Lions Gate Metals Inc.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements
For the nine month period ended September 30, 2016

(Expressed in Canadian Dollars - unaudited)

LIONS GATE METALS INC.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. They include appropriate accounting principles, judgment and estimates in accordance with IFRS for unaudited consolidated interim financial statements

The Company's independent auditors have not performed a review of these unaudited condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of unaudited condensed interim financial statements by an entity's auditors.

LIONS GATE METALS INC.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollar - unaudited)

	Note	September 30, 2016	December 31, 2015
		$	**$**
Assets			
Current			
Cash		**1,692**	18,377
Available-for-sale investments	**4**	**-**	58,258
Receivables	**5**	**8,674**	10,127
Prepaid expenses		**-**	2,711
		10,366	89,473
Equipment	**6**	**-**	1,166
Reclamation deposit		**60,724**	60,724
Exploration and evaluation assets	**7**	**1,398,754**	3,033,815
		1,459,478	3,095,705
		1,469,844	3,185,178
Liabilities			
Current			
Accounts payable and accrued liabilities		**459,733**	193,891
		459,733	193,891
Equity			
Share capital	**8**	**21,307,337**	21,307,337
Contributed surplus		**5,452,007**	5,452,007
Accumulated other comprehensive income (AOCI)		**-**	9,686
Deficit		**(25,749,233)**	(23,777,743)
		1,010,111	2,991,287
		1,469,844	3,185,178

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on November 28, 2016:

"Ian Harris" Director *"Emily Davis"* Director

LIONS GATE METALS INC.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars – unaudited)

	Note	**Three months ended September 30, 2016**	Three months ended September 30, 2015	**Nine months ended September 30, 2016**	Nine months ended September 30, 2015
Depreciation	**6**	**1,001**	1,230	**1,166**	3,989
Bad debts		**-**	1,159	**-**	1,159
Bank charges and interest		**32**	40	**179**	757
Consulting		**50,000**	-	**50,000**	-
Marketing		**167,777**	-	**167,777**	-
Filing and transfer agent fees		**4,405**	2,337	**13,151**	15,169
Office, rent and administration	**9**	**32,991**	6,908	**54,110**	20,356
Professional fees		**3,143**	-	**14,868**	13,910
Travel, advertising and promotion		**-**	-	**-**	8,980
Adjustment to prior years expenses		**(52,136)**	-	**(52,136)**	-
Loss before following items		**(207,213)**	(11,674)	**(249,115)**	(64,320)
Finance income		**-**	-	**134**	-
Write-down of mineral property interests		**(1,506,663)**	-	**(1,506,663)**	-
Unrealized gain on (Impairment of) available-for-sale investments		**(624)**	(1,372)	**-**	7,532
Realized loss on sale of available-for-sale investment		**(218,994)**	-	**(225,532)**	-
		(1,726,281)	(1,372)	**(1,732,061)**	7,532
Net earnings (loss) for the period		**(1,933,494)**	(13,046)	**(1,981,176)**	(56,788)
Other comprehensive income (loss)					
Items that may be subsequently classified to net loss					
Fair value adjustment on available-for-sale investments		**-**	730	**-**	(7,300)
		-	730	**-**	-
Total comprehensive income (loss) for the period		**(1,933,494)**	(12,316)	**(1,981,176)**	(64,088)
Net earnings (loss) per share					
Basic and diluted		**(1.10)**	(0.01)	**(1.13)**	(0.04)
Weighted average number of common shares outstanding					
Basic and diluted		**1,759,226**	1,759,226	**1,759,226**	1,759,226

LIONS GATE METALS INC.
(An Exploration Stage Company)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars - unaudited)

	Common Shares	Share Capital	Share purchase warrants	Contributed surplus	AOCI	Deficit	Total
	#	$	$	$	$	$	$
Balance at December 31, 2014	**1,759,226**	**21,057,337**	**250,000**	**5,452,007**	**(43,212)**	**(23,513,317)**	**3,202,815**
Unrealized loss on available for sale securities	-	-	-	-	(7,300)	-	(7,300)
Loss for the period	-	-	-	-	-	(56,788)	(56,788)
Balance at September 30, 2015	**1,759,226**	**21,057,337**	**250,000**	**5,452,007**	**(50,512)**	**(23,570,105)**	**3,138,727**
Share purchase warrants expired	-	250,000	(250,000)	-	-	-	-
Unrealized loss on available for sale securities	-	-	-	-	60,198	-	60,198
Loss for the period	-	-	-	-	-	(207,638)	(207,638)
Balance at December 31, 2015	**1,759,226**	**21,307,337**	**-**	**5,452,007**	**9,686**	**(23,777,743)**	**2,991,287**
Unrealized loss on available for sale securities	-	-	-	-	(9,686)	9,686	-
Loss for period	-	-	-	-	-	(1,981,176)	(1,981,176)
Balance at September 30, 2016	**1,759,226**	**21,307,337**	**-**	**5,452,007**	**-**	**(25,749,233)**	**1,010,111**

LIONS GATE METALS INC.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

	Nine month ended September 30, 2016	Nine month ended September 30, 2015
	$	$
Cash flows from operating activities		
Net loss for the year	**(1,981,176)**	(56,788)
Adjustments for:		
Depreciation	**1,166**	3,989
Bad debts	**-**	1,159
Impairment of available-for-sale investments	**-**	(7,532)
Realized loss on sale of available-for-sale investment	**225,532**	-
Write down of mineral property interests	**1,506,663**	-
Changes in non-cash working capital items:		
Receivables	**1,453**	(3,211)
Prepaid expenses and advances	**2,711**	500
Accounts payable and accrued liabilities	**265,842**	30,453
Loan payable	**-**	1,000
Net cash flows from (used in) operating activities	**22,191**	(30,430)
Cash flows from investing activities		
Exploration and evaluation assets	**(96,602)**	(19,209)
Proceeds from sale of marketable securities	**57,726**	-
Net cash flows used in investing activities	**(38,876)**	(19,209)
Decrease in cash	**(16,685)**	(49,639)
Cash, beginning of period	**18,377**	50,794
Cash, end of period	**1,692**	1,155

1. Nature of operations and going concern

Lions Gate Metals Inc. (the “Company”) was incorporated under the British Columbia Corporations Act on March 11, 1981, and is in the business of acquiring, exploring and developing mineral properties. The Company is currently in the exploration stage with mineral properties in Canada. On June 20, 2014 the Company delisted from the TSX Venture Exchange (“TSX-V”) and commenced trading on the Canadian Securities Exchange (“CSE”) on June 23, 2014 under the symbol “LGM”. The Company’s registered and records office is located at 918 – 1030 West Georgia Street, Vancouver, BC, V6E 2Y3.

The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, future profitable production or disposition thereof, and the ability of the Company to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the nine months ended September 30, 2016 the Company incurred a net loss of $1,981,176 (September 30, 2015: $47,682) and as of that date the Company’s deficit was $25,749,233 (December 31, 2015: $23,777,743). As at September 30, 2016, the Company had a working capital deficit of $449,367 (December 31 2015: $104,418), which may not be sufficient to finance exploration and operating costs over the next twelve months without additional funding.

These conditions may cast significant doubt on the Company’s ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of presentation and significant accounting policies

(a) Basis of presentation and statement of compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these financial statements comply with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The condensed consolidated interim financial statements do not include all of the information required of full annual financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015. However, these condensed consolidated interim financial statements provide selected significant disclosures that are required in the annual financial statements under IFRS.

The condensed consolidated interim financial statements have been prepared on an accrual basis, based on historical costs. The condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company’s functional currency.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiary, Canadian Copper & Gold Corp. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

2. Basis of presentation and significant accounting policies (continued)

(c) Significant accounting estimates and judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and judgments. Those areas requiring the use of management estimates and judgments include:

Estimates

(i) Option or sale agreements, under which the Company may receive shares as payment, require the Company to determine the fair value of the shares received. Many factors can enter into this determination, including, if public shares, the number of shares received, the trading value of the shares, and volume of shares, and if non-public shares, the underlying asset value of the shares, or value of the claims under option or sale. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the shares received.

(ii) Recorded costs of flow-through share premium liabilities reflect the premium received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainly and requires the Company to assess the value of non-flow-through shares. This determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability.

(iii) The determination of the fair value of stock options or warrants using stock pricing models requires the input of highly subjective variables, including expected price volatility. Wide fluctuations in the variables could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.

Judgments

(i) Recorded costs of mineral property interests and deferred exploration and evaluation costs are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Management is required, at each reporting period, to review its mineral property interests for signs of impairment. This is a highly subjective process taking into consideration exploration results, metal prices, economics, financing prospects and sale or option prospects. Management makes these judgments based on information available, but there is no certainty that a property is or is not impaired. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

3. Accounting Standards Issued But not yet Effective

New Standard IFRS "Financial Instruments"

This new standard is a partial replacement of International Accounting Standard ("IAS") 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets.

The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian dollars - unaudited)

3. Accounting Standards Issued But not yet Effective (continued)

The Company has not early adopted this revised standard and is currently assessing the impact that it will have on its financial statements.

4. Available-for-sale investments

Available-for-sale investments consist of investments in equity shares. The fair value of the publicly traded shares has been determined directly by reference to published price quotations in an active market. For the nine months ended September 30, 2016 most of the available-for-sale investments were disposed of. The remaining available-for sale investments is deemed to have zero value.

5. Amounts receivable

	September 30, 2016	December 31 2015
	$	$
GST Recoverable	8,674	10,127

6. Equipment

	Computer Equipment
	$
Cost	
Balance, December 31, 2015 and September 30, 2016	4,945
Accumulated depletion and depreciation	
Balance, December 31, 2015	3,779
Amortization	1,166
Balance, September 30, 2016	-
Net book value	
September 30, 2016	-
December 31, 2015	1,116

(Expressed in Canadian dollars - unaudited)

7. Mineral property interests

	Province of Saskatchewan			
	Poplar	Whitford Lake	Howard Lake	Total
	$	$	$	$
Balance, December 31, 2015	**2,651,482**	**305,000**	**77,333**	**3,033,815**
Acquisition costs				
Paid in cash	-	-	-	-
Cash received	-	-	-	-
Paid in available-for-sale investments	(225,000)	-	-	(225,000)
	(225,000)	-	-	(225,000)
Deferred exploration expenditures				
Storage	12,058	-	-	12,058
Claim fees	-	-	6,160	6,160
Miscellaneous	30,952	-	-	30,952
Consulting	37,172	-	10,480	47,652
Write down of mineral property	(1,506,664)	-	-	(1,506,664)
Balance, September 30, 2016	**1,000,000**	**305,000**	**93,973**	**1,398,973**

	Province of Saskatchewan			
	Poplar	Whitford Lake	Howard Lake	Total
	$	$	$	$
Balance, December 31, 2014	**2,891,520**	**305,000**	**15,400**	**3,211,920**
Acquisition costs				
Paid in cash	-	-	78,781	78,781
Cash received	-	-	-	-
Paid in available-for-sale investments	(195,000)	-	-	(195,000)
	(195,000)	-	78,781	(116,219)
Deferred exploration expenditures				
Storage	-	-	-	-
Consulting	-	-	21,819	21,819
Write down of mineral property	(45,038)	-	(38,667)	(83,705)
Balance, December 31, 2015	**2,651,482**	**305,000**	**77,333**	**3,033,815**

7. Mineral property interests (continued)

Poplar mineral property

In prior years, the Company entered into various option agreements to acquire a 100% interest in certain mineral claims, known as the Poplar mineral property interest ("Poplar 1, 2 and 3"), situated in the Omineca Mining District of B.C. The Company has met all required cash payments and share issuances related to these option agreements, and have staked additional adjacent hectares ("Poplar 4") (collectively, "Poplar").

During the year ended December 31, 2014 the Company entered into an agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") to option a 100% interest, subject to existing royalties, in the Poplar property.

On January 8, 2016, the Company amended its agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.).

On November 1, 2016 the Company entered into a purchase agreement to sell the Poplar mineral property for a consideration of 10,000 Class L Redeemable, participating preferred shares of Doctors Investment Group Ltd. at deemed value of $1,000,000. As a result, the property was written down as at September 30, 2016 resulting of an impairment of $1,506,663.

Whitford Lake mineral property

Pursuant to the terms of an Option Agreement dated February 18, 2013, and amended on August 26, 2013, with St. Jacques Mineral Corp., the Company has agreed to acquire an undivided 100% interest in the Whitford Lake Property located in the Athabasca Basin in Saskatchewan. In September 2013, the Company entered into a Whitford Lake Option Assignment Agreement with Palisades, which was later amended on December 1, 2013 and August 18, 2014, whereby it would transfer all of its interest in the Whitford Lake Option Agreement to Palisades.

This property is subject to a 1% NSR one half of which can be purchased by the Company for $750,000 less any NSR amounts previously paid.

During the year ended December 31, 2013 the Company recorded a write down of $119,000 with respect to the Whitford Lake mineral property.

(Expressed in Canadian dollars - unaudited)

7. Mineral property interests (continued)

The following share issuances and cash payments are currently required pursuant to the terms of the Option Agreement and Option Assignment Agreement:

Payable or issuable to:	Payable or issuable by Lions Gate Metals Inc.	Payable or issuable by Palisades
St. Jacques Mineral Corp.	Issuance of 625,000 common shares (issued).	N/A
St. Jacques Mineral Corp.	$300,000 in non-refundable cash payments (paid)	$100,000 in non-refundable cash payments (paid)
Lions Gate Metals Inc.	N/A	Issuance of 4,500,000 CanU common shares (issued) - Note 4
Lions Gate Metals Inc.	N/A	$60,000 in non-refundable cash payments (paid)
Lions Gate Metals Inc.	N/A	$200,000 within 2 days following CanU completing any equity offering generating gross proceeds in excess of $600,000 ($155,000 paid at December 31, 2014)
Lions Gate Metals Inc.	N/A	$100,000 due by December 31, 2014 and $160,000 due November 1, 2015, being thirteen months from the date that CanU was acquired by Palisades, a Canadian public company. (outstanding)
St. Jacques Mineral Corp.	Obligation transferred to Palisades	$750,000 in non-refundable cash payments due by February 18, 2017.
St. Jacques Mineral Corp.	Obligation transferred to Palisades	$3,000,000 of qualifying exploration expenditures to be incurred on the property before February 18, 2017 or the equivalent amount to be paid to the Vendor in cash.

During the year ended December 31, 2014 the former President and CEO of the Company became a director of Palisades Ventures Inc.

Howard Lake mineral property
Pursuant to the terms of an Option Agreement dated September 18, 2014 with St. Jacques Mineral Corp. and Urania Resource Corp. (the "Vendors"), the Company can earn a 100% interest in the Howard Lake Project located on the northeast shore of Howard Lake in Saskatchewan. The current CFO of the Company is the CEO of Urania Resource Corp. The property is subject to a 1% Gross Overriding Royalty ("GORR") that has been granted to the vendors relating to the claims held by each of them. The Company may purchase half of the GORR (0.5%) from each vendor for $1,000,000.

As per the terms of the Option Agreement, the Company must complete the following requirements:

- Transfer the 4,500,000 common shares of Palisades Ventures Inc. shares to the Vendors. (completed)
- Complete no less than $500,000 in qualifying exploration expenditures on the Property within 24 months of signing the agreement.
- Make cash payments of $500,000 to the Vendors on or before the date which is 24 months following the date of signing the agreement.
- Within 5 years of the signing of this Agreement, define a NI143-101 compliant resource of no less than 10,000,000 lbs copper and 25,000,000 lbs nickel on the claims.

7. Mineral property interests (continued)

Howard Lake mineral property (continued)
On August 20, 2016, the Company amended its option agreement for the vendors for the Howard Lake Option Agreement. The Company can earn 100% interest under the amended terms as follows:

- Transfer 4,500,000 common shares of CanU shares to the Vendors; (completed)
- Complete no less than $500,000 in qualifying exploration expenditures on the Property within 36 months of signing of the agreement;
- Pay 2,000,000 shares of Aldever Resources Inc. to St. Jacques Mineral Corp. on or before the August 31, 2016;
- Make a cash payment of $100,000 to St. Jacques Mineral Corp. on or before the date which is 30 months following the date of signing of the agreement;
- Make a further cash payment of $200,000 to Urania Resource Corp. on or before the date which is 30 months following the date of the signing of the agreement; and
- Within 5 years of the signing of the Agreement, define a NI 43-101 compliant resource of no less than 10,000,000 lbs. copper and 25,000,000 lbs. nickel on the Claims, as per Schedule A of the Agreement.

All other terms and conditions of the Option Agreement dated September 18, 2014 shall remain in full force and effect.

A current officer of the Company is also a vendor for the Howard Lake Project.

As at September 30, 2016, the agreement for the Howard Lake Project is in default.

8. Share capital

On November 18, 2016, the common shares of the Company were consolidated on the bases of four pre-consolidation common shares for one post-consolidation common share. The Company’s options were also consolidated on the same four for one basis. All shares are reflected on a post-consolidation basis unless otherwise noted.

a) Authorized

i) Authorized - unlimited number of common shares without par value
ii) Issued and outstanding – 1,759,226 (September 30, 2015: 1,759,226) common shares.

b) Stock options

The Company has a Rolling Incentive Stock Option Plan (“the Plan”) under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or consultants of the Company. A maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. Terms of the Plan, considered to be the most significant, provide that the Directors have the right to grant options to acquire common shares of the Company at a price not less than the closing market price of the shares on the date the Company grants the option, less any discount permitted by the CSE, at terms of up to ten years. The majority of stock options vest immediately on the date of grant unless otherwise required by the CSE or the Board of Directors.

(Expressed in Canadian dollars - unaudited)

8. Share capital (continued)

b) Stock options (continued)

The balance of options outstanding and exercisable for the nine months ended September 30, 2016 is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining life (years)
Balance, December 31, 2014	33,750	$12.60	1.27
Cancelled	-	-	-
Expired	(3,125)	$16.00	
Balance, December 31, 2015	30,625	$12.12	0.39
Cancelled	-	-	
Expired	(21,188)	$12.80	0.75
Balance, September 30, 2016	9,437	$10.56	0.51

At September 30, 2016, the Company had outstanding, fully vested stock options, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price	Weighted average remaining life (years)	Number of options outstanding
April 4, 2017	$10.56	0.51	9,437

9. Related party transactions

Related party transactions for the nine months ended September 30, 2016 and 2015 are as follows:

	September 30 2016	September 30 2015
	$	$
Office services	25,500	18,000
Geological Consulting	9,000	9,000
	34,500	27,000

A loan of $1,600 included in accounts payable and accrued liabilities (September 30, 2015: $1,000) is due to a former officer of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

10. Financial instruments and risk management

a) Fair value of financial instruments

At September 30, 2016 the Company's financial instruments consist of cash, available-for-sale investments, amounts receivable, reclamation deposit, accounts payable and accrued liabilities and due to related parties. The carrying values of these financial instruments other than available for sale investments approximates their fair value because of their short term nature.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Company uses Level 1 inputs to measure available for sale investments.

b) Financial instrument risk

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board approves and monitors the risk management processes:

Credit risk
Credit risk exposure primarily arises with respect to the Company's cash, other receivables and due from related party. The Company places its instruments in banks of high credit worthiness within Canada and continuously monitors the collection of other receivables.

Liquidity risk
Liquidity risk is the risk that the Company cannot meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to settle liabilities and obligations when they become due. As at September 30, 2016 the Company had cash and amounts receivable of $10,366 to settle current liabilities of $458,133, excluding amounts payable to related parties of $1,600.

Market risk
Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

The Company has no foreign exchange rate risk as all amounts are denominated in Canadian dollars. Other than available for sale investments it also holds no financial instruments that expose it to other price risk.

Interest rate and commodity price risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is not significantly exposed to interest rate or commodity price risk.

11. Segmented reporting

The Company operates in one reportable operating and geographic segment, being the exploration and evaluation of mineral properties in Canada.

12. Management of Capital Risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the exploration and development of mineral properties.

In order to maintain or adjust its capital structure the Company may issue new equity if it is available on favorable terms, finance through debt, option its mineral properties for cash and/or expenditure commitments from optionees, enter into joint venture agreements, or dispose of mineral properties.

The Company is dependent on capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets, by the status of the Company's projects in relation to these markets and by its ability to compete for investor support of its projects. The Company is not subject to externally imposed capital requirements and there were no changes in the Company's management of capital during the nine months ended September 30, 2016. The Company's capital structure consists of shareholders' equity, which is comprised of share capital net of accumulated deficit. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and intends to raise additional amounts externally as needed.

13. Segment Reporting

The Company operates in one reportable and geographic segment, being the exploration and evaluation of mineral properties in Canada.

14. Subsequent Events

On November 18, 2016, the Company closed a first tranche of a non-brokered private placement of 13,474,996 units at a price of $0.075 per unit for gross proceeds of $1,010,625. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of $0.10 per share until November 18, 2018. The Company paid $26,280 in cash as finders' fee and issued 5,839,998 finder's warrants in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement.

On November 24, 2016, the Company closed a second tranche of a non-brokered private placement of 6,640,666 units at a price of $0.075 per unit for gross proceeds of $498,050. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of $0.10 per share until November 24, 2018. The Company paid $15,642 in cash as finders' fee and issued 3,476,000 finder's warrants in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement.

On November 24, 2016, the Company issued 1,333,333 units and 2,000,000 units at a price of $0.075 in consideration of the debt settlement in the amounts of $100,000 and $150,000 respectively. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at an exercise price of $0.10 per share until November 24, 2018.