Lions Gate Metals Inc.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2017

(Expressed in Canadian Dollars - unaudited)

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 dollars - unaudited)
As at

	Note	March 31, 2017	December 31 2016
		$	$
Assets			
Current			
Cash		**975,372**	1,025,475
Receivable	**5**	**10,375**	8,619
		985,747	1,034,094
Non-Current			
Reclamation deposits		**60,724**	60,724
Mineral property interests	**7**	**224,447**	214,955
		285,171	275,679
		1,270,918	1,309,773
Liabilities			
Current			
Accounts payable	**9**	**32,349**	35,246
Accrued liabilities		**10,000**	10,000
		42,349	45,246
Equity			
Share capital	**8**	**25,953,521**	25,953,521
Share purchase warrants	**8**	**283,157**	283,157
Option reserve	**8**	**275,478**	125,958
Accumulated other comprehensive income (“AOCI”)		**-**	-
Deficit		**(25,283,587)**	(25,098,109)
		1,228,569	1,264,527
		1,270,918	1,309,773

Nature of operations and going concern (Note 1)

These consolidated financial statements were approved by Board of Directors on May 25, 2017 and were signed on its behalf by:

On behalf of the Board:

“Emily Davis” Director *“Ian Harris”* Director

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

	Note	Three months ended March 31, 2017	Three months ended March 31, 2016
		$	$
Amortization	**6**	**-**	86
Finance fees and bank charges		**55**	67
Filing and transfer agent fees		**11,693**	2,138
Office, rent and administration	**9**	**17,922**	6,039
Professional fees	**9**	**6,399**	1,000
Share-based payments	**8**	**149,520**	-
Loss before other items		**(185,589)**	(9,330)
Finance income		**111**	134
Unrealized gain on available-for-sale investments	**4**	**-**	1,373
		111	1,507
Net loss for the period		**(185,478)**	(7,823)
Other comprehensive income			
Items that may be subsequently classified to net loss			
Fair value adjustment on available-for-sale investments		**-**	(730)
Total comprehensive loss for the period		**(185,478)**	(8,553)
Net loss per share			
Basic and diluted		**(0.01)**	(0.00)
Weighted average number of common shares outstanding			
Basic and diluted		**25,856,201**	1,759,226

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

	Common Shares	Share Capital	Share purchase warrants	Option Reserve	AOCI	Deficit	Total
	#	$	$	$	$	$	$
Balance at December 31, 2015	**1,759,226**	**24,329,658**	**-**	**136,459**	**9,686**	**(21,484,516)**	**2,991,287**
Unrealized loss on available for sale securities	-	-	-	-	(730)	-	(730)
Net loss for the period	-	-	-	-	-	(7,823)	(7,823)
Balance at March 31, 2016	**1,759,226**	**24,329,658**	**-**	**136,459**	**8,956**	**(21,492,339)**	**2,982,734**
Shares issued for cash, net share issue costs (Note 8)	20,763,642	1,373,863	75,433	-	-	-	1,449,296
Shares issued for settlement of accounts payable (Note 8)	3,333,333	250,000	207,724	-	-	-	457,724
Share-based payments (Note 8)	-	-	-	43,594	-	-	43,594
Realized loss on available for sale securities	-	-	-	-	(8,956)	-	(8,956)
Stock options expired/cancelled (Note 8)	-	-	-	(54,095)	-	54,095	-
Net loss for the period	-	-	-	-	-	(3,659,865)	(3,659,865)
Balance at December 31, 2016	**25,856,201**	**25,953,521**	**283,157**	**125,958**	**-**	**(25,098,109)**	**1,264,527**
Share-based payments (Note 8)	-	-	-	149,520	-	-	149,520
Net loss for the period	-	-	-	-	-	(185,478)	(185,478)
Balance at March 31, 2017	**25,856,201**	**25,953,521**	**283,157**	**275,478**	**-**	**(25,283,587)**	**1,228,569**

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

	Three months ended March 31, 2017	Three months ended March 31, 2016
	$	$
Cash flows from operating activities		
Net loss for the period	**(185,478)**	(7,823)
Adjustments for:		
Depreciation	**-**	86
Share-based payments	**149,520**	-
Impairment of available-for-sale investments	**-**	2,283
Changes in non-cash working capital items:		
Receivables	**(1,756)**	(553)
Prepaid expenses and advances	**-**	(2,000)
Accounts payable and accrued liabilities	**(2,897)**	(210)
Net cash used in operating activities	**(40,611)**	(8,217)
Cash flows from investing activities		
Mineral property interests	**(9,492)**	-
Net cash used in investing activities	**(9,492)**	-
Change in cash for the period	**(50,103)**	(8,217)
Cash, beginning	**1,025,475**	18,377
Cash, ending	**975,372**	10,160

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of operations and going concern

Lions Gate Metals Inc. (the "Company") was incorporated under the Canada Business Corporations Act on March 28, 1980, and is in the business of acquiring, exploring and developing mineral properties. The Company is in the exploration stage with mineral properties in Canada. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol "LGM". The Company's registered and records office is located at 918 – 1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3.

These condensed consolidated 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 three months ended March 31, 2017, the Company incurred a net loss of $185,478 (March 31, 2016: $7,823) and as of that date the Company's deficit was $25,283,587 (December 31, 2016: $25,098,109). As at March 31, 2017, the Company had working capital surplus of $943,398 which should be sufficient to finance exploration and operating costs over the next twelve months. Additional financing may be required to acquire new projects and ongoing costs. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

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, 2016. 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) Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and the entities controlled by the Company. These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary Canadian Copper & Gold Corp. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been 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.

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.

(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values

(iii) These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that may cast substantial doubt upon the soundness of this assumption (Note 1).

3. Future and Recently Adopted Accounting Standards

Recently adopted accounting standards

There are no new accounting standards adopted during the current year that have a material impact on the consolidated financial statements.

(Expressed in Canadian dollars - unaudited)

3. Future and Recently Adopted Accounting Standards - continued

Future accounting standards

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after December 31, 2016. Pronouncements that are not applicable or do not have a significant impact to the Company have been excluded from the discussion below.

- IFRS 9 - Financial Instruments; and
- IAS 15 – Revenue from contract with Customers.

The Company does not expect the implementation of these standards to have a significant impact on the Company's results of operations, financial position and disclosures.

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.

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 by reference to published price quotations in an active market. During the year ended December 31, 2016 most of the available-for sale investments were disposed of. The remaining available-for-sale investment has no value (December 31, 2016: $nil).

During the year end December 31, 2016, the Company received 2,500,000 Aldever Resources Inc. ("Aldever") shares as an option payment on the Poplar property and transferred 2,000,000 of the Aldever shares as option payments on the Howard Lake property (Note 7).

5. Receivable

	March 31, 2017	**December 31 2016**
	$	**$**
GST Recoverable	10,375	8,619

6. Equipment

	Computer Equipment
	$
Cost	
Balance, December 31, 2015, 2016 and March 31, 2017	4,945
Accumulated amortization	
Balance, December 31, 2015	3,779
Amortization	1,116
Balance, December 31, 2016 and March 31, 2017	4,945
Net book value	
March 31, 2017	-
December 31, 2016	-

(Expressed in Canadian dollars - unaudited)

7. Mineral property interests

	Poplar	Whitford Lake	Howard Lake	Total
	$	$	$	$
Balance, December 31, 2015	**2,651,482**	**305,000**	**77,333**	**3,033,815**
Acquisition costs				
Option payments paid (received) in shares	(500,000)	-	120,000	(380,000)
	(500,000)	-	120,000	(380,000)
Deferred exploration expenditures				
Storage	12,058	-	-	12,058
Claim fees	-	-	6,160	6,160
Consulting	37,171	(201)	11,462	48,432
Miscellaneous	30,952	-	-	30,952
	80,181	(201)	17,622	97,602
Write down of mineral property	(2,231,663)	(304,799)	-	(2,536,462)
Balance, December 31, 2016	**-**	**-**	**214,955**	**214,955**

	Howard Lake	Total
	$	$
Balance, December 31, 2016	**214,955**	**214,955**
Acquisition costs		
Option payments paid (received) in shares	-	-
	-	-
Deferred exploration expenditures		
Claim fees	9,242	9,242
Consulting	250	250
	9,492	9,492
Balance, March 31, 2017	**224,447**	**224,447**

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, located in the Omineca Mining District of B.C. The Company has met all required cash payments and share issuances related to these option agreements.

During the year ended December 31, 2014 the Company entered into an agreement with Aldever to option a 100% interest, subject to existing royalties, in the Poplar property. During the year ended December 31, 2015, The Company received 1,500,000 Aldever shares with a fair value of $195,000 as option payments and recorded an impairment of $45,038.

On January 8, 2016, the Company amended its agreement with Aldever and received 2,500,000 of Aldever shares with a fair value of $500,000 (Note 4). The agreement was defaulted by Aldever during 2016.

7. Mineral property interests - continued

Poplar mineral property - continued

On November 1, 2016, the Company entered into a sale agreement to sell the Poplar mineral property for a consideration of 10,000 Class L Redeemable, participating preferred shares of Doctors Investment Group Ltd. As the fair value of the preferred shares are not readily measurable, no value was attributed to the preferred shares. An impairment of $2,231,663 on the Poplar property was recorded as a result of the sale of this property.

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 had 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 Canadian Uranium Corp. (“CanU”), which was later amended on December 1, 2013 and August 18, 2014, whereby the Company would transfer all of its interest in the Whitford Lake Option Agreement to CanU. 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, 2015, the Option Agreement for Whitford Property went into default. The company did not extend the option agreement during the year ended December 31, 2016. Accordingly, the accumulated costs of $304,799 were written off as at December 31, 2016.

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 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.

On August 20, 2016, the Company amended its option agreement with 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 in 2014);
- Complete no less than $500,000 in qualifying exploration expenditures on the Property within 36 months of signing of the agreement;
- Transfer 2,000,000 shares of Aldever to St. Jacques Mineral Corp. on or before the August 31, 2016; (completed at fair value of $120,000)
- 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 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 property.

During the year ended December 31, 2015, the Company recorded a write-down of $38,667 due to the lapse of two claims with respect of the Howard Lake mineral property.

8. Share capital

On November 18, 2016 the common shares of the Company were consolidated on the basis of four pre-consolidation common shares for one post-consolidation common share. The Company's options and warrants were also consolidated on the same basis. All shares, options and warrant information are reflected on a post-consolidation basis.

a) Authorized

i) Authorized - unlimited number of common shares without par value
ii) Issued and outstanding – 25,856,201 (December 31, 2016: 25,856,201) common shares.

b) Share issuances

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 $15,412 in cash as broker's fee, issued 458,100 finder's shares with a fair value of $34,358 and issued 458,100 finder's warrants with a fair value of $28,629 in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement. The fair value of finder's warrants was determined using the Black-Scholes Pricing Model using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the private placement are subject to a contractual resale restriction provided that one third of the securities will be released every four months from the November 18, 2016 closing date.

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 $43,967 in cash as broker's fee, issued 189,880 finders' shares with a fair value of $14,241 and issued 748,840 finder's warrants with a fair value of $46,804 in relation to the financing. Each finder's warrant carries the same terms as those issued for the private placement. The fair value of the finder's warrants was determined using the Black-Scholes Pricing Model using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the private placement are subject to a contractual resale restriction provided that one thid of the securities will be released every four months from the November 24, 2016 closing date.

On November 24, 2016, the Company issued 1,333,333 units and 2,000,000 units at a fair value of $0.075 in consideration of settlements of accounts payable 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. The fair value of the share purchase warrants was determined to be $207,724 using the following assumptions: Risk-free rate of 0.67%; Expected life of 2 years, Expected volatility of 125% and dividend yield of nil. All securities issued in the settlement are subject to a contractual resale restriction provided that one third of the securities will be released every four months from the November 24, 2016 closing date. The Company recorded a loss on settlement of $207,724.

(Expressed in Canadian dollars - unaudited)

8. Share capital – continued

c) Share purchase warrants

The balance of warrants outstanding and exercisable for as at March 31, 2017 is as follows:

	Number of shares	Weighted average exercise price
		$
Balance, December 31, 2015	-	-
Issued	24,655,935	0.10
Balance, December 31, 2016 and March 31, 2017	24,655,935	0.10
Warrants exercisable, March 31, 2017	8,218,645	0.10
Weighted average remaining contractual life		1.64 years

	Warrants outstanding				Warrants exercisable	
Expiry Date	Exercise Price	Warrants	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Warrants	Weighted Average Exercise Price
	$		$			$
November 18, 2018	0.10	13,933,096	0.10	0.92	4,644,365	0.10
November 24, 2018	0.10	10,722,839	0.10	0.72	3,574,280	0.10
		24,655,935	0.10	1.64	8,218,645	0.10

d) 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.

On December 8, 2016, the Company granted 2,375,000 stock options to directors and consultants of the Company at an exercise price of $0.165 per common share for a period of five years ending December 8, 2021. The stock options vest as at 25% every three months after the grant date. The fair value of the options granted was determined to be $329,703 using the following assumptions: Risk-free rate of 1.07%; Expected life of 5 years, Expected volatility of 125% and dividend yield of nil. During the three months ended March 31, 2017, the Company recognized share-based payment of $149,520 (2016: $nil) in net loss.

(Expressed in Canadian dollars - unaudited)

8. Share capital - continued

d) Stock options - continued

The balance of stock options outstanding and exercisable for as at March 31, 2017 is as follows:

	Number of shares	**Weighted average exercise price**
		$
Balance, December 31, 2015	30,625	12.12
Cancelled/expired	(24,312)	10.56
Granted	2,375,000	0.165
Balance, December 31, 2016 and March 31, 2017	2,381,313	0.19
Options exercisable, March 31, 2017	600,063	0.27
Weighted average remaining contractual life		4.68 years

	Options outstanding				**Options exercisable**	
Expiry Date	Exercise Price	Options	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Options	Weighted Average Exercise Price
	$		$			$
April 17, 2017	10.56	6,313	10.56	-	6,313	10.56
December 8, 2021	0.165	2,375,000	0.165	4.68	593,750	0.165
		2,381,313	0.19	4.68	600,063	0.27

Subsequent to March 31, 2017, 6,313 fully vested stock options expired unexercised.

e) Reserves

Share purchase warrant reserve records fair value of the warrants issued as part of the units in private placement and issued for finders until such time that the warrants are exercised or expired, at which time the corresponding amount will be transferred to share capital. The reserve also records fair value of the warrant issued for services other than finders until such time that the warrants are exercised or expired, at which time the corresponding amount will be transferred to share capital or charged to deficit, respectively.

Option reserve records fair value of the stock options issued for services until such time that the options are exercised or expired, at which time the corresponding amount will be transferred to share capital or charged to deficit, respectively.

(Expressed in Canadian dollars - unaudited)

9. Related party transactions

Related party transactions to former key management of the Company for the three months ended March 31, 2017 and 2016 were as follow:

	Three months ended March 31, 2017	Three months ended March 31, 2016
	$	$
Geological consulting fees	-	3,000
Office services fees	-	6,000
	-	9,000

The amounts due to related parties are non-interest bearing and payable on demand and are comprised of $nil (March 31, 2016: $2,100) for director fees payable to former directors and $nil (March 31, 2016: $40,557) for salaries payable to the former President.

10. Financial instruments and risk management

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 is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk is assessed low.

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 March 31, 2017, the Company had cash and receivables of $985,747 to settle current liabilities of $42,349. Liquidity risk was assessed as low.

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.

Foreign currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company has no foreign exchange rate 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. Capital management

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 quarter ended March 31, 2017. 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.