



FIREBIRD RESOURCES INC.

Consolidated Financial Statements
Years Ended April 30, 2017 and 2016
(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Firebird Resources Inc.

We have audited the accompanying consolidated financial statements of Firebird Resources Inc., which comprise the consolidated statements of financial position as at April 30, 2017 and 2016, and the consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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 the auditor's 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, the auditor considers 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 involves evaluating the appropriateness of the 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, these consolidated financial statements present fairly, in all material respects, the financial position of Firebird Resources Inc. as at April 30, 2017 and 2016 and its financial position and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Firebird Resources Inc. to continue as a going concern.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 28, 2017

FIREBIRD RESOURCES INC.Consolidated statements of financial position
(Expressed in Canadian dollars)

	April 30, 2017 \$	April 30, 2016 \$ (Restated – Note 3)
Assets		
Current assets		
Cash	36,836	1,530
Marketable securities (Note 4)	43,000	–
Amounts receivable	2,699	4,750
Loan receivable (Note 6)	13,650	27,301
Total current assets	96,185	33,581
Non-current assets		
Exploration and evaluation assets (Note 5)	42,207	27,812
Total assets	138,392	61,393
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	868,473	962,244
Notes payable (Note 8)	372,000	372,000
Due to related parties (Note 9)	541,800	459,120
Total liabilities	1,782,273	1,793,364
Shareholders' deficit		
Share capital	19,524,482	19,524,482
Share-based payment reserve	2,894,941	2,894,941
Equity portion of convertible debenture	231,092	231,092
Deficit	(24,294,396)	(24,382,486)
Total shareholders' deficit	(1,643,881)	(1,731,971)
Total liabilities and shareholders' deficit	138,392	61,393

Nature of operations and continuance of business (Note 1)
Subsequent event (Note 15)

Approved and authorized for issuance by the Board of Directors on August 28, 2017:

/s/ 'Thomas R. Tough'

Thomas R. Tough, Director

/s/ 'Glen MacDonald'

Glen MacDonald, Director

(The accompanying notes are an integral part of these consolidated financial statements)

FIREBIRD RESOURCES INC.

Consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended April 30, 2017 \$	Year ended April 30, 2016 \$ (Restated – Note 3)
Expenses		
Exploration and evaluation expenditures (Note 5)	–	76,988
General and administrative (Note 9)	37,892	24,270
Management and consulting fees (Note 9)	72,000	119,395
Professional fees	8,067	4,259
Total operating expenses	117,959	224,912
Loss before other income (expense)	(117,959)	(224,912)
Other income (expense)		
Gain on forgiveness of debt (Note 7)	143,424	–
Interest expense	(37,202)	(37,264)
Recovery of exploration and evaluation expenditures (Note 5)	125,417	–
Unrealized loss on marketable securities (Note 4)	(10,750)	–
Write-down of loan receivable and accrued interest (Note 6)	(14,840)	(192,921)
Total other income (expense)	206,049	(230,185)
Net income (loss) and comprehensive income (loss)	88,090	(455,097)
Basic and diluted net income (loss) per share	–	(0.01)
Weighted average number of shares outstanding	81,010,417	81,010,417

(The accompanying notes are an integral part of these consolidated financial statements)

FIREBIRD RESOURCES INC.

Consolidated statements of changes in equity
(Expressed in Canadian dollars)
(Restated – Note 3)

	Share capital		Share-based payment reserve \$	Equity component of convertible debenture \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$				
Balance, April 30, 2015	81,010,417	19,524,482	2,894,941	231,092	(23,927,389)	(1,276,874)
Net loss for the year	–	–	–	–	(455,097)	(455,097)
Balance, April 30, 2016	81,010,417	19,524,482	2,894,941	231,092	(24,382,486)	(1,731,971)
Net income for the year	–	–	–	–	88,090	88,090
Balance, April 30, 2017	81,010,417	19,524,482	2,894,941	231,092	(24,294,396)	(1,643,881)

(The accompanying notes are an integral part of these consolidated financial statements)

FIREBIRD RESOURCES INC.Consolidated statements of cash flows
(Expressed in Canadian dollars)

	Year ended April 30, 2017 \$	Year ended April 30, 2016 \$ (Restated – Note 3)
Operating Activities		
Net income (loss)	88,090	(455,097)
Items not involving cash:		
Recovery of exploration and evaluation expenditures	(125,417)	–
Unrealized loss on marketable securities	10,750	–
Write-down of loan receivable and accrued interest	14,840	192,921
Changes in non-cash working capital items:		
Amounts receivable	862	(876)
Accounts payable and accrued liabilities	(93,771)	110,527
Due to related parties	82,680	145,180
Net cash used in operating activities	(21,966)	(7,345)
Investing Activities		
Exploration and evaluation expenditures	(14,395)	(7,354)
Proceeds of sale of exploration and evaluation assets	71,667	–
Net cash provided by (used in) investing activities	57,272	(7,354)
Financing Activities		
Proceeds from related party loan	–	7,223
Net cash provided by financing activities	–	7,223
Change in cash	35,306	(7,476)
Cash, beginning of year	1,530	9,006
Cash, end of year	36,836	1,530
Non-cash investing and financing activities:		
Fair value of shares received from the sale of exploration and evaluation assets	53,750	–
Exploration and evaluation expenditures in accounts payable and due to related parties	–	77,000
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–
Interest received	–	–

(The accompanying notes are an integral part of these consolidated financial statements)

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

1. Nature of Operations and Continuance of Business

Firebird Resources Inc. (the "Company") was incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 1000, 925 West Georgia Street, Vancouver, BC, V6C 3L2.

On May 20, 2016, the Company entered into an Asset Purchase Agreement (the "Agreement") with Pancontinental Gold Corporation ("Pancon") pursuant to which the Company sold its 70% interest in the Jefferson Gold Project for proceeds of \$71,667 and the issuance of 716,667 common shares of Pancon with a fair value of \$53,750.

These consolidated 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 April 30, 2017, the Company has not generated any revenues from operations, has an accumulated deficit of \$24,294,396, and has a working capital deficit of \$1,686,088. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation and principles of consolidation

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a going concern basis.

The consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

These consolidated financial statements include the accounts of the Company and its wholly-owned, inactive subsidiary, Firebird Gold Inc. All significant inter-company balances and transactions have been eliminated on consolidation.

(b) Use of Estimates and Judgments

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of amounts receivable and loan receivable, impairment of exploration and evaluation assets, and unrecognized deferred income tax assets.

Judgments made by management include the factors used to determine the collectability of the loan receivable and the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Exploration and Evaluation Expenditures

Asset acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of asset acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments relating to assets acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the financial statements upon payment.

Option payments received are treated as a reduction of the carrying value of the related asset until the Company's option and/or royalty payments received are in excess of costs incurred and then are credited to income.

All expenditures related to the cost of exploration and evaluation of assets including acquisition costs for interests in mineral claims are classified and capitalized until the property to which they relate is placed into production, sold, allowed to lapse, or abandoned. These costs will be depleted over the estimated useful life of the property following commencement of commercial production.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices, and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of operations.

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(d) Exploration and Evaluation Expenditures (continued)

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the consolidated statement of operations.

(e) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statements of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

(f) Financial Instruments

(i) Non-derivative financial assets

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

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

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

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash and marketable securities is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the consolidated statement of operations. The Company does not have any assets classified as available-for-sale financial assets.

Loans and receivables

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

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the consolidated statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant accounting policies *(continued)*

(f) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the consolidated statement of operations are not reversed through the consolidated statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

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

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

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

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, notes payable, and amounts due to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital

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

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized through the consolidated statement of operations with a pro-rata portion of the deferred premium.

(i) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

(j) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

2. Significant Accounting Policies (continued)

(k) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations.

(l) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become 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. 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.

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 share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(m) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended April 30, 2017, and have not been applied in preparing these consolidated financial statements.

- New standard IFRS 9, "Financial Instruments"
- Amendments to IFRS 2, "Share-based Payments"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

3. Change in Accounting Policy

In September 2016, the Company changed its accounting policy regarding acquisition and exploration costs. The Company has elected to capitalize all acquisition and exploration costs of exploration and evaluation assets, as per IFRS 6, Exploration for and Evaluation of Mineral Resources, as it better reflects the Company's ongoing activities with respect to its mineral properties. Previously, exploration and evaluation acquisition and exploration costs were expensed as incurred. The impact of the change in accounting policy has been applied on a retroactive basis and had the following effects on the Company's consolidated financial statements:

Consolidated Statement of Financial Position

	As at April 30, 2016		
	As Reported \$	Adjustment \$	As Restated \$
Non-current assets			
Exploration and evaluation assets	–	27,812	27,812
Total assets	33,581	27,812	61,393
Shareholders' deficit			
Deficit	(24,410,298)	27,812	(24,382,486)
Total shareholders' deficit	(1,759,783)	27,812	(1,731,971)
Total liabilities and shareholders' deficit	33,581	27,812	61,393

Consolidated Statement of Operations

	Year ended April 30, 2016		
	As Reported \$	Adjustment \$	As Restated \$
Expenses			
Exploration and evaluation expenditures	84,342	(7,354)	76,988
Net loss for the year	(462,451)	7,354	(455,097)

Consolidated Statement of Changes in Equity

	As Reported	Adjustment	As Restated
	\$	\$	\$
Balance, April 30, 2015	(23,947,847)	20,458	(23,927,389)
Net loss for the year	(462,451)	7,354	(455,097)
Balance, April 30, 2016	(24,410,298)	27,812	(24,382,486)

Consolidated Statement of Cash Flows

	Year ended April 30, 2016		
	As Reported \$	Adjustment \$	As Restated \$
Operating activities			
Net loss	(462,451)	7,354	(455,097)
Net cash used in operating activities	(14,699)	7,354	(7,345)
Investing activities			
Exploration and evaluation asset expenditures	–	(7,354)	(7,354)
Net cash used in investing activities	–	(7,354)	(7,354)

FIREBIRD RESOURCES INC.

Notes to the consolidated financial statements

Years ended April 30, 2017 and 2016

(Expressed in Canadian dollars)

4. Marketable Securities

On May 20, 2016, the Company received 716,667 common shares of Pancon with a fair value of \$53,750 as part of the consideration for the sale of the Jefferson Property. The common shares are held-for-trading and as of April 30, 2017, the fair value of the common shares was \$43,000 (2016 - \$nil). During the year ended April 30, 2017, the Company recorded an unrealized loss of \$10,750 (2016 - \$nil) which has been recorded in the consolidated statements of operations.

5. Exploration and Evaluation Assets

	Mountain of Gold Property \$	Buzzard Property, \$	Total \$
2017			
<i>Acquisition costs:</i>			
Balance, April 30, 2016	800	27,000	27,800
Additions	–	6,593	6,593
Total acquisition costs	800	33,593	34,393
<i>Exploration costs:</i>			
Balance, April 30, 2016	12	–	12
Engineering and geological fees	2,212	–	2,212
General exploration	–	5,590	5,590
Total exploration costs	2,224	5,590	7,814
Balance, April 30, 2017	3,024	39,183	42,207

	Mountain of Gold Property \$	Buzzard Property, \$	Total \$
2016			
<i>Acquisition costs:</i>			
Balance, April 30, 2015	–	20,458	20,458
Additions	800	6,542	7,342
Total acquisition costs	800	27,000	27,800
<i>Exploration costs:</i>			
Balance, April 30, 2015	–	–	–
General exploration	12	–	12
Total exploration costs	12	–	12
Balance, April 30, 2016	812	27,000	27,812

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5. Exploration and Evaluation Expenditures (continued)

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

- i) issue 50,000 common shares on regulatory approval of the agreement;
- ii) issue 50,000 common shares by May 4, 2006; and
- iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for \$1,000,000.

On December 22, 2011, the Company signed a property option agreement with each of Wedona Resources Inc., a private corporation, and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in the Mountain of Gold property by incurring \$250,000 in exploration expenditures and paying cash of \$125,000 (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a three year period until December 31, 2013. The Company received \$25,000 relating to the agreement. During the year ended April 30, 2015, the Company received notification that the optionees had decided not to complete the option agreement.

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

- i) pay US\$3,000 per year for each of the third and fourth years of the lease (paid);
- ii) pay US\$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
- iii) pay US\$5,000 per year for each of the eighth and ninth years of the lease (paid);
- iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US\$15,000 per year; and
- v) production royalty of 3.5% of the gross returns on any mining production.

(c) Jefferson Property, South Carolina

Pursuant to a mineral property option agreement dated June 24, 2010, the Company was granted an option to acquire a 70% undivided interest in mineral claims in South Carolina. In order to keep the option granted to the Company in good standing, the Company is obligated to:

- i) issue common shares with a fair value of \$4,800,000 (issued) by January 31, 2012;
- ii) pay \$200,000 (paid) on or before March 31, 2011;
- iii) pay \$500,000 (paid) on or before June 30, 2011; and
- iv) incur exploration costs of \$495,000 (incurred) by August 31, 2011.

On May 20, 2016, the Company sold its 70% interest in the property to Pancon for proceeds of \$71,667 and the issuance of 716,667 common shares of Pancon with a fair value of \$53,750. The proceeds have been recorded as a recovery of exploration and evaluation expenditures within the consolidated statements of operations, as the acquisition and exploration costs previously incurred on the property were impaired.

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6. Loan Receivable

On July 18, 2011, the Company provided a loan to Velocity Data Inc. (formerly GTO Resources Inc.) ("Velocity Data") for \$700,000. Under the terms of the loan, the amount is unsecured, bears interest at Royal Bank of Canada prime rate plus 3% per annum, compounded semi-annually, and is due on demand. In addition, the loan is convertible into common shares of Velocity Data using a weighted average closing price of the first ten trading days following Velocity Data's listing of their common shares, subject to a minimum conversion price of \$0.10 per share.

The Company recorded the initial value of loan receivable at an amortized cost of \$608,697, using a discount rate of 15%, which is management's estimate of the prevailing market rate for a company of similar size and operations. As at April 30, 2017, the principal balance outstanding is \$13,650 (2016 - \$27,301). During the year ended April 30, 2017, the Company recorded a write-down of \$14,840 (2016 - \$192,921), comprised of \$13,651 (2016 - \$177,461) for the principal balance and \$1,189 (2016 - \$15,460) of accrued interest, as there is uncertainty as to the collection of the remaining amounts receivable. The Company is currently considering legal action to collect all amounts outstanding, including accrued interest.

7. Accounts Payable and Accrued Liabilities

	2017 \$	2016 \$
Trade payables	681,875	812,848
Accrued liabilities	7,000	7,000
Interest payable	179,598	142,396
	<u>868,473</u>	<u>962,244</u>

During the year ended April 30, 2017, the Company recorded a gain of \$143,424 (2016 - \$nil) relating to forgiveness of third-party trade payables.

8. Notes Payable

(a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of \$255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at \$0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at \$0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of \$16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was \$23,908 and the amount attributable to the conversion option and warrants was \$231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at April 30, 2017 and 2016, the carrying value of the note payable is \$255,000.

- (b) On May 15, 2014, the Company received a loan from an unrelated company for \$35,000, which is unsecured, bears interest at 10% per annum, and due on demand.
- (c) On June 13, 2014, the Company received a loan from an unrelated company for \$25,000, which is unsecured, bears interest at 10% per annum, and due on demand.
- (d) On August 12, 2014, the Company received a loan from an unrelated company for \$20,000, which is unsecured, bears interest at 10% per annum, and due on demand.

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8. Notes Payable (continued)

- (e) On January 20, 2015, the Company received a loan from an unrelated company for \$12,000, which is unsecured, bears interest at 10% per annum, and due on demand.
- (f) On April 23, 2015, the Company received a loan from an unrelated company for \$25,000, which is unsecured, bears interest at 10% per annum, and due on demand.

9. Related Party Transactions

- (a) As at April 30, 2017, the Company owed \$531,630 (2016 - \$448,950) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.
- (b) As at April 30, 2017, the Company owed \$10,170 (2016 - \$10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.
- (c) During the year ended April 30, 2017, the Company incurred management fees of \$72,000 (2016 - \$72,000) and rent of \$6,000 (2016 - \$6,000) to a company controlled by the Chief Executive Officer of the Company.

10. Share Capital

Authorized: Unlimited common shares without par value

11. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, April 30, 2015	3,860,000	0.60
Expired	(3,860,000)	0.60
Outstanding, April 30, 2016 and 2017	—	

12. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at April 30, 2017 as follows:

	Fair Value Measurements Using			Balance, April 30, 2017 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	36,836	—	—	36,836
Marketable securities	43,000	—	—	43,000
	79,836	—	—	79,836

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12. Financial Instruments and Risks (continued)

(a) Fair Values (continued)

The fair values of other financial instruments, which include amounts receivable, investments, loan receivable, accounts payable and accrued liabilities, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of accrued interest from the loan receivable and GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk. The Company has minimal transactions in US dollars, and a 10% change in foreign exchange rates would not have a material effect on the Company's consolidated financial statements.

(d) 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 currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and equity portion of convertible debenture.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2016.

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14. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 \$	2016 \$
Canadian statutory income tax rate	26%	26%
Income tax payable (recovery) at statutory rate	22,904	(98,308)
Tax effect of:		
Permanent differences and other	–	17,911
Change in unrecognized deferred income tax assets	(22,904)	80,397
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2017 \$	2016 \$
Deferred income tax assets		
Non-capital losses carried forward	1,711,472	1,737,171
Marketable securities	2,795	–
Resource pools	1,263,890	1,263,890
Total deferred income tax assets	2,978,157	3,001,061
Unrecognized deferred income tax assets	(2,978,157)	(3,001,061)
Net deferred income tax asset	–	–

As at April 30, 2017, the Company has non-capital losses carried forward of \$6,582,585, which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	95,272
2027	159,476
2028	241,374
2029	133,126
2030	211,190
2031	945,293
2032	1,166,878
2033	995,129
2034	804,412
2035	950,833
2036	879,602
	6,582,585

The Company also has available mineral resource related expenditure pools totalling \$4,903,322, which may be deducted against future taxable income on a discretionary basis.

15. Subsequent Event

On May 31, 2017, the Company received \$50,000 in subscription receipts relating to a private placement that has not been completed.