

Planet Ventures Inc.

(formerly Planet Mining Exploration Inc.)

Financial Statements

Six Months Ended September 30, 2017 and 2016

Expressed in Canadian Dollars

(Unaudited – prepared by management)

PLANET VENTURES INC.
(formerly Planet Mining Exploration Inc.)
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September 30, 2017 and 2016

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

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 VENTURES INC.
(formerly Planet Mining Exploration Inc.)
Statements of Financial Position
As at September 30, 2017 and March 31, 2017

	September 30, 2017	March 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,309,822	\$ 306,380
Investments at fair value (Note 4 and 11)	2,832,385	4,252,301
Loan receivable (Note 5)	150,000	150,000
Receivables	14,713	13,753
Prepaid expenses	9,336	11,404
Total current assets	4,316,256	4,733,838
Office rental deposit	29,433	29,433
Total assets	\$ 4,345,689	\$ 4,763,271
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	\$ 28,253	\$ 23,571
Total liabilities	28,253	23,571
EQUITY		
Capital and reserves		
Share capital (Note 7)	14,489,327	14,489,327
Contributed surplus (Note 7)	1,820,510	1,820,510
Deficit	(11,992,401)	(11,570,137)
Total equity	4,317,436	4,739,700
Total liabilities and equity	\$ 4,345,689	\$ 4,763,271

Nature and continuance of operations (Note 1)
Subsequent events (Note 7(c))

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

"Chris Cooper"
Director

"Desmond Balakrishnan"
Director

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

	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Net investment gains (losses)				
Net realized gains (losses) on disposal of investments	\$ 4,058	\$ 23,231	\$ (6,535)	\$ 52,355
Net change in unrealized gains (losses) on investments	(231,032)	(266,756)	(482,479)	114,559
Interest and dividends	1,474	2,997	4,210	4,772
Total net investment gains (losses)	(225,500)	(240,528)	(484,804)	171,686
Expenses				
Commissions	10,310	3,050	16,120	6,235
Consulting	-	-	9,000	-
Insurance	1,841	2,013	4,063	3,812
Management and directors' fees (Note 8)	2,000	1,500	3,000	3,000
Office and administration (Note 8)	16,030	15,135	31,263	48,077
Professional fees	4,536	(13,975)	13,326	(4,143)
Transfer agent and filing fees	7,363	4,681	12,056	10,370
Travel and promotion	537	512	537	512
Total expenses	42,617	12,916	89,365	67,863
Other income				
Consulting income	-	-	151,905	-
Gain on sale of mineral property	-	2,099,999	-	2,099,999
Total other income	-	2,099,999	151,905	2,099,999
Net and comprehensive income (loss) for the period	\$ (268,117)	\$ (1,872,387)	\$ (422,264)	\$ 2,203,822
Basic and diluted income (loss) per common share	\$ (0.004)	\$ (0.027)	\$ (0.006)	\$ 0.032
Weighted average number of common shares outstanding basic and diluted	69,539,190	69,539,190	69,539,190	68,582,906

The accompanying notes are an integral part of these financial statements

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

	<u>Share Capital</u>		Share Subscriptions Received	Contributed Surplus	Deficit	Total
	<i>Number of Shares</i>	Amount				
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 period	-	-	-	-	2,203,822	2,203,822
Change during the period	25,000,000	483,676	(197,500)	-	2,203,822	2,489,998
Balance, September 30, 2016	69,539,190	\$ 14,489,327	\$ -	\$ 1,820,510	\$ (12,089,213)	\$ 4,220,624
Balance, March 31, 2017	69,539,190	\$ 14,489,327	-	\$ 1,820,510	\$ (11,570,137)	\$ 4,739,700
Net loss for the period	-	-	-	-	(422,264)	(422,264)
Change during the period	-	-	-	-	(422,264)	(422,264)
Balance, September 30, 2017	69,539,190	\$ 14,489,327	-	\$ 1,820,510	\$(11,992,401)	\$ 4,317,436

The accompanying notes are an integral part of these financial statements

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

Six months ended September 30,

	2017	2016
Cash flows from (used in) operating activities		
Net income (loss) for the period	\$ (422,264)	\$ 2,203,822
Items not involving cash:		
Net realized (gain) loss on investments	6,535	(133,205)
Net change in unrealized losses on investments	482,479	(433,710)
Stock dividends	4,302	-
Interest accrued	-	(1,788)
	<u>71,052</u>	<u>1,635,119</u>
Adjustments for:		
Proceeds on disposal of investments	1,970,572	404,565
Purchase of investments	(1,043,972)	(386,901)
Gain on sale of mineral property	-	(2,099,999)
Change in receivables	(960)	(7,763)
Change in prepaid expenses	2,068	(23,239)
Change in accounts payable and accrued liabilities	4,682	(40,011)
Net cash used in operating activities	<u>1,003,442</u>	<u>(518,229)</u>
Financing activities		
Share subscriptions received	-	286,176
Net cash provided by financing activities	<u>-</u>	<u>286,176</u>
Change in cash and cash equivalents	1,003,442	(232,053)
Cash and cash equivalents, beginning of period	<u>306,380</u>	<u>314,070</u>
Cash and cash equivalents, end of period	<u>\$ 1,309,822</u>	<u>\$ 82,017</u>
Supplemental cash flow information:		
Interest paid	-	-
Income tax paid	-	-

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Notes to the Condensed Interim Financial Statements
Six Months Ended September 30, 2017 and 2016
(Unaudited – prepared by management)

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 September 30, 2017, the Company had accumulated losses of \$11,992,401. During the six months ended on September 30, 2017 and 2016, the company produced (used) cash from operations of \$1,003,442 and \$(518,229), 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

The condensed interim financial statements for the six months ended September 30, 2017 were prepared in accordance with the International Financial Reporting Standards (“IFRS”) in effect at September 30, 2017. The condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*

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.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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2. BASIS OF PREPARATION (continued)

(c) Significant accounting estimates and judgments (continued)

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 (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. 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).

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Notes to the Condensed Interim Financial Statements
Six Months Ended September 30, 2017 and 2016
(Unaudited – prepared by management)

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

	September 30, 2017			March 31, 2017	
	Level 1	Level 2	Level 3	Level 1	Level 2
Cash and cash equivalents	\$ 1,309,822	\$ -	\$ -	\$ 306,380	\$ -
Investments at fair value:					
Equity investments in public companies (a)	\$ 2,528,523	-	-	\$ 3,830,176	-
Warrants held (b)	\$ -	\$ 248,862	\$ -	\$ -	\$ 266,385
Marketable debenture (c)	\$ -	\$ -	\$ -	\$ 100,740	\$ -
Equity investments in private companies (d)	\$ -	\$ 55,000	\$ -	\$ -	\$ 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.

(c) Marketable debenture

During the year ended March 31, 2017, the Company invested \$100,000 in a 9.46% 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. During the six months ended September 30, 2017 the debentures was converted in the shares of the company.

(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.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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(Unaudited – prepared by management)

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

The determinations of fair value of the Company's privately-held investments at other than initial cost is 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.

Investments at cost and fair value consist of the following:

	September 30, 2017	
	Cost	Fair market value
Equity investments in public companies	\$3,035,799	\$ 2,528,523
Warrants	9,780	248,862
Equity investments in private companies	55,000	55,000
Total	\$ 3,100,579	\$ 2,832,385

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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4. INVESTMENTS AT FAIR VALUE AND FINANCIAL INSTRUMENTS HIERARCHY (continued)

	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

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.

No common shares were issued during the six months ended September 30, 2017.

Subsequent to the period ended September 30, 2017 the Company closed a private placement with the sale of 20,000,000 units at \$0.05 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire an additional common share for \$0.10 per share for a two-year period.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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7. SHARE CAPITAL (continued)

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 September 30, 2017.

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 six months ended September 30, 2017.

	Period Ended September 30, 2017		Year Ended March 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	75,000	\$ 0.15	180,000	\$ 0.18
Expired	75,000	\$ 0.15	(105,000)	\$ 0.20
Cancelled	-	\$ -	-	\$ -
Balance, end of period	-	\$ -	75,000	\$ 0.15
Exercisable, end of period	-	\$ -	75,000	\$ 0.15

There was no stock options outstanding as of September 30, 2017.

Subsequent to the six months ended September 30, 2017 the Company granted 1,000,000 stock options to management and consultants. The options are exercisable at \$0.10 for a period of five years.

d) Share purchase warrants

As at September 30, 2017 and March 31, 2017 the Company did not have any warrants outstanding.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
Notes to the Condensed Interim Financial Statements
Six Months Ended September 30, 2017 and 2016
(Unaudited – prepared by management)

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:

	September 30, 2017	September 30, 2016
Management and administration fees	\$ 30,000	\$ 45,000
Directors' fees	3,000	3,000
Total	\$ 33,000	\$ 48,000

During the six months ended September 30, 2017, the Company incurred \$30,000 (September 30, 2016 - \$45,000) 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.

Included in accounts payable at September 30, 2017 was \$1,500 (March 31, 2017 - \$525) payable to a 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 six months ended September 30, 2017, the Company incurred \$3,326 (2016 - \$Nil) in legal expenses, \$1,787 (Note 5) of which was recorded as name change expense, from a law firm of which a director and officer is a partner. As at September 30, 2017, \$3,357 (March 31, 2017 - \$31) 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 market value of these investments was \$711,120 at September 30, 2017 (March 31, 2017 - \$528,000) and cost \$352,290 (March 31, 2017 - \$415,650).

9. 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 8 (a) for provision of management and administrative services. During the year ended March 31, 2017 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.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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Six Months Ended September 30, 2017 and 2016
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9. COMMITMENTS (continued)

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	\$	38,514
2019		78,772
2020		80,675
2021		82,578
2022		77,295
	<u>\$</u>	<u>357,834</u>

10. 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 September 30, 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.

PLANET VENTURES INC. (formerly Planet Mining Exploration Inc.)
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10. FINANCIAL AND CAPITAL RISK MANAGEMENT (*continued*)

c) Credit risk

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.

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 \$283,000 (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.

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11. CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS (continued)

- f) Concentration risk in the Company's investment portfolio (continued)

As at September 30, 2017, the Company's two top investments had a fair value of \$1,486,505 in publicly traded investment and resource companies, representing 52% of the fair value of the Company's total portfolio (March 31, 2017 – \$2,371,438 or 39,2%).

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 period.

Accounting Standards and Amendments Issued But Not Yet Effective

The following accounting standards were issued but not yet effective as of September 30, 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.