

**Planet Mining Exploration Inc.**

**Condensed Interim Financial Statements**

**Nine Months Ended December 31, 2016 and 2015**

**Expressed in Canadian Dollars**

*(Unaudited – prepared by management)*

**PLANET MINING EXPLORATION INC.**  
**Index to Condensed Interim Financial Statements**  
**December 31, 2016 and 2015**

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NOTICE OF NO AUDITOR'S REVIEW of  
CONDENSED INTERIM FINANCIAL STATEMENTS

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

**PLANET MINING EXPLORATION INC.**  
**Statements of Financial Position**

	December 31, 2016	March 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 198,605	\$ 314,070
Investments at fair value (Note 4 and 9)	3,321,097	1,470,085
Receivables	10,713	1,223
Prepaid expenses	35,050	15,286
<b>Total current assets</b>	<b>3,565,465</b>	<b>1,800,664</b>
Resource property (Note 5)	-	1
<b>Total assets</b>	<b>\$ 3,565,465</b>	<b>\$ 1,800,665</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	\$ 72,828	\$ 70,039
<b>Total liabilities</b>	<b>72,828</b>	<b>70,039</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Capital and reserves</b>		
Share capital (Note 6)	14,489,327	14,005,651
Share subscriptions received (Note 6)	-	197,500
Contributed surplus (Note 6)	1,820,510	1,820,510
Deficit	(12,817,200)	(14,293,035)
<b>Total equity</b>	<b>3,492,637</b>	<b>1,730,626</b>
<b>Total liabilities and equity</b>	<b>\$ 3,565,465</b>	<b>\$ 1,800,665</b>

Nature and continuance of operations (Note 1)  
Subsequent events (Note 5, 6 and 7)

Approved and authorized by the Board of Directors on February 27, 2017:

"Chris Cooper"  
Director

"Desmond Balakrishnan"  
Director

**PLANET MINING EXPLORATION INC.**  
**Statements of Operations and Comprehensive Loss**

	Three months ended December 31,		Nine months ended December 31,	
	2016	2015	2016	2015
<b>Net investment gains (losses)</b>				
Net realized gains (losses) on disposal of investments	\$ 151,692	\$ (60,096)	\$ 204,047	\$ (156,392)
Net change in unrealized gains (losses) on investments	(915,290)	186,766	(800,731)	(280,814)
Total net investment gains (losses)	<b>(763,598)</b>	126,670	<b>(596,684)</b>	(437,206)
<b>Expenses</b>				
Commissions	3,511	825	9,746	10,085
Insurance	2,013	1,764	5,825	7,161
Management and directors' fees (Note 7)	1,500	6,750	4,500	38,000
Office and consulting (Note 7)	15,076	30,115	63,153	104,320
Professional fees	58,441	27,875	54,298	41,596
Transfer agent and filing fees	4,270	2,567	14,640	13,265
Travel, promotion and shareholder information	-	-	512	421
Total expenses	<b>84,811</b>	69,896	<b>152,674</b>	214,848
<b>Other income</b>				
Gain on sale of mineral property	-	-	2,099,999	-
Consulting income	100,000	-	100,000	-
Interest and dividend income	20,422	75	25,194	984
Total other income	<b>120,422</b>	75	<b>2,225,193</b>	984
<b>Net gain (loss) and comprehensive gain (loss) for the period</b>	<b>\$ (727,987)</b>	\$ 56,849	<b>\$ 1,475,835</b>	\$ (651,070)
Basic and diluted loss per common share	<b>\$ 0.010</b>	\$ 0.001	<b>\$ 0.021</b>	\$ (0.015)
Weighted average number of common shares outstanding	<b>69,539,190</b>	44,539,190	<b>68,902,826</b>	44,539,190

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

**PLANET MINING EXPLORATION INC.**  
**Statements of Changes in Equity**

	Share Capital		Share Subscriptions Received	Contributed Surplus	Deficit	Total
	<i>Number of Shares</i>	Amount				
<b>Balance, March 31, 2015</b>	44,539,190	\$ 14,005,651	\$ -	\$ 1,820,510	\$ (13,714,290)	\$ 2,111,871
Net loss for the period	-	-	-	-	(651,070)	(651,070)
Change during the period	-	-	-	-	(651,070)	(651,070)
<b>Balance, December 31, 2015</b>	44,539,190	\$ 14,005,651	\$ -	\$ 1,820,510	\$(14,365,360)	\$ 1,460,801
<b>Balance, March 31, 2016</b>	44,539,190	\$ 14,005,651	\$ 197,500	\$ 1,820,510	\$ (14,293,035)	\$ 1,730,626
Common share subscriptions received in prior period (Note 6)	-	-	(197,500)	-	-	(197,500)
Shares issued for cash net of share issue costs	25,000,000	483,676	-	-	-	483,676
Net loss for the period	-	-	-	-	1,475,835	1,475,835
Change during the period	25,000,000	483,676	(197,500)	-	1,475,835	1,762,011
<b>Balance, December 31, 2016</b>	69,539,190	\$ 14,489,327	\$ -	\$ 1,820,510	\$ (12,817,200)	\$ 3,492,637

**PLANET MINING EXPLORATION INC.**  
**Statements of Cash Flows**

	Nine months ended December 31,	
	2016	2015
<b>Cash flows from (used in) operating activities</b>		
Net gain (loss) for the period	\$ 1,475,835	\$ (651,070)
Items not involving cash:		
Net realized (gain) loss on disposal of investments	(204,112)	156,392
Net change in unrealized losses on investments	375,796	280,814
	1,647,519	(213,864)
Adjustments for:		
Proceeds on disposal of investments	805,980	157,985
Purchase of investments	(728,676)	(657,363)
Gain on sale of mineral property	(2,099,999)	-
Interest received , cash	6,016	984
Reclamation bond	-	51,133
Change in receivables	(7,246)	9,326
Change in prepaid expenses	(28,024)	3,816
Change in accounts payable and accrued liabilities	2,789	3,273
<b>Net cash from (used in) operating activities</b>	<b>(401,641)</b>	<b>(644,710)</b>
<b>Financing activities</b>		
Shares issued for cash net of cash share issue costs and share subscriptions received in prior period	286,176	-
<b>Net cash provided by financing activities</b>	<b>286,176</b>	<b>-</b>
Change in cash and cash equivalents	(115,465)	(644,710)
Cash and cash equivalents, beginning of period	314,070	1,261,696
Cash and cash equivalents, end of period	\$ 198,605	\$ 616,986
<b>Supplemental information</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

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

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
**December 31, 2016**  
*(Unaudited – prepared by management)*

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

Planet Mining Exploration Inc. (“the Company”) was incorporated in Canada as Planet Exploration Inc. on January 29, 1996 under the Alberta Business Corporations Act. On April 12, 2012, the Company changed its name to Planet Mining Exploration Inc. under the British Columbia Business Corporations Act. The Company’s registered office and its principal place of business is located at Suite 303, 750 West Pender Street, Vancouver, BC Canada V6C 2T7. The Company’s shares are listed on the TSX Venture Exchange (TSX.V) under the trading symbol “PXI”.

From its inception up to October 2, 2014 the Company was in the business of acquiring, exploring and developing gold, copper, silver and other resource properties, both directly and through joint ventures in Canada. In October 2014 the Company changed its business from a “junior mineral exploration company” to an “investment issuer”.

The 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 discharge its liabilities in the normal course of business. As at December 31, 2016, the Company had accumulated losses of \$12,818,500. In 2016 and 2015, revenues generated from operations were not sufficient to cover operating expenses. The Company is required to raise new financing through the sale of shares, issuance of debt or sale of investments to continue with its operations. These factors form a material uncertainty which may raise doubt about the Company’s ability to continue as a going concern. These condensed Interim financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**2. BASIS OF PREPARATION**

(a) Statement of compliance

The condensed interim financial statements for the nine months ended December 31, 2016 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in effect at December 31, 2016. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The condensed interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company’s recent audited Financial Statements for the year ended March 31, 2016. These condensed interim Financial Statements for the nine months ended December 31, 2016 should be read in conjunction with the audited Financial Statements for the year ended March 31, 2016.

(b) Basis of presentation

These financial statements are expressed in Canadian dollars, the Company’s functional currency and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value.



**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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**2. BASIS OF PREPARATION (continued)**

(c) Significant accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates made, relate to determination of fair value of financial instruments.

In preparing the financial statements, management makes judgments regarding the application of IFRS for the Company's accounting policies. Significant judgments relate to the following areas:

*(i) Going concern*

Determining if the Company has the ability to continue as a going concern is dependent on its ability to achieve profitable operations. Certain judgments are made when determining if the Company will achieve profitable operation.

*(ii) Income taxes*

Judgments are made by management at the end of the reporting period to determine the likelihood that deferred income tax assets will be realized from future taxable earnings. Assessing the recoverability of deferred income tax assets requires the Company to make judgments related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in profit or loss in the period in which the change occurs.

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

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**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY**

The fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- (ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	<b>December 31, 2016</b>		<b>March 31, 2016</b>	
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 1</b>	<b>Level 2</b>
Cash and cash equivalents	\$ 198,605	\$ -	\$ 314,070	\$ -
Investments at fair value:				
Equity investments (a)	\$ 2,918,880	-	\$ 1,220,271	-
Warrants held (b)	\$ -	\$ 402,216	\$ -	\$ 69,814
Marketable debenture (c)	\$ -	\$ -	\$ 180,000	\$ -

The methods of measuring each of these financial assets and liabilities have not changed during the past year. The Company does not have any financial assets or liabilities measured at fair value based on unobservable inputs (Level 3). The fair values of financial instruments measured at amortized cost approximate their carrying amounts.

(a) Equity investments

The Company's equity investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of investment securities is calculated as the closing market price of the investment equity security multiplied by the quantity of shares held by the Company. Some of the equity investments are subject to a four month statutory hold period.

(b) Warrants held

The fair value of warrants held that are not traded on an active market is determined using a Black-Scholes pricing model based on assumptions that are supported by observable current market conditions and as such are classified within Level 2 of the fair value hierarchy.

(c) Marketable debenture

During the year ended March 31, 2016, the Company invested \$180,000 in a 4% non-convertible unsecured marketable senior debenture that is listed on the TSX Venture Exchange. The debenture was sold during the nine months ended December 31, 2016.

**PLANET MINING EXPLORATION INC.**  
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*(Unaudited – prepared by management)*

**4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)**

Investments at cost and fair value consist of the following:

	<b>December 31, 2016</b>	
	<b>Cost</b>	<b>Fair market value</b>
Securities	\$ 4,321,429	\$ 2,918,880
Warrants	29,416	402,216
<b>Total</b>	<b>\$ 4,350,845</b>	<b>\$ 3,321,096</b>

	<b>March 31, 2016</b>	
	<b>Cost</b>	<b>Fair market value</b>
Securities	\$ 1,577,224	\$ 1,220,271
Marketable debenture	180,000	180,000
Warrants	79,465	69,814
<b>Total</b>	<b>\$ 1,836,689</b>	<b>\$ 1,470,085</b>

**5. RESOURCE PROPERTY**

Title to a resource property involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to its resource property and, to the best of its knowledge, title to its property is held by the Company and is in good standing.

**Red Lake, Ontario, Canada**

The Company currently owns a 39.5% (March 31, 2015 – 40%) interest in the Red Lake, Ontario mineral property claims. The remaining 60.5% is held by affiliates of Goldcorp Inc. During the year ended March 31, 2016, accounts payable in the amount of \$69,353 were applied towards the Company's interest in the Red Lake property thereby diluting its interest in the property from 40% to 39.5%.

During the year ended March 31, 2013, the Company assessed the carrying value of the Red Lake property had been impaired and recorded an impairment charge reducing the costs capitalized to the Red Lake property to \$1.

During the period ended December 31, 2016 the Company sold its 39.5% interest in the Sidace Lake gold property. A buyer purchases the Sidace Property from the Company for a price of \$1,500,000 payable by the issuance of common shares in the capital of the buyer at a deemed price of \$0.10, for an aggregate of 15,000,000 buyer's common shares.

**6. SHARE CAPITAL**

a) Common shares

The Company is authorized to issue an unlimited number of common voting shares without par value. The holder of common shares is entitled to receive any dividend declared by the Company on such shares.

**PLANET MINING EXPLORATION INC.**  
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**December 31, 2016**  
*(Unaudited – prepared by management)*

**6. SHARE CAPITAL (continued)**

a) Common shares (continued)

During the period ended December 31, 2016, the Company closed a non-brokered private placement of 25,000,000 common shares of the Company at a price of \$0.02 per share for gross proceeds of \$500,000. In connection with the closing of the private placement, the Company paid cash commission in the amount of \$13,575, being 5% of the aggregate proceeds raised from the sale of shares to purchasers introduced by a finder.

No common shares were issued during the year ended March 31, 2016.

b) Preferred shares

The Company is authorized to issue an unlimited number of first preferred shares and second preferred shares issuable in series with the issue price to be fixed by the directors. The holders of first preferred shares are entitled to preference over the common shares and the second preferred shares with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

No preferred shares were issued or were outstanding during the period ended December 31, 2016 and year ended March 31, 2016.

c) Stock options

The Company has a stock option plan whereby the Company may grant options to its directors, officers, employees and consultants for up to 10% of the outstanding common shares from time to time with vesting rights determined at each grant date. The exercise price of each option equals the market price of the Company's stock on the date of the grant (less any permitted discount, if any) and an option's maximum term is five years.

No options were granted or exercised during the period ended December 31, 2016 and year ended March 31, 2016.

	Period ended December 31, 2016		Year ended March 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	180,000	\$ 0.18	3,280,000	\$ 0.22
Expired	(105,000)	\$ 0.20	(3,100,000)	\$ 0.22
Cancelled	-	\$ -	-	\$ -
Balance, end of period	<b>75,000</b>	<b>\$ 0.15</b>	180,000	\$ 0.18
Exercisable, end of period	<b>75,000</b>	<b>\$ 0.15</b>	180,000	\$ 0.18

**PLANET MINING EXPLORATION INC.**  
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*(Unaudited – prepared by management)*

**6. SHARE CAPITAL (continued)**

c) Stock options (continued)

As of December 31, 2016, the following stock options were outstanding and exercisable:

<i>Number of Options Outstanding</i>	<i>Exercise Price</i>	<i>Weighted Average Remaining Life (years)</i>	<i>Number of Options Exercisable</i>	<i>Expiry Date</i>
75,000	\$ 0.15	0.56	75,000	July 25, 2017
75,000	\$ 0.15	0.56	75,000	

d) Share purchase warrants

As at December 31, 2016 and March 31, 2016 the Company did not have any warrants outstanding.

**7. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS**

a) Key management compensation

Key management personnel include the members of the Board of Directors and officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company. Amounts paid and accrued to directors, former director, officers and companies in which directors and officers are shareholders or partners are as follows:

	<b>December 31, 2016</b>	December 31, 2015
Management and administration fees	\$ 60,000	\$ 90,000
Directors' fees	4,500	38,000
<b>Total</b>	<b>\$ 64,500</b>	<b>\$ 128,000</b>

During the period ended December 31, 2016, the Company incurred \$60,000 (2015 - \$90,000) in fees paid to a management company for provision of administrative services including services of Chief Financial Officer and, starting from October 21, 2015, also as a director. As at December 31, 2016, \$4,154 (March 31, 2016 - \$1,096 was payable) was advanced to this management company for the next months services.

Included in accounts payable at December 31, 2016 was \$nil (March 31, 2016 - \$5,984) payable to a former director of the Company.

b) Related party transactions

In the normal course of operations the Company transacts with companies related to its directors or officers. Related party transactions are measured at the exchange amounts as agreed upon by transacting parties. Related party transactions not disclosed elsewhere in these condensed Interim financial statements are as follows:

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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**7. RELATED PARTY TRANSACTIONS (continued)**

b) Related party transactions (continued)

During the period ended December 31, 2016, the Company incurred \$39,473 (2015 - \$22,938) in legal expenses from a law firm of which a director and officer is a partner. As at December 31, 2016, \$55,119 (March 31, 2016 - \$37,197) was payable to this law firm.

c) As at December 31, 2016, the Company held investments in shares and warrants of companies, of which former directors and officers of the Company are directors. The fair value of these investments was \$56,483 at December 31, 2016 (March 31, 2016 - \$136,168).

**8. COMMITMENTS**

a) Management and administration services

Effective April 1, 2015, the Company has agreed to pay a monthly fee of \$10,000 to the management company described in Note 9 (a) for provision of management and administrative services. During the period the agreement was amended and the Company is paying a monthly fee of \$5,000 starting from July 1, 2016. The agreement may be terminated by the Company with 60 days' written notice.

b) Office lease

On April 1, 2016, the Company entered into an office lease agreement for a term of five years and eleven months from April 1, 2016 to February 28, 2022 with commitments aggregated as follows:

Year		
2017	\$	18,860
2018		76,869
2019		78,772
2020		80,675
2021		82,578
2022		77,295
	\$	<u>344,781</u>

**9. FINANCIAL AND CAPITAL RISK MANAGEMENT**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, fair value risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

**PLANET MINING EXPLORATION INC.**  
**Notes to the Condensed Interim Financial Statements**  
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*(Unaudited – prepared by management)*

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**9. FINANCIAL AND CAPITAL RISK MANAGEMENT *(continued)***

a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise. The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, the sale of assets, debt, or return of capital to shareholders. As at December 31, 2016, the Company did not have any debt, other than accounts payable and accrued liabilities, and is not subject to externally imposed capital requirements.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements.

c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and receivables.

The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents, and other assets with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents are held with major Canadian-based financial institutions. The Company views the credit risk associated with receivables as minimal as a significant portion of the balance is GST recoverable from Government of Canada.

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company does not have any exposure to any highly inflationary foreign currencies.

d) Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's profit and losses. The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and reclamation bond. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in reclamation bond as they are generally held with large financial institutions.

**PLANET MINING EXPLORATION INC.**  
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**9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

e) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and commodity prices.

The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

Additionally, in accordance with IFRS 9, the Company is required to fair value its investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavourable effect on the Company's financial position. The Company is not exposed to significant interest rate risk as the Company's has no interest bearing debt. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The result of sensitivity analysis shows an increase or decrease of 5% in the market price, with all other variables held constant, could have decreased or increased the Company's net loss by approximately \$74,000 (2015 - \$38,000).

e) Concentration risk in the Company's investment portfolio

Concentration risk is the risk that any single investment or group of investments will have the potential to materially affect the operating results of the Company.

Subject to board approval for investments in excess of a pre-determined threshold, there are no restrictions on the proportion of Company's funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. Accordingly, the Company's investment activities may be highly concentrated in a limited number of investments or industry sectors and the Company's financial results may be substantially adversely affected by the unfavourable performance in those investments or industry sectors.

As at December 31, 2016, the Company's two top investments had a fair value of \$1,492,578 in publicly traded investment and resource companies, representing 45% of the fair value of the Company's total portfolio (March 31, 2016 – \$763,455 or 52%).

**10. CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS**

**New accounting standards adopted by the Company**

There were no new or revised accounting standards applicable to the Company scheduled for mandatory adoption on April 1, 2016, and thus no standards were adopted in the current year.

**Accounting Standards and Amendments Issued But Not Yet Effective**

The following accounting standards were issued but not yet effective as of December 31, 2016:



**PLANET MINING EXPLORATION INC.**  
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*(Unaudited – prepared by management)*

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**10. CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS *(continued)***

***IFRS 10 – Consolidated Financial Statements***

The amendments to IFRS 10 require a full gain or loss to be recognized when a transaction involves a business (whether it is housed in a subsidiary or not), while a partial gain or loss would be recognized when a transaction involves assets that do not constitute a business, even if the assets are housed in a subsidiary. The amendments are effective for transactions occurring in annual periods beginning on or after January 1, 2016. The Company is currently evaluating the impact the final standard may have on its financial statements.

***IFRS 15 – Revenue from Contracts with Customers***

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact this standard may have on its financial statements.

***IFRS 9 – Financial Instruments***

The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact the final standard may have on its financial statements.

***IFRS 7 – Financial instruments: Disclosure***

IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The Company is currently evaluating the impact the final standard may have on its financial statements.

***IFRS 16 – Leases***

IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard may have on its financial statements.