Planet Ventures Inc.

(formerly Planet Mining Exploration Inc.)

Financial Statements

Years Ended March 31, 2017 and 2016

Expressed in Canadian Dollars

PLANET VENTURES INC.
(formerly Planet Mining Exploration Inc.)
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March 31, 2017 and 2016

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Planet Ventures Inc. (formerly Planet Mining Exploration Inc.)

We have audited the accompanying financial statements of Planet Ventures Inc. (formerly Planet Mining Exploration Inc.) which comprise the statement of financial position as at March 31, 2017 and 2016, and the statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

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

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained 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 Planet Ventures Inc. (formerly Planet Mining Exploration Inc.) as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Planet Ventures Inc. (formerly Planet Mining Exploration Inc.) to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
July 12, 2017

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Statements of Financial Position
As at March 31, 2017 and 2016

	March 31, 2017	March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	**$ 306,380**	$ 314,070
Investments at fair value (Note 4 and 11)	**4,252,301**	1,470,085
Loan receivable (Note 5)	**150,000**	-
Receivables	**13,753**	1,223
Prepaid expenses	**11,404**	15,286
Total current assets	**4,733,838**	1,800,664
Office rental deposit	**29,433**	-
Resource property (Note 6)	**-**	1
Total assets	**$ 4,763,271**	$ 1,800,665
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	**$ 23,571**	$ 70,039
Total liabilities	**23,571**	70,039
EQUITY		
Capital and reserves		
Share capital (Note 7)	**14,489,327**	14,005,651
Share subscriptions received (Note 7)	**-**	197,500
Contributed surplus (Note 7)	**1,820,510**	1,820,510
Deficit	**(11,570,137)**	(14,293,035)
Total equity	**4,739,700**	1,730,626
Total liabilities and equity	**$ 4,763,271**	$ 1,800,665

Nature and continuance of operations (Note 1)

Approved and authorized by the Board of Directors on July 12, 2017:

"Chris Cooper"
Director

"Desmond Balakrishnan"
Director

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Statements of Operations and Comprehensive Income (Loss)

	Years ended March 31, **2017**	2016
Net investment gains (losses)		
Net realized gains (losses) on disposal of investments	**$ 396,605**	$ (210,408)
Net change in unrealized gains (losses) on investments	**410,424**	(229,051)
Interest and dividends	**202,811**	2,207
Total net investment gains (losses)	**1,009,840**	(437,252)
Expenses		
Commissions	**14,748**	15,465
Insurance	**7,929**	8,907
Management and directors' fees (Note 8)	**6,000**	41,250
Office and consulting (Note 8)	**78,175**	159,428
Professional fees	**46,902**	58,832
Rent	**8,260**	-
Transfer agent and filing fees	**17,063**	16,543
Travel, promotion and shareholder information	**762**	421
Total expenses	**179,839**	300,846
Other income		
Gain on sale of mineral property (Note 6)	**1,787,897**	-
Consulting income	**105,000**	90,000
Gain on settlement of accounts payable	**-**	69,353
Total other income	**1,892,897**	159,353
Net and comprehensive income (loss) for the year	**$ 2,722,898**	$ (578,745)
Basic and diluted income (loss) per common share	**$ 0.04**	$ (0.01)
Weighted average number of common shares outstanding:		
Basic	**69,059,738**	44,539,190
Diluted	**69,134,738**	44,539,190

The accompanying notes are an integral part of these financial statements

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Statements of Changes in Equity

	Share Capital					
	Number of Shares	**Amount**	**Share Subscriptions Received**	**Contributed Surplus**	**Deficit**	**Total**
Balance, March 31, 2015	44,539,190	$ 14,005,651	$ -	$ 1,820,510	$ (13,714,290)	$ 2,111,871
Common share subscriptions received	-	-	197,500	-	-	197,500
Net loss for the year	-	-	-	-	(578,745)	(578,745)
Change during the year	-	-	197,500	-	(578,745)	(381,245)
Balance, March 31, 2016	44,539,190	$ 14,005,651	$ 197,500	$ 1,820,510	$(14,293,035)	$ 1,730,626
Balance, March 31, 2016	44,539,190	$ 14,005,651	$ 197,500	$ 1,820,510	$ (14,293,035)	$ 1,730,626
Common share subscriptions received in prior year (Note 7)	-	-	(197,500)	-	-	(197,500)
Shares issued for cash net of share issue costs	25,000,000	483,676	-	-	-	483,676
Net income for the year	-	-	-	-	2,722,898	2,722,898
Change during the year	25,000,000	483,676	(197,500)	-	2,722,898	3,009,074
Balance, March 31, 2017	69,539,190	$ 14,489,327	$ -	$ 1,820,510	$ (11,570,137)	$ 4,739,700

The accompanying notes are an integral part of these financial statements

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Statements of Cash Flows

	Years ended March 31, **2017**	2016
Cash flows from (used in) operating activities		
Net income (loss) for the year	**$ 2,722,898**	$ (578,745)
Items not involving cash:		
Net realized (gain) loss on investments	**(396,605)**	210,385
Net change in unrealized losses on investments	**(410,424)**	229,051
Stock dividends	**(144,900)**	-
Gain on settlement of accounts payable	**-**	(69,353)
	1,770,969	(208,662)
Adjustments for:		
Proceeds on disposal of investments	**1,423,879**	403,706
Purchase of investments	**(1,466,268)**	(1,425,126)
Gain on sale of mineral property	**(1,787,897)**	-
Recovery of reclamation bond	**-**	51,133
Loan principal advanced	**(150,000)**	-
Change in long term deposit	**(29,433)**	-
Change in receivables	**(12,530)**	35,699
Change in prepaid expenses	**3,882**	1,812
Change in accounts payable and accrued liabilities	**(46,468)**	(3,688)
Net cash used in operating activities	**(293,866)**	(1,145,126)
Financing activities		
Share subscriptions received	**-**	197,500
Shares issued for cash net of cash share issue costs	**286,176**	-
Net cash provided by financing activities	**286,176**	197,500
Change in cash and cash equivalents	**(7,690)**	(947,626)
Cash and cash equivalents, beginning of year	**314,070**	1,261,696
Cash and cash equivalents, end of year	**$ 306,380**	$ 314,070

Supplemental cash flow information:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Planet Ventures Inc. ("the Company") was incorporated in Canada on January 29, 1996 under the Alberta Business Corporations Act and continues under the British Columbia Business Corporations Act. On June 28, 2017, the Company changed its name to Planet Ventures Inc. from Planet Mining Exploration Inc. 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".

These 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 March 31, 2017, the Company had accumulated losses of $11,570,137. In 2017 and 2016, the company used cash in operations of $143,866 and $1,145,126, respectively. The Company is required to raise new financing through the sale of shares or the issuance of debt to continue with its operations. Although the Company intends to secure it, there is no assurance that the Company will be able to obtain additional financing. If the Company is unable to raise additional financing this will require the Company to sell investments. These factors together form a material uncertainty which may raise significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB"). Significant accounting policies are described in the Note 3. Significant accounting estimates, judgments and assumptions used or exercised by management in the preparation of these financial statements are presented below.

(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. The accounting policies in Note 3 have been applied consistently to all periods presented.

(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

2. BASIS OF PREPARATION *(continued)*

(c) Significant accounting estimates and judgments *(continued)*

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 (see Note 3b).

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.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Foreign currencies

The Company's functional and reporting currency for all its operations is the Canadian dollar as this is the currency of the primary economic environment in which it operates.

Transactions in foreign currencies are initially recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the date of the statement of financial position. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Financial instruments

(i) Classification:

All investments and cash are classified upon initial recognition at fair value through profit or loss, with changes in fair value reported in profit (loss). The loan receivable is classified as loans and receivables, and is initially recognized at fair value and carried at amortized cost. Accounts payable are classified as other financial liabilities and are initially recognized at fair value and carried at amortized cost.

(ii) Recognition, derecognition and measurement:

Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statement of operations and comprehensive loss. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, Financial Instruments (“IFRS 9”).

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statement of operations and comprehensive loss within net change in unrealized gains or losses on investments in the period in which they arise.

(iii) Reclassification of investments:

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset.

Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

(iv) Determination of fair values:

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company’s management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 4).

1. Publicly-traded investments (i.e., securities of issuers that are public companies):

   a. Securities including shares, options and warrants which are traded in an active market, such as on a recognized securities exchange are presented at fair value based on quoted closing trade prices at the statement of financial position dates or the closing trade price

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Financial instruments *(continued)*

(iv) Determination of fair values *(continued)*:

a. on the last day the security traded if there were no trades at the statement of financial position dates. These are measured in Level 1 in Note 4.

b. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. In determining the discount for such investments, the Company considers the nature and length of the restriction. These are included in Level 2 in Note 4.

c. For options and warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a valuation technique is used; if no such market inputs are available or reliable, the warrants and options are valued at intrinsic value, which is equal to the higher of the closing trade price at the statement of financial position dates of the underlying security less the exercise price of the warrant or option, and zero. These are included in Level 2 in Note 4.

2. Other investment instruments:

Included in the Company's investments are convertible debentures and convertible notes, which are carried at fair value until they mature or are converted into common shares.

(c) Financial instruments other than investments at fair value

Financial assets that are managed to collect contractual cash flows made up of principal and interest on specified dates are classified as subsequently measured at amortized cost. All other financial assets are designated as at fair value through profit or loss. All financial assets are recognized initially at fair value plus, in the case of financial assets classified as subsequently measured at amortized cost, directly attributable transaction costs.

Financial assets at amortized cost are measured at initial cost plus interest calculated using the effective interest rate method less cumulative repayments and cumulative impairment losses.

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all the risks and rewards of the asset. The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. For amounts deemed to be impaired, the impairment provision is based upon the expected loss.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments with a maturity less than 90 days on acquisition that are readily convertible into known amounts of cash.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Revenue recognition

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statements of comprehensive income (loss).

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of comprehensive loss as incurred.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is recognized in profit and loss as it accrues, using the effective interest method.

Consulting income is recorded when services have been rendered, terms of the arrangement with a client have been met and collection is probable, which is usually when a consulting invoice is issued.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(g) Income taxes

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

(i) Current income tax:

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.

(ii) Deferred income tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences:

- liabilities arising from initial recognition of goodwill for which depreciation is not deductible for tax purposes;
- liabilities arising from the initial recognition of an asset/liability other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit; and

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Income taxes *(continued)*

(ii) Deferred income tax *(continued):*

- liabilities arising from undistributed profits from investments where the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

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

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

(h) Share capital

The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date of issue.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis based on relative fair values as follows: the fair value of the common shares is based on the market close on the date the units are issued and the fair value of the common share purchase warrants is determined using the Black-Scholes option pricing model.

(i) Share-based compensation

The Company has a stock option plan as described in Note 7(c). An individual is classified as an employee, versus a consultant, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Compensation expense attributable to share based awards to employees is measured at the fair value at the date of grant using the Black-Scholes model, and is recognized over the period that the employee becomes unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Share-based compensation *(continued)*

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The fair value, under the Black-Scholes model, takes into account a number of variables, including the exercise price of the award, the expected dividend rate, the expected life of the options, forfeiture rate and the risk free interest rate.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credit to share capital, adjusted for any consideration paid.

(j) Loss per share

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

(k) Comprehensive Income (loss)

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit such as foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive loss, components of other comprehensive loss are presented in the statements of comprehensive loss and the statements of changes in equity.

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 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).

	March 31, 2017			March 31, 2016	
	Level 1	Level 2	Level 3	Level 1	Level 2
Cash and cash equivalents	$ 306,380	$ -	$ -	$ 314,070	$ -
Investments at fair value:					
Equity investments in public companies (a)	$ 3,830,176	-	$ -	$ 1,220,271	-
Warrants held (b)	$ -	$ 266,385	$ -	$ -	$ 69,814
Marketable debenture (c)	$ 100,740	$ -	$ -	$ 180,000	$ -
Equity investments in private companies (d)	$ -	$ 55,000	$ -	$ -	$ -

The methods of measuring each of these financial assets 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.

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

(c) Marketable debenture

During the year ended March 31, 2017, the Company invested $100,000 in a 9.46% non-convertible unsecured marketable senior debenture that is listed on the TSX Venture Exchange. The fair value of this debenture at March 31, 2017 was $100,740.

(d) Equity investments in private companies

All privately-held investments (other than options and warrants) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may (depending upon the circumstances) be adjusted using one or more of the valuation indicators described below. Options and warrants of private companies are carried at their intrinsic value.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately-held investment should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing privately-held investments.

The absence of the occurrence of any events, such as a significant change in trends in general market conditions, or any significant change in share performance of comparable publicly-traded companies indicates generally that the fair value of the investment has not materially changed. The fair value of a privately-held investment may be adjusted if there has been a significant subsequent equity financing provided by outside investors at a valuation different than the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place.

Adjustments to the fair value of a privately-held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed. In addition, the amounts at which the Company's privately-held investments could be disposed of currently may differ from the carrying value assigned.

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

Investments at cost and fair value consist of the following:

	March 31, 2017	
	Cost	**Fair market value**
Equity investments in public companies	$ 3,888,497	$ 3,830,176
Warrants	26,692	266,385
Marketable debenture	100,740	100,740
Equity investments in private companies	55,000	55,000
Total	**$ 4,070,929**	**$ 4,252,301**

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

5. LOAN RECEIVABLE

On February 15, 2017 the Company entered into an agreement to loan Grand Rock Capital Inc. $150,000. The loan bears interest at a rate of 7% per annum and the principal balance is due for repayment on February 16, 2018. The loan is secured by various publicly traded securities held by Grand Rock Capital Inc.

6. RESOURCE PROPERTY

Red Lake, Ontario, Canada

During the year ended March 31, 2017 the Company sold its 39.5% interest in the Sidace gold property located in the Red Lake area of Ontario, Canada (the "Property"). The Property was sold for $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. The fair market price of the shares at the sale date was $1,800,000. $12,102 of legal fees were deducted as transaction costs.

Up to June 2016 the Company owned a 39.5% (March 31, 2015 – 40%) interest in the Red Lake, Ontario mineral property claims. The remaining 60.5% were held by affiliates of Goldcorp Inc. During the year ended March 31, 2016, accounts payable in the amount of $69,353 was applied which reduced the Company's interest in the Property from 40% to 39.5%.

During the year ended March 31, 2013, the Company assessed the carrying value of the Property as impaired and wrote-down the costs capitalized on the Property to $1. Therefore the carrying value of the Property was $1 in the March 31, 2015 figures that are presented for comparative purposes in these financial statements.

7. 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.

During the year ended March 31, 2017, 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 share issuance costs of $13,824.

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 years ended March 31, 2017 and 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 years ended March 31, 2017 and 2016.

7. SHARE CAPITAL (*continued*)

c) Stock options *(continued)*

	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	180,000	$ 0.18	3,280,000	$ 0.22
Expired	(105,000)	$ 0.20	(3,100,000)	$ 0.22
Cancelled	-	$ -	-	$ -
Balance, end of year	75,000	$ 0.15	180,000	$ 0.18
Exercisable, end of year	75,000	$ 0.15	180,000	$ 0.18

As of March 31, 2017, the following stock options were outstanding and exercisable:

Number of Options Outstanding	***Exercise Price***	***Weighted Average Remaining Life (years)***	***Number of Options Exercisable***	***Expiry Date***
75,000	$ 0.15	0.32	75,000	July 25, 2017

d) Share purchase warrants

As at March 31, 2017 and March 31, 2016 the Company did not have any warrants outstanding.

8. 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 included in general expenses as follows:

	March 31, 2017	March 31, 2016
Management and administration fees	**$ 75,000**	$ 144,000
Directors' fees	**6,000**	41,250
Total	**$ 81,000**	$ 185,250

During the year ended March 31, 2017, the Company incurred $75,000 (2016 - $144,000) 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 March 31, 2017, $4,154 was advanced to this management company for the next month's services.

8. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS (*continued)*

a) Key management compensation *(continued)*

Included in accounts payable at March 31, 2017 was $525 (March 31, 2016 - $525) payable to a director of the Company and $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:

During the year ended March 31, 2017, the Company incurred $39,504 (2016 - $36,131) in legal expenses, $12,102 (Note 5) of which was recorded as mineral property sales expense, from a law firm of which a director and officer is a partner. As at March 31, 2017, $31 (March 31, 2016 - $37,197) was payable to this law firm.

c) The Company has investments in shares and warrants of corporations which current and former directors and officers are in common with the Company. The fair value of these investments was $528,000 at March 31, 2017 (March 31, 2016 - $136,168).

9. COMMITTMENTS

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 year 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		
2018	$	76,869
2019		78,772
2020		80,675
2021		82,578
2022		77,295
	$	396,189

10. INCOME TAXES

Income tax expense (recovery) is recognized based on the weighted average annual income tax rate for the year applied to pre-tax income (loss). The Company's effective tax rate for the year ended March 31, 2017 was 26% (March 31, 2016 - 26%). The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

		Year ended March 31, 2017		Year ended March 31, 2016
Expected income tax expense (recovery)	$	**707,953**	$	(150,473)
Permanent differences		**(157,201)**		9,321
Changes in timing differences and other		**-**		(30,759)
Change in unrecognized deferred tax assets		**(550,752)**		171,911
	$	**-**	$	-

Significant components of the Company's unrecognized deferred tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

		2017		2016
Non-capital losses	**$**	**1,088,684**	$	1,091,805
Capital losses		**-**		27,353
Resource property expenditures		**1,265,232**		1,730,085
Undeducted share issue costs and other		**3,808**		5,113
Investments		**(23,578)**		30,542
		2,334,146		2,884,898
Unrecognized deferred income tax assets		**(2,334,146)**		(2,884,898)
	$	**-**	$	-

At March 31, 2017 the Company had the following accumulated non-capital losses available for utilization in future years. If unused, these losses expire in the following years:

2027		20,492
2028		204,628
2029		399,530
2030		409,518
2031		215,219
2032		409,674
2033		824,034
2034		742,174
2035		737,262
2036		224,717
	$	4,187,248

11. 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.

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 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 March 31, 2017, 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.

11. 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 $205,000 (2016 - $58,000).

f) 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 March 31, 2017, the Company's two top investments had a fair value of $2,371,438 in publicly traded investment and resource companies, representing 56% of the fair value of the Company's total portfolio (March 31, 2016 – $763,455 or 52%).

12. 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 impact from 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 March 31, 2017:

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 assessing the impact the final standard may have on its financial statements and has not yet completed its evaluation.

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 assessing the impact the final standard may have on its financial statements and has not yet completed its evaluation.

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 assessing the impact the final standard may have on its financial statements and has not yet completed its evaluation.