162**	**$ 13,718,405**	**$ 39,034**	**$ (11,800)**	**$ (11,677,801)**	**$ 2,067,838**

The accompanying Notes to the Condensed Interim Financial Statements are an integral part of these financial statements

Great Thunder Gold Corp.
(An exploration stage company)
Condensed Interim Statements of Cash Flows
(Unaudited)

	Six Months Ended October 31 2016	2015
OPERATING ACTIVITIES		
Loss for the period	$ (92,947)	$(80,859)
Adjustments for items not involving cash:		
Realized gain on investments	-	(2,283)
Gain on sale of exploration and evaluation assets	(64,099)	-
	(157,046)	(83,142)
Changes in non-cash working capital:		
Accounts receivable	(2,537)	270
Deposits	(1,565)	-
Prepaid expenses	(96,325)	550
Accounts payable and accrued liabilities	(11,885)	(13,040)
Due to related parties	(131,105)	80,307
	(400,463)	(15,055)
INVESTING ACTIVITIES		
Proceeds from sale of investments	-	2,283
Investment in exploration and evaluation assets	(115,577)	(6,100)
Proceeds from sale and option of exploration and evaluation assets	70,000	
	(45,577)	(3,817)
FINANCING ACTIVITIES		
Shares and warrants issued and exercised for cash, net	470,650	10,000
NET CHANGE IN CASH	24,610	(8,872)
CASH, beginning of period	55,575	19,873
CASH, end of period (note 12)	$ 80,185	$ 11,001
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest income	$ 25	$ 35
Income taxes	-	-

Non-cash transactions (note 14)

The accompanying Notes to the Condensed Interim Financial Statements are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Great Thunder Gold Corp. was incorporated under the laws of the Province of British Columbia, Canada. The Company owns interests in exploration and evaluation assets in the Province of British Columbia, Canada, and its principal business is the exploration and development of those assets. The Company`s head office and principal place of business is Suite 900 – 570 Granville Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage with respect to its exploration and evaluation assets and has not yet determined whether those assets contain ore reserves that are economically recoverable. The carrying value of these assets represents the total of net costs capitalized, and is not intended to reflect either their present or future value.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's legal interest in the assets, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition of the assets. For those exploration and evaluation assets in which it has a joint venture interest, the Company is required to contribute its proportionate share of costs or accept dilution of its interest.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and meet its obligations in the ordinary course of business. There are conditions that cast significant doubt on the validity of this assumption. As of October 31, 2016, the Company had working capital of $105,123 (April 30, 2016 – $162,904 deficiency) and an accumulated deficit of $11,677,801 (April 30, 2016 – $11,600,831). The Company will need to raise new funds through the sale of shares to maintain operations. These factors together raise substantial doubt about its ability to continue as a going concern. These condensed interim financial statements do not reflect adjustments for the possible future effect on the recoverability and classification of the assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty. Realization values may be substantially different from carrying values as shown in these condensed interim financial statements should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance
These condensed interim financial statements, including comparatives, comply with IAS 34 – *Interim Financial Reporting.* The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of the date the Board of Directors approved these financial statements.

These condensed interim financial statements were authorized by the Board of Directors of the Company. The Board of Directors has the power to amend these condensed interim financial statements after issuance, if applicable.

2. BASIS OF PRESENTATION (continued)

Statement of consolidation and presentation

These condensed interim financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value, including available-for-sale investments. All dollar amounts presented are in Canadian dollars, which is the Company's functional currency, unless otherwise specified. The accounting policies described herein have been applied consistently to all periods in these condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the period. Actual outcomes could differ from these judgments and estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to:

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The Company made the following critical accounting judgments:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

Once technical feasibility and commercial viability of an exploration and evaluation asset can be demonstrated, it is reclassified from exploration and evaluation assets and subject to different accounting treatment. At the end of the period, management had determined that no reclassification of exploration and evaluation assets was required.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Critical accounting judgments (continued)

Income taxes
Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Critical accounting estimates
Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the period that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to:

Share-based payments
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for the share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value of share-based payment transactions are described in notes 4 and 8.

Reclamation and environmental obligations
Reclamation provisions have been created based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. Estimates are reviewed annually and are based on current regulatory requirement. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year.

Actual reclamation costs will ultimately depend on future market prices for the reclamation costs, which will reflect the market condition at the time reclamation costs are actually incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments
Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provision of the financial instrument. The Company does not have any derivative financial instruments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets
The Company classifies its financial assets into one of the following categories, at initial recognition, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or financial assets acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss. The Company did not hold any fair value through profit or loss financial assets.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest method, less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. The Company has classified its cash and reclamation bond as loans and receivables.

Held-to-maturity investments
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss. The Company did not hold any held-to-maturity investments.

Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity, except for equity investments for which there is not a quoted price in an active market, those investments are carried at cost. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of operations and comprehensive loss. The Company has classified its investments as available-for-sale.

Impairment
All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method
The effective interest method calculates the amortized cost of a financial asset or liability and allocates interest over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts or payments over the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income or expense is recognized on an effective interest basis for financial instruments.

De-recognition of financial assets
A financial asset is derecognized when the contractual right to the asset’s cash flows expires, or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss. The Company did not hold any fair value through profit or loss financial liabilities.

Other financial liabilities
Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The Company’s accounts payable and accrued liabilities, due to related parties and site restoration obligations are classified as other financial liabilities.

Derecognition of financial liabilities
The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire.

Transaction costs
Transaction costs associated with fair value through profit or loss financial assets and liabilities are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the instrument.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents recorded in the statement of financial position comprise cash at banks and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company did not hold any cash equivalents at the date of the statement of financial position.

Exploration and evaluation assets

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated in cost centres by exploration area and not depreciated pending determination of technical feasibility and commercial viability.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of operations and comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and/or probable reserves have been discovered. Upon determination of proven and/or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

Exploration and evaluation expenditures are classified as intangible assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an ordinary transaction between market participants. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Share capital

Common shares, options and warrants are classified as equity. Transaction costs directly attributable to the issue of common shares and options are recognized as a deduction from equity, net of any tax effects.

The Company bifurcates units which consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payment reserve. When warrants are exercised, forfeited or expire, the corresponding value is transferred from share-based payment reserve to common stock.

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and (ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares (continued)
Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

Share-based payment transactions
The Company's stock option plan allows its employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in share-based payment reserve. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at the date of grant, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

When stock options are exercised, forfeited or expire, the fair value is reclassified from share-based payment reserve to share capital or deficit.

Income taxes
Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with respect to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)
Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Provisions
Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to passage of time is recognized as accretion expense.

Site restoration obligation
The Company recognizes the fair value of a legal or constructive liability for an asset retirement obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations and comprehensive loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Loss per share
Basic income (loss) per common share is computed by dividing the net income (loss) for the period by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Comprehensive income (loss)
Comprehensive income (loss) is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in net loss, such as unrealized gains or losses on available for sale investments, and gains or losses on certain derivative instruments. The Company’s comprehensive income (loss), components of other comprehensive income (loss), and unrealized gains (losses) on available-for-sale investments are presented in the statement of operations and comprehensive loss and the statement of equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards and interpretations not yet adopted
The following standard has been issued but is not yet effective and has not been early adopted by the Company. The Company is evaluating the impact of this new standard, but does not anticipate the standard will have a significant impact on its financial statements.

IFRS 9 – Financial instruments
IFRS 9 was issued in November 2009 and contains requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39 *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income. The standard will be effective for the Company for the year ending April 30, 2019.

5. INVESTMENTS

Investments in available for sale shares comprise the following:

	Number of Shares	Cost	Accumulated Unrealized Gain (Loss)	October 31, 2016 Fair Value
Alchemist Mining Inc.	500,000	$ 45,000	$ (10,000)	$ 35,000
Avino Silver & Gold Mines Ltd.	10,000	29,100	(3,000)	26,100
Levon Resources Ltd.	3,750	450	1,200	1,650
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
		$ 74,552	$ (11,800)	$ 62,752

	Number of Shares	Cost	Accumulated Unrealized Gain	April 30, 2016 Fair Value
Levon Resources Ltd.	3,750	$ 450	$ 675	$ 1,125
Brettco Oil & Gas Inc.	50,000	1	-	1
Oniva International Services Corporation	1	1	-	1
		$ 452	$ 675	$ 1,127

5. INVESTMENTS (continued)

During the six-month period ended October 31, 2016, the Company recorded an unrealized loss of $12,475 (2015 – $2,718) in other comprehensive income on investments designated as available-for-sale. During the six-month period ended October 31, 2015, the Company recorded a realized gain of $2,283 upon the sale of investments.

Levon Resources Ltd. and Alchemist Mining Inc. are unrelated public companies and Avino Silver & Gold Mines Ltd. shares a common director with the Company. The fair value of these investments was determined using quoted market prices at the date of the statement of financial position. In July 2015, the Company exchanged 7,500 old Levon shares for 3,750 new shares as part of a 1:2 share consolidation.

Brettco Oil & Gas Inc. is an unrelated private company, the fair value of whose shares is not readily determinable at the date of the statement of financial position. Accordingly, the investment in Brettco is shown at its cost.

The Company owns a 16.67% equity interest in Oniva International Services Corporation, a private company with common management, which provides office and administration services to the Company. The remaining 83.33% is shared equally between five other companies that are related by common directors (see note 9). As Oniva is a private company, fair value is not readily determinable at the date of the statement of financial position and the investment in Oniva is shown at its cost.

6. RECLAMATION BONDS

The Company has deposited funds and hypothecated term deposits totalling $13,000 (April 30, 2016 – $13,000) as security to the Province of British Columbia for future mineral claims site reclamation. The term deposits bear interest at a weighted average rate of 0.6% per annum (April 30, 2016 – 0.7%).

The Company has recognized a site restoration obligation of $15,000 (April 30, 2016 – $15,000) in respect of the reclamation of its exploration and evaluation assets. The timing of this amount is unknown and accordingly has been recorded at its full amount.

7. EXPLORATION AND EVALUATION ASSETS

	Valentine Mountain	Nemaska Lake	Chubb & Bouvier	BRX	Total
Balance, April 30, 2016	$1,364,706	$ -	$ -	$ 30,001	$1,394,707
Acquisition costs incurred in the period:					
Purchase payments, cash	-	60,068	-	-	60,068
Purchase payments, shares	-	110,000	-	-	110,000
Option payments, cash	-	-	40,000	-	40,000
Option payments, shares	-	-	346,680	-	346,680
	-	170,068	386,680	-	556,748
Exploration and other costs incurred in the period:					
Prospecting and geological	1,313	5,000	9,196	-	15,509
Other					
Option and sale proceeds, cash	-	(5,000)	-	(65,000)	(70,000)
Option and sale proceeds, shares	-	(45,000)	-	(29,100)	(74,100)
Gain on sale	-	-	-	64,099	64,099
	-	(50,000)	-	(30,001)	(80,001)
Balance, October 31, 2016	$1,366,019	$125,068	$395,876	$ -	$1,886,963

	Valentine Mountain	BRX	Total
Balance, April 30, 2015	$1,358,006	$ 1	$1,358,007
Acquisition costs incurred in the period			
Purchase payments, shares	-	30,000	30,000
Exploration and other costs incurred in the period:			
Inspection and maintenance	1,200	-	1,200
Prospecting and geological	5,500	-	5,500
	6,700	-	6,700
Balance, April 30, 2016	$1,364,706	$30,001	$1,394,707

Valentine Mountain Property

In 2008 and 2009, the Company acquired a 100% interest in 25 mineral claims comprising approximately 7,188 hectares and two overlying placer claims comprising 43 hectares on Valentine Mountain located 50 kilometres west northwest of Victoria, British Columbia, Canada for total consideration of $39,158 and 116,666 common shares of the Company valued at $270,000. One of the claims is subject to a 5% net smelter returns royalty, which the Company may repurchase for $1,000,000.

Nemaska Lake Property

In May 2016, the Company acquired four mineral claims covering approximately 213 hectares located near Chibougamau, Quebec. The Company paid $60,000 cash and issued 2,000,000 common shares with a fair value of $0.055 per share.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Nemaska Lake Property (continued)
In September 2016, the Company granted an option to purchase up to a 70% undivided interest in its Nemaska Lake property to Alchemist Mining Inc. To exercise its option to acquire an initial 51% interest, Alchemist must pay or issue to the Company $35,000 ($5,000 of which has been received) and 1,200,000 shares (500,000 of which with a fair value of $0.09 per share have been received), and undertake at least $50,000 of exploration during the first year. To acquire an additional 19% interest, Alchemist must pay or issue to the Company an additional $30,000 and 1,000,000 shares during the second year, and undertake a cumulative total of $450,000 of exploration during the second and third years. The Company will have a carried interest until commercial production.

Chubb & Bouvier Property
In May 2016, the Company entered into an option to purchase 51 mineral claims covering approximately 2,200 hectares located near Val d'Or, Quebec. To exercise its option, the Company must pay $60,000 by February 15, 2017 ($40,000 of which has been paid), issue 2,400,000 common shares (all of which have been issued at a fair value of $0.135 per share) and grant a 2% gross metal royalty to the vendor. The Company also paid a finder's fee of 168,000 common shares with a fair value of $0.135 per share in respect of the option.

BRX Property
In August 2016, the Company sold its BRX mineral claims to a subsidiary of Avino Silver & Gold Mines Ltd., a company with one common director. Under the terms of the agreement, the purchaser paid to the Company $65,000 cash and 10,000 Avino shares with a fair value of $2.91 per share, and granted a 1% net smelter returns royalty, under which the royalty will not exceed $250,000.

Golden Repeat Claims
In May 2013, the Company sold its Golden Repeat claims for consideration which included a 2% net smelter returns royalty. In addition, if, during the 10 years following the sale, the purchaser establishes reserves or a resource of not less than 500,000 ounces of gold or gold equivalent, the purchaser will issue 500,000 of its common shares to the Company.

8. SHARE CAPITAL

Authorized
An unlimited number of common shares without par value.

Issued
In May 2015, the Company issued 200,000 common shares at a price of $0.05 per share upon the exercise of warrants.

In April 2016, the Company issued 500,000 common shares at a price of $0.05 per share upon the exercise of warrants.

In April 2016, the Company issued 400,000 common shares at a price of $0.05 per share upon the exercise of stock options.

8. SHARE CAPITAL (continued)

Issued (continued)

In April 2016, the Company issued 3,000,000 common shares with a fair value of $0.01 per share for the purchase of an interest in exploration and evaluation assets (note 7).

In May 2016, the Company issued 2,000,000 common shares with a fair value of $0.055 per share for the purchase of an exploration and evaluation asset (note 7).

In June 2016, the Company issued 200,000 common shares at a price of $0.05 per share and 1,261,500 common shares at a price of $0.10 per share upon the exercise of warrants.

In June 2016, the Company issued 2,400,000 common shares with a fair value of $0.135 per share for an option to purchase of an exploration and evaluation asset (note 7) and 168,000 common shares with a fair value of $0.135 per share as a finder's fee in respect of the option.

In June 2016, the Company issued 3,375,000 units by way of private placement at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant, in turn, entitles the holder to purchase an additional common share at a price of $0.14 until June 28, 2018. The Company paid an aggregate of $3,000 and 57,500 units as finders' fees in respect of the private placement.

Share purchase warrants

The continuity of warrants during the reporting period is as follows:

	October 31, 2016		April 30, 2016	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	3,463,000	$ 0.09	4,163,000	$ 0.09
Issued	3,432,500	0.14	-	-
Exercised	(1,461,500)	(0.09)	(700,000)	(0.05)
Balance, end of period	5,434,000	$ 0.12	3,463,000	$ 0.09

A summary of share purchase warrants outstanding is as follows:

		Number of Warrants Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	October 31, 2016	April 30, 2016
$0.10	May 23, 2018	1,801,500	3,063,000
$0.05	July 16, 2019	200,000	400,000
$0.14	June 28, 2018	3,432,500	-
		5,434,000	3,463,000

Share-based payments

The Company has an equity-settled stock option plan under which the Board of Directors may grant options to directors, officers, other employees and consultants. The purpose of the plan is to advance the interests of the Company by encouraging these individuals to acquire shares in the Company and thereby remain associated with, and seek to maximize the value of, the Company.

8. SHARE CAPITAL (continued)

Share-based payments (continued)
Under the plan, the number of shares reserved for issuance pursuant to the exercise of all options under the plan may not exceed 10% of the issued and outstanding common shares on a non-diluted basis from time to time. The options expire not more than 10 years from the date of grant, or earlier if the individual ceases to be associated with the Company, and vest over terms determined at the time of grant.

A summary of the Company's stock options as of October 31, 2016 and April 30, 2016, and the changes for the periods ending on those dates is as follows:

	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Number Exercisable	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)
Balances, April 30, 2015	666,667	$ 0.09	4.3	666,667	$ 0.09	4.3
Exercised	(400,000)	(0.05)		(400,000)	(0.05)	
Balances, April 30, 2016	266,667	0.15	2.8	266,667	0.15	2.8
Expired	(66,667)	(0.45)		(66,667)	(0.45)	
Balances, October 31, 2016	200,000	$ 0.05	3.1	200,000	$ 0.05	3.1

A summary of stock options outstanding is as follows:

		Number of Stock Options Outstanding and Exercisable	
Exercise Price Per Share	Expiry Date	October 31, 2016	April 30, 2016
$0.45	October 6, 2016	-	66,667
$0.05	December 22, 2019	200,000	200,000
		200,000	266,667

9. RELATED PARTY TRANSACTIONS AND BALANCES

Management transactions
The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel for the six-month periods ended October 31, 2016 and 2015 are as follows:

	2016	2015
Management fees paid or accrued to a corporation controlled by the Company's Chief Executive Officer	$30,000	$ 48,000
Management fees paid or accrued to a corporation controlled by the Company's Chief Financial Officer	53,944	20,115
	$83,944	$68,115

9. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Other related party transactions

During the six-month period ended October 31, 2016, the Company was charged $6,150 (2015 – $6,075) for rent by Oniva International Services Corporation, a private corporation of which 16.67% is owned by the Company. The arrangement may be terminated with one month notice by either party.

Due to related parties

As at October 31, 2016, the Company owed $68,175 (April 30, 2016 – $199,280) to directors, officers and other related parties of the Company in the ordinary course of business. The amounts due to related parties are non-interest bearing, unsecured and due on demand.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's maximum exposure to credit risk is the carrying value of its financial assets. In the opinion of management, none of the Company's financial assets were exposed to significant credit risk as at October 31, 2016 or April 30, 2016.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash at October 31, 2016 in the amount of $80,185 (April 30, 2016 – $55,575) in order to meet short-term business requirements. At October 31, 2016, the Company had current liabilities of $84,482 (April 30, 2016 – $227,472). Accounts payable have contractual maturities of approximately 30 days or are due on demand and are subject to normal trade terms. Amounts due to related parties are without stated terms of interest or repayment (see note 1 – Nature of Operations and Going Concern).

Market Risk

Market risk consists of interest rate risk, foreign currency risk and other price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk has two components:

a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is currently held in highly liquid, on-demand investments and therefore management considers the interest rate risk to be minimal.

10. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. At the end of the reporting period, the Company was not exposed to material foreign currency risk.

Other Price Risk

Other price risk is the risk that the fair value or 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 exposed to other price risk with respect to its investments as they are carried at fair value based on quoted market prices. Based on the investments balance as at October 31, 2016, a 10% change in share price would have affected the Company's net loss by approximately $6,275.

Classification of Financial Instruments

IFRS 7 – *Financial Instruments: Disclosures* – establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Company's investments, other than those carried at cost, is categorized as a Level 1 in the Fair Value Hierarchy. The fair value of the Company's cash, receivables, accounts payables and accrued liabilities, and amounts due to related parties approximate their carrying values because of the short-term or on-demand nature, as applicable, of these instruments. The fair value of the Company's available-for-sale investments is detailed in note 5.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As at October 31, 2016, the Company had $2,067,838 of capital (April 30, 2016 – $1,245,930), an increase in capital of $821,908 during the period ended October 31, 2016 (2015 – $73,577 decrease).

12. CASH

Cash consists of bank balances and short-term deposits with banks. Cash included in the Statements of Cash Flows comprise the following amounts:

	October 31, 2016	October 31, 2015
Bank balances	$ 80,185	$ 11,001
Bank balances restricted for exploration	-	-
Balance, end of period	$ 80,185	$ 11,001

13. COMMITMENTS

The Company entered into a consulting agreement with a corporation controlled by its Chief Financial Officer whereby that corporation will provide consulting services at its standard rates. The agreement may be terminated by the Company without cause upon payment of three months of fees as severance.

14. NON-CASH TRANSACTIONS

During the six-month period ended October 31, 2016, the Company issued 4,400,000 shares with a fair value of $434,000 for the purchase and option of exploration and evaluation assets, and issued 168,000 common shares with a fair value of $22,680 in payment of a finder’s fee. The Company also received shares with a fair value totalling $74,100 from the sale and option of exploration and evaluation assets.