SBD CAPITAL CORP.

(FORMERLY WHITE PINE RESOURCES INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2017 AND 2016

SBD CAPITAL CORP.
(FORMERLY WHITE PINE RESOURCES INC.)
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
SEPTEMBER 30, 2017

The accompanying condensed unaudited interim financial statements of SBD Capital Corp. (formerly White Pine Resources Inc., the "Company") were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the financial statements together with other financial information. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL RESULTS

Pursuant to National Instrument 51- 102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the 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 consolidated financial statements of the Company as at September 30, 2017, and for the three and six months ended September 30, 2017 and 2016, have been prepared in accordance with IFRS and are the responsibility of the Company's management. The interim financial statements and related financial reporting matters have been reviewed and approved by the Audit Committee. The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements as at and for the three and six months ended September 30, 2017 and 2016 in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited - in Canadian dollars)

	Note	September 30, 2017	March 31, 2017 (Audited)
ASSETS			
Current			
Cash and cash equivalents		$ 138,353	$ 9,841
Accounts receivable		8,221	-
HST receivable		43,093	19,757
Prepaid expenses		8,921	-
Loans and advances		1,278	-
		199,866	29,598
Mineral interests	6	-	1
Inventory		48,103	-
Goodwill	5	7,810	-
		$ 255,779	$ 29,599
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 102,423	$ 198,849
Loans payable		-	28,900
		102,423	227,749
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Capital stock	7(a)	34,942,949	34,738,846
Issuable capital stock		17,500	1,900
Contributed surplus		10,200,621	9,954,845
Deficit		(45,007,714)	(44,893,741)
		153,356	(198,150)
		$ 255,779	$ 29,599

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved on behalf of the board:

"Roger Peacock" Director
"Brian Murray" Director

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2017 and 2016
(Unaudited - in Canadian dollars)

	Note	Three Months 2017	Three Months 2016	Six Months 2017	Six Months 2016
Revenue					
Sales of product		**$ 27,271**	$ -	**$ 27,271**	$ -
Direct costs					
AGLC liquor tax		**(8,243)**	-	**(8,243)**	-
Cost of goods sold		**(484)**	-	**(484)**	-
Shipping, freight and delivery		**(4,526)**	-	**(4,526)**	-
Total direct costs		**(13,253)**	-	**(13,253)**	-
Gross margin		**14,018**	-	**14,018**	-
Expenses					
Management fees	8	**$ 19,500**	$ -	**$ 34,500**	$ -
Consulting fees		**11,600**	50,000	**20,600**	100,000
Professional fees		**6,235**	18,110	**16,235**	41,383
Office, general and administrative		**19,394**	-	**19,795**	77
Amortization		**-**	199	**-**	394
Transfer agent fees		**34,967**	885	**36,286**	3,938
Interest and bank charges		**402**	120	**574**	241
Total expenses		**(92,098)**	(69,312)	**(127,990)**	(146,033)
Net (loss) before assignment of asset		**$ (78,080)**	$ (69,312)	**$ (113,972)**	$ (146,033)
Assignment of asset	6	-	-	**(1)**	-
Net (loss) and comprehensive (loss) for the period		**$ (78,080)**	$ (69,312)	**$ (113,973)**	$ (146,033)
Loss per share					
Basic and fully diluted	11	**$ (0.01)**	$ (0.10)	**$ (0.02)**	$ (0.22
Weighted average number of common shares outstanding, basic and diluted		**8,591,749**	678,971	**6,385,360**	678,971

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2017 and 2016
(Unaudited - in Canadian dollars)

		Capital Stock		Issuable Capital stock				
	Note	Number of shares	Amount	Number of shares	Amount	Contributed surplus	Deficit	Total
Balance at March 31, 2016		678,971	$ 34,738,846	-	$ -	$ 9,954,845	$ (44,686,646)	$ 7,045
Issuable shares		-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	-	(146,033)	(146,033)
Balance at September 30, 2016		678,971	$ 34,738,846	-	$ -	$ 9,954,845	$ (44,832,679)	$ (138,988)
Issuable shares		-	-	95,000	1,900	-	-	1,900
Net loss for the year		-	-	-	-	-	(61,062)	(61,062)
Balance at March 31, 2017		678,971	$ 34,738,846	95,000	$ 1,900	$ 9,954,845	$ (44,893,741)	$ (198,150)
Shares issued for cash	7(a)(iii), (iv)	14,000,000	280,000	(95,000)	(1,900)	-	-	278,100
Shares issued for acquisition of Secret Barrel	7(a)(v)	2,000,000	40,000	-	-	-	-	40,000
Shares issued for debt settlement	7(a)(i), (ii)	6,550,000	131,000	-	-	-	-	131,000
Issuable shares	7(a)(vi)	-	-	875,000	17,500	-	-	17,500
Fair value on warrants	7(c)	-	(245,776)	-	-	245,776	-	-
Share issue costs		-	(1,121)	-	-	-	-	(1,121)
Net loss for the period		-	-	-	-	-	(113,973)	(113,973)
Balance at September 30, 2017	7(a)	23,228,971	$ 34,942,949	875,000	$ 17,500	$ 10,200,621	$ (45,012,987)	$ 153,356

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

SBD CAPITAL CORP. (FORMERLY WHITE PINE RESOURCES INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2017 and 2016
(Unaudited - in Canadian dollars)

	Three Months		Six Months	
	2017	2016	**2017**	2016
Cash flows from operating activities				
Net loss for the period	**$(78,080)**	$ (69,312)	**$ (113,973)**	$ (146,033)
Adjustments not effecting cash:				
Amortization	**-**	197	**-**	394
Assignment	**-**	-	**1**	-
Working capital on acquisition of Secret Barrel	**15,341**	-	**15,341**	-
Changes in non-cash working capital				
Accounts receivable	**(8,221)**	(1,094)	**(8,221)**	(2,430)
HST receivable	**(20,765)**	-	**(23,336)**	-
Advance receivable	**31,500**	-	**-**	-
Inventory	**8,384**	-	**8,384**	-
Accounts payable and accrued liabilities	**(103,994)**	-	**(66,249)**	-
Cash flows used in operating activities	**(155,835)**	(2,822)	**(188,053)**	(7,554)
Cash flows from financing activities				
Issuance of common shares, net of issuance costs	**278,880**	-	**278,880**	-
Cash on acquisition of Secret Barrel	**12,263**	-	**12,263**	-
Issuance of common shares on acquisition of Secret Barrel	**40,000**	-	**40,000**	-
Cash received from issuable shares	**14,900**	-	**15,600**	-
Loan payable	**(56,178)**	-	**(30,178)**	-
Cash flows provided by financing activities	**289,865**	-	**316,565**	-
Net increase (decrease) in cash and cash equivalents	**134,030**	(2,822)	**128,512**	(7,554)
Cash and cash equivalents, beginning of period	**4,323**	8,192	**9,841**	12,924
Cash and cash equivalents, end of period	**$138,353**	$5,370	**$138,353**	$5,370

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

1. NATURE OF OPERATIONS AND GOING CONCERN

SBD Capital Corp. (formerly White Pine Resources Inc., "the Company") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979. The Company was engaged in acquiring controlling interests in industrial companies in the manufacturing and distribution business. The Company's registered office is located at Suite 520, 65 Queen Street West, Toronto, Ontario, M5H 2M5.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from September 30, 2017. However, The Company is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively the Company's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that the Company's funding initiatives will continue to be successful and these condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

The current market conditions and volatility increase the uncertainty of the Company's ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows of $188,053 for the six months ended September 30, 2017 and has a working capital surplus of $97,443 as at September 30, 2017 (March 31, 2017 - working capital deficit of $198,151). The Company will continue to search for new or alternate sources of financing in order to continue development of its products but anticipates that the current market conditions may impact the ability to source such funds. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed interim consolidated statement of financial position.

On July 25, 2017, the Company entered into a share exchange agreement with Secret Barrel Distillery ("Secret Barrel") pursuant to which the Company has acquired from the Secret Barrel shareholders all of the issued and outstanding shares of Secret Barrel in exchange for 2,000,000 common shares in the capital of the Company and a working capital advance to Secret Barrel of $175,000 (the "Acquisition"). Secret Barrel is a private company incorporated pursuant to the laws of Alberta. Upon completion of the Acquisition, Secret Barrel became a wholly-owned subsidiary of the Company, see Note 5.

2. BASIS OF PRESENTATION

Statement of Compliance

The condensed interim unaudited consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and therefore, do not contain all disclosures required by International Financial Report Standards ("IFRS") for annual financial statements.

The policies applied in these condensed interim unaudited consolidated financial statements are consistent with the policies disclosed in Notes 2 and 3 of the audited annual financial statements for the year ended March 31, 2017, except as disclosed in Note 3 to these condensed interim consolidated financial statements.

2. BASIS OF PRESENTATION (Continued)

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2017.

Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Secret Barrel. All significant intercompany balances and transactions have been eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in income. An acquisition is recorded on the date on which the Company obtains control of the acquired subsidiary or business. Acquisition related costs associated with business combinations are expensed as incurred.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following has not yet been adopted and is being evaluated to determine the impact on the Company.

(i) IFRS 9 Financial Instruments - In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments." The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. IFRS 9 will be applied by the Company on January 1, 2018 and the Company is currently evaluating the impact of the standard on its financial statements.

(ii) IFRS 15 Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" which replaces IAS 18 "Revenue," IAS 11 "Construction Contracts," and related interpretations. The standard is required to be adopted for fiscal years beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 15 will be applied by the Corporation on January 1, 2018 and the Company is currently evaluating the impact of the standard on its financial statements.

(iii) IFRS 16 Leases - In January 2016, the IASB issued IFRS 16 "Leases", which replaces IAS 17 "Leases". For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition of assets and liabilities for most leases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The extent of the impact of adoption of this standard has not yet been determined.

(Unaudited - in Canadian dollars)

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

(i) **Business combinations**

In a business combination, management makes estimates of the fair value of the assets acquired and liabilities assumed.

5. ACQUISITIONS

On July 25, 2017, the Company acquired all of the issued and outstanding shares of Secret Barrel. The acquired business was purchased for $40,000, paid by the issuance of 2,000,000 common shares $0.02 per share. The transaction was accounted for as business combination under IFRS 3 - "Business Combinations" as the transaction met the definition of a business.

The following table summarizes the transaction and the purchase price allocation:

Consideration paid	$	40,000
Net assets acquired, at estimated fair value		
Cash	$	12,263
Net working capital items		(19,792)
Inventory		39,719
Goodwill		7,810
Consideration received	$	40,000

From the date of acquisition to September 30, 2017, the acquisition of Secret Barrel contributed approximately $27,271 of revenue and $41,530 of loss to the Company. If the acquisition had been effective April 1, 2017, the Company would have realized an estimated $34,940 of revenue and an estimated additional $46,803 of loss.

At the time the condensed interim consolidated financial statements were authorized for issue, the Company had not yet completed the accounting for the above acquisition. In particular, the purchase allocations of the fair values of the assets acquired and consideration paid disclosed have only been determined provisionally as the valuations have not been finalized.

6. EXPLORATION AND EVALUATION ASSETS

The Company held an option agreement to earn up to 70% in a property. However, the Company had decided to let those claims lapse in 2012 as it was their decision not to further pursue the property and as a result, all costs associated with the property were written off to operations in fiscal 2012.

Property	Balance March 31, 2016 and 2017	Option & acquisition costs	Exploration	Disposition (Assignment)	Balance June 30, 2017
Lowland	$ 1	$ -	$ -	$ (1)	$ -

Lowland

During the previous quarter, the Company assigned its interest in the Lowland property to a non-related party for $nil proceeds.

(Unaudited - in Canadian dollars)

7. CAPITAL STOCK

(a) **Common shares**

Authorized capital - Unlimited number of common shares
- Unlimited number of special shares
- 500,000 preference shares

	Number of shares		Amount
Balance, March 31, 2017 and 2016	678,971	$	34,738,846
Shares issued for debt settlement (i), (ii)	6,550,000		131,000
Issued for cash (iii), (iv)	14,000,000		280,000
Shares issued for acquisition of Secret Barrel (v)	2,000,000		40,000
Fair value on warrants			(245,776)
Share issuance costs (iv)			(1,121)
Balance, September 30, 2017	23,228,971	**$**	**34,942,949**

On January 25, 2017, the Company executed the consolidation of the outstanding common shares on the basis of 50 existing common shares for one new common share. This resulted in a reduction of outstanding shares from 33,966,533 to 678,971. The 50 to 1 consolidation affected all of the Company's outstanding common shares as at the effective date; as a result, the prior year presentation in the condensed interim financial statements has been restated.

(i) In July 2017, the Company settled an aggregate of $8,000 of indebtedness through the issuance of 400,000 shares at a price of $0.02 per share.

(ii) In August 2017, the Company settled an aggregate of $123,000 of indebtedness through the issuance of an aggregate of 6,150,000 units of the Company. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per a common share for a period of 36 months from the date of issuance.

(iii) In August 2017, the Company completed a non-brokered private placement through the issuance of 150,000 common shares at a price of $0.02 per common share for gross proceeds of $3,000.

(iv) In August 2017, the Company completed a non-brokered private placement through the issuance of 13,850,000 units at a price of $0.02 per unit for aggregate gross proceeds of $277,000. Each unit consist of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one common share at a price of $0.10 per a common share for a period of 36 months from the date of issuance. In connection with this financing, the Company paid cash commissions of $1,121.

(v) In August 2017, the Company issued 2,000,000 common shares at a price of $0.02 per common share for the acquisition of Secret Barrel (see Note 5).

(vi) Issuable shares are for $17,500 of funds that has been received for 875,000 shares, but the shares have not been issued.

(Unaudited - in Canadian dollars)

7. CAPITAL STOCK (Continued)

(b) Stock option plan and share-based compensation

The Company has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The current number of common shares reserved for issuance upon the exercise of options granted pursuant to the Plan is 67,897. The number of common shares which may be reserved for issue to any one individual under the Plan within any one-year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

The following table summarizes information concerning the Company's stock options outstanding as at September 30, 2017:

	Number of Options	Weighted Average Exercise Price
Outstanding as at March 31, 2016	16,300	$ 31.00
Expired	(16,300)	31.00
Outstanding as at March 31, 2017 and September 30, 2017	-	$ -

The Company has no outstanding stock options at September 30, 2017.

(c) Warrants

The following table summarizes warrants that have been issued, exercised or have expired during the period ended September 30, 2017:

	Number of Warrants	Fair Value	Weighted Average Exercise Price
Balance, March 31, 2017	-	$ -	$ -
Issued	20,000,000	245,776	0.10
Balance, September 30, 2017	20,000,000	$ 245,776	$ 0.10

The fair value of warrants issued in the period ended September 30, 2017 of $245,776 (September 2016 - $Nil) has been estimated using the Black-Scholes pricing model.

At September 30, 2017, the following warrants were outstanding and exercisable. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Number of Warrants	Weighted Average Exercise Price	Fair Value	Expiry Date
20,000,000	$ 0.10	$ 245,776	August 16, 2020
20,000,000		$ 245,776	

(Unaudited - in Canadian dollars)

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying condensed interim financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

		September 30, 2017		September 30, 2016
Short-term benefits*	$	34,500	$	20,000
Legal fees were charged by a director	$	-	$	26,033

*includes base salaries pursuant to contractual employment, or consultancy arrangements. These have been recorded in consulting fees and management fees.

As at September 30, 2017, loans payable consists of $Nil (March 31, 2017 - $12,900) to companies controlled by officers and directors of the Company. The loans are non-interest bearing and have no specific terms of repayment.

As at September 30, 2017, the Company owes the former president of the Company for compensation $Nil (March 31, 2017 - $40,000) included in accounts payable. Also in accounts payable is $26,555 (March 31, 2017 - $18,080) to companies controlled by officers and directors of the Company.

9. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, loans and advances, accounts payable and accrued liabilities, and loans payable. The fair value of the Company's accounts receivables, loans and advances, accounts payable and accrued liabilities, and loans payable approximate their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash and cash equivalents are recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

9. FINANCIAL RISK FACTORS (Continued)

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

The Company has cash balances, and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of September 30, 2017, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

As at September 30, 2017, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at September 30, 2017, the Company held cash of $138,353 (March 31, 2017 - $9,841) to settle current liabilities of $102,423 (March 31, 2017 - $227,749). All of the Company's non-provision liabilities are due with the next fiscal year.

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. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank.

10. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at September 30, 2017 the Company's capital stock was $34,942,949 (March 31, 2017 - $34,738,846).

There were no changes in the Company's approach to capital management during the period ended September 30, 2017 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

11. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the period ended September 30, 2017, this would be anti-dilutive.