ALBA MINERALS LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2016 AND 2015

(EXPRESSED IN CANADIAN DOLLARS)

MANNING ELLIOTT
ACCOUNTANTS & BUSINESS ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Alba Minerals Ltd.

We have audited the accompanying consolidated financial statements of Alba Minerals Ltd. which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of comprehensive loss, cash flows and changes in equity for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained through our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Alba Minerals Ltd. as at December 31, 2016 and 2015, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 2b in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Alba Minerals Ltd. to continue as a going concern.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
April 28, 2017

ALBA MINERALS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

		2016		2015
ASSETS				
Current				
Cash	$	**340,615**	$	3,338
GST recoverable		**3,004**		2,708
Prepaid expenses		**-**		1,250
		343,619		7,296
Mineral properties exploration (Note 4)		**288,761**		130,262
	$	**632,380**	$	137,558
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 8(b))	$	**159,103**	$	54,459
Loan from related parties (Note 8(c))		**34,296**		-
		193,399		54,459
SHAREHOLDERS' EQUITY				
Share capital (Note 5)		**9,561,029**		9,064,279
Subscriptions received		**176,000**		-
Contributed surplus		**773,420**		773,420
Deficit		**(10,071,468)**		(9,754,600)
		438,981		83,099
	$	**632,380**	$	137,558

Going concern of operations (Note 2b)

Approved on behalf of the Board on April 28, 2017:

“Arthur Brown”
Arthur Brown, Director

“Sandy MacDougall”
Sandy MacDougall, Director

(The Accompanying Notes form an Integral Part of These Consolidated Financial Statements)

ALBA MINERALS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

		2016		2015
EXPENSES				
Accounting and audit fees	**$**	**37,403**	$	29,200
Consulting fees		**58,353**		-
Filing fees		**7,378**		-
Investor relations		**425**		-
Legal (Note 8(a))		**45,089**		8,526
Management fees		**55,000**		10,000
Office and general		**8,448**		12,215
Promotion and travel		**55,207**		1,947
Rent		**-**		2,540
Transfer agent and regulatory fees		**8,484**		12,820
LOSS BEFORE OTHER EXPENSES		**(275,787)**		(77,248)
OTHER EXPENSES				
Loss on write-off of mineral property		**-**		(124,327)
Interest and finance expense		**(41,081)**		(881)
		(41,081)		(125,208)
NET LOSS AND COMPREHENSIVE LOSS	**$**	**(316,868)**	$	(202,456)
LOSS PER SHARE – BASIC AND DILUTED	**$**	**(0.04)**	$	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		**9,028,803**		8,152,091

(The Accompanying Notes form an Integral Part of These Consolidated Financial Statements)

ALBA MINERALS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

		2016		2015
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the year	**$**	**(316,868)**	$	(202,456)
Item not involving cash:				
Loss on write-off of mineral property		**-**		124,327
		(316,868)		(78,129)
Changes in non-cash working capital balances:				
Decrease in amounts receivable		**-**		8,946
Increase in GST recoverable		**(296)**		(322)
Decrease in prepaid expenses		**1,250**		1,406
Increase in accounts payable and accrued liabilities		**104,644**		22,648
		(211,270)		(45,451)
FINANCING ACTIVITIES				
Share subscriptions received		**176,000**		-
Proceeds from issuance of common stock		**500,000**		-
Share issuance costs		**(3,250)**		-
Loan from related parties		**34,296**		-
		707,046		-
INVESTING ACTIVITIES				
Mineral properties acquisition and exploration		**(158,499)**		(1,850)
Receipt of reclamation deposit		**-**		12,000
		(158,499)		10,150
INCREASE/(DECREASE) IN CASH		**337,277**		(35,301)
CASH, BEGINNING OF YEAR		**3,338**		38,639
CASH, END OF YEAR	**$**	**340,615**	$	3,338
SUPPLEMENTAL CASH FLOW INFORMATION				
Cash paid for:				
Interest	**$**	**41,081**	$	-
Income taxes	**$**	**-**	$	-

(The Accompanying Notes form an Integral Part of These Consolidated Financial Statements)

ALBA MINERALS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(Expressed in Canadian Dollars)

	Number of Common Shares		Amount of Common Shares		Subscriptions Received		Contributed Surplus		Deficit		Total
As at December 31, 2014	8,152,091	$	9,064,279	$	-	$	773,420	$	(9,552,144)	$	285,555
Net loss for the year	-		-		-		-		(202,456)		(202,456)
As at December 31, 2015	8,152,091	$	9,064,279	$	-	$	773,420	$	(9,754,600)	$	83,099
Issuance of common share for cash	10,000,000		500,000		-		-		-		500,000
Share issuance costs	-		(3,250)		-		-		-		(3,250)
Subscription received	-		-		176,000		-		-		176,000
Net loss for the year	-		-		-		-		(316,868)		(316,868)
As at December 31, 2016	**18,152,091**	**$**	**9,561,029**	**$**	**176,000**	**$**	**773,420**	**$**	**(10,071,468)**	**$**	**438,981**

(The Accompanying Notes form an Integral Part of These Consolidated Financial Statements)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Alba Minerals Ltd. (the "Company"), incorporated in British Columbia, is a public company listed on the TSX Venture Exchange under the symbol AA.H. The address of the Company's corporate office and its principal place of business is 304 - 700 West Pender Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North America. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related capitalized exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB*").*

b) Going Concern

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $10,071,468 at December 31, 2016 which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its activities or obtain financing at unfavorable terms. Furthermore, failure to continue as a going concern would require the Company's assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

c) Consolidation

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary, Acrex Minerals (U.S.) Inc. ("Acrex US"). Acrex US was incorporated in the State of Nevada. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement basis - These consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out below. All amounts are expressed in Canadian dollars unless otherwise stated.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

Mineral properties exploration - All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as mineral properties exploration and are classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if one of the following factors are present: the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned or budgeted, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications that in an area with development likely to proceed the carrying amount is unlikely to be recovered in full by development or sale.

The recoverability of mineral properties and capitalized exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Mineral properties are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount of reserve properties may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of value in use (being the present value of expected future cash flows of the relevant cash-generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Provisions - Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

Government assistance - B.C. mining exploration tax credits for certain exploration expenditures incurred in B.C. are treated as a reduction of the exploration and development costs of the respective mineral property.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation - The presentation currency and functional currency of the Company and its US subsidiary is the Canadian dollar as this is the principal currency of the economic environment in which they operate and because the Company's US subsidiary is financially and operationally dependent on the Company. The Company translates transaction in foreign currencies into Canadian dollars at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the exchange rates in effect at the period end date. Non-monetary assets and liabilities are translated at historical rates. The resulting exchange gains or losses are recognized in income.

Income taxes - The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that it is probable the asset will be realized.

Share capital - The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of units, consisting of shares and warrants are allocated between the common share and warrant component.

The fair value of the common shares issued in a private placement unit of shares and warrants is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes option pricing model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in contributed surplus.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Share-based payment expenses - The Company records all share-based payment expenses at their fair value. The share-based payment costs are charged to operations over the stock option vesting period and agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus.

The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based expense for stock options or warrants granted to employees. Where stock options or warrants are granted to non-employees, they are recorded at the fair value of the goods or services received, at the date the goods or services are received. When the value of goods or services received in exchange for the share-based expense cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing model.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share - Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all potentially dilutive common shares if their effect is anti-dilutive.

Share issuance costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issue costs related to financing transactions that are not completed are charged to expenses.

Financial instruments - All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss (“FVTPL”). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, accounts payable, and loan from related parties. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has recognized its cash at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

b) Financial liabilities

The Company has recognized its accounts payable and loans from related parties as other financial liabilities. Accounts payable and loan from related parties are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when it its contractual obligations are discharged, cancelled or expire.

Flow-through shares - The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference (“premium”) between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liabilities which is reversed into the statement of comprehensive loss within other income when the eligible expenditures are incurred.

Use of estimates and judgements - The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses for the periods reported. The Company bases its estimates and assumptions on current and various other factors that it believes to be reasonable under the circumstances. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The areas which require management to make significant estimates and assumptions in determining carrying values include, but are not limited to:

Use of estimates and judgements (continued)

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Impairment

The carrying value of non-financial assets is reviewed each reporting period upon the occurrence of events or changes in circumstances indicating that the carrying value of assets may not be recoverable and when criteria of assets held for sale are met to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of operations and comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

c) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Title to Mineral Properties

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.

Use of estimates and judgements (continued)

e) Share-Based Payments

Management uses valuation techniques in measuring the fair value of stock options granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's consolidated financial statements. There have been no stock options granted in 2016 and 2015.

f) Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilised tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognise deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

Recent accounting pronouncements - The Company did not adopt any new and revised accounting standards during the year ended December 31, 2016 which had a significant impact on its financial statements.

Accounting Standards and Amendments Issued But Not Yet Effective - The following standards have not been adopted by the Company. The Company is currently evaluating the impact these amendments are expected to have on its financial statements.

The following standard will be adopted by the Company effective January 1, 2018:

- *IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

(Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *IRFS 9 Financial Instruments* - The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments.

The following standard will be adopted by the Company effective January 1, 2019:

- *IRFS 16 Leases will be* effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

4. MINERAL PROPERTIES EXPLORATION

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

December 31, 2016		**Rainbow Canyon**		**Clayton Valley**		**Total**
Acquisition costs						
Balance, December 31, 2015	$	127,999	$	-	$	127,999
Acquisition costs		-		127,500		127,500
Subtotal of acquisition cost		127,999		127,500		255,499
Exploration and evaluation						
Balance, December 31, 2015		2,263		-		2,263
Consulting fees		4,037		3,782		7,819
Exploration costs		21,590		1,590		23,180
Subtotal of exploration and evaluation		27,890		5,372		33,262
Balance, December 31, 2016	**$**	**155,889**	**$**	**132,872**	**$**	**288,761**

December 31, 2015		**Rainbow Canyon**		**Total**
Acquisition costs				
Balance, December 31, 2014	$	209,323	$	209,323
Impairment of acquisition costs		(81,324)		(81,324)
Subtotal of acquisition cost		127,999		127,999
Exploration and evaluation				
Balance, December 31, 2014		43,416		43,416
Consulting fees		1,850		1,850
Impairment of exploration costs		(43,003)		(43,003)
Subtotal of exploration and evaluation		2,263		2,263
Balance, December 31, 2015	**$**	**130,262**	**$**	**130,262**

(Expressed in Canadian Dollars)

4. MINERAL PROPERTIES EXPLORATION (continued)

Rainbow Canyon, Nevada – By an Agreement dated March 25, 2011, the Company purchased 52 non-patented mineral claims and staked another 48 claims during the same year, covering approximately 421 hectares, located approximately 40 kilometers east of Reno, in Washoe County, Nevada, USA. The purchase price for the claims was US$125,000 (CAN$123,719). A 3% Net Smelter Return royalty is reserved to the vendor subject to the Company's right to purchase back up to a 2% NSR royalty by the payment of $500,000 for each 1% NSR royalty interest purchased.

During the year ended December 31, 2015, 95 of the mineral claims were allowed to expire – so that 5 of the claims covering 40.5 hectares have been retained. This resulted in a write-off of acquisition and exploration costs previously capitalized of $124,327 at December 31, 2015. A further 23 claims were staked during the year ended December 31, 2016, providing a total of 28 claims covering 214 hectares.

Clayton Valley, Nevada – On December 5, 2016, the Company entered into an interim agreement to acquire up to a 50% interest in 888 mineral claims comprising approximately 17,000 acres in Clayton Valley, Esmerralda County, Nevada. A final option agreement (the "Agreement") was signed on February 8, 2017 with Noram Ventures Inc. and Green Energy Inc. (a wholly owned subsidiary of Noram Ventures Inc.).

The first part of the Agreement is an option to purchase a 25% interest in the property for $255,000 payable to Green Energy Inc. as follows:

Requirement deadline		Cash
(i) Upon signing the letter of intent	$	127,500 (paid)
(ii) Completing of a drilling program by Green Energy Inc.		127,500 (paid subsequent to year-end)
	$	255,000

The second part of the Agreement grants to the Company an option to acquire a further 25% interest in the property by making a series of payments totaling $844,500 to Green Energy in 2017. As at April 27, 2017 the Company has not made any payments nor issued any shares to Noram Ventures Inc.

The Agreement also includes 116 claims in San Bernardino County, California.

5. SHARE CAPITAL

a) Authorized:

The Company has authorized share capital of an unlimited number of common voting shares without par value.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

b) Issued:

On November 29, 2016, the Company closed a private placement consisting of 10,000,000 units at a price of $0.05 per unit for total proceeds of $500,000. Each unit consisted of one common share of the Company and one share purchase warrant. Each warrant will be exercisable to purchase one common share of the Company for $0.06 expiring November 28, 2017. The shares which were issued as part of the units, and any shares which were issued pursuant to the exercise of warrants, will be subject to a non-trading holding period which will expire on March 28, 2017.

6. STOCK OPTIONS

The Company has established a stock option plan for directors, employees, and consultants. The following table summarizes the stock options outstanding and exercisable at December 31, 2016:

Price	Number Outstanding	Number Exercisable	Expiry Date
$0.50	30,000	30,000	August 30, 2017

Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the pricing policies of the TSX Venture Exchange. Options vest immediately when granted and expire five years from the date of the grant, unless the Board establishes more restrictive terms.

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

The continuity of options is as follows:

	Number	**Weighted Average Exercise Price**
Outstanding, December 31, 2014	317,000	$ 0.50
Expired	(162,000)	0.50
Outstanding, December 31, 2015	155,000	0.50
Expired	(125,000)	0.50
Outstanding, December 31, 2016	30,000	$ 0.50

On February 23, 2016, 80,000 stock options exercisable at $0.50 per option owned by former directors were expired due to directors' resignations.

On August 9, 2016, 45,000 stock options exercisable at $0.50 per option expired unexercised.

As at December 31, 2016, stock options outstanding had a weighted average life outstanding of 0.66 year (2015 – 1.2 years).

(Expressed in Canadian Dollars)

7. WARRANTS

As at December 31, 2016, the following warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry Date	Remaining life (Years)
10,000,000	$ 0.06	November 28, 2017	0.91

Warrant activity for the years ended December 31, 2016 and 2015 are presented below:

	Number	**Weighted Average Exercise Price**
Outstanding, December 31, 2015 and 2014	-	$ -
Granted	10,000,000	0.06
Outstanding, December 31, 2016	10,000,000	$ 0.06

8. RELATED PARTY TRANSACTIONS

a) The Company has identified its president and directors as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties.

i. The Company incurred management fees totalling $55,000 (2015 - $10,000) from companies controlled by CEO and president, chairman, and common directors.

ii. The aggregate remuneration of the Company's key management consists of:

	2016	**2015**
Management fees and investor relations	$ 55,000	$ 10,000
Total	$ 55,000	$ 10,000

iii. The Company incurred legal fees of $34,834 (2015 - $8,526) from a law firm of which a director is a principal.

iv. The Company incurred equipment rental charges of $nil (2015 - $4,830) from a company owned by a former director.

b) At December 31, 2016, accounts payable and accrued liabilities included $93,333 (2015 - $8,292) for amounts due to companies controlled by CEO and president, chairman and a law firm of which a director is a member.

c) In February 2016, the Company entered into a loan agreement with a third party in the amount of $27,675. The loan was repaid by its president and chairman when they purchase their control block shares of the Company from previous owner in August, totaling $28,981. In an agreement dated October 5, 2016, the indebtedness of the Company to its president and chairman was acknowledged and it was agreed that it would be paid with interest at 10% calculated from August 19, 2016.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued)

By loan agreement dated October 5, 2016, the president and the chairman of the Company each loaned $7,500 to the Company, the loans bear interest at 7% per annum and a bonus will be paid to them of $1,500 each. The principal, accrued interest and bonuses will be payable no later than March 31, 2017.

Pursuant to another set of Loan Agreements dated November 3, 2016, the president and the chairman of the Company each loaned $80,000 to the Company. The loans bear interest at 20% per annum and a bonus will be paid to President and Chairman of $16,000 each, and are recorded in interest and financing expenses. The principal, accrued interest and bonuses are due to be repaid no later than January 31, 2017.

Loan repayment of $105,000 each to the President and Chairman were made on December 29, 2016. As at December 31, 2016, $34,296 (2015 - $nil) of the loan payable, bonuses and accrued interest to the president and chairman were outstanding which is due on demand and bears interest on various portions ranging from 7% to 20%.

9. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

		2016		2015
Canadian statutory income tax rate		**26%**		26%
Expected income tax recovery	**$**	**82,386**	$	52,639
Non-deductible expenses and other		**(7,178)**		(13,139)
Change in unrecognized deferred income tax assets		**(75,208)**		(39,500)
Income tax recovery	**$**	**-**	$	-

Significant components of the Company's potential deferred income tax assets are as follows:

		2016		2015
Non-capital losses	**$**	**870,000**	$	795,000
Capital losses		**92,000**		92,000
Resource properties and other		**400,000**		400,000
		1,362,000		1,287,000
Unrecognized deferred income tax assets		**(1,362,000)**		(1,287,000)
Net deferred income tax assets	**$**	**-**	$	-

(Expressed in Canadian Dollars)

9. INCOME TAXES (continued)

The Company has Canadian non-capital losses for income tax purposes of $3,347,000 which may be carried forward and offset against deferred taxable income. The non-capital losses expire as follows:

Year	Amount
2026	$ 445,000
2027	551,000
2028	452,000
2030	471,000
2031	394,000
2033	323,000
2034	345,000
2035	77,000
2036	289,000
	$ 3,347,000

The Company has capital losses for income tax purposes of $711,000 which may be carried forward indefinitely to apply against capital gains in future years.

In assessing the realizability of deferred income tax assets, management considers whether it is probable that some portion of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income during the carry forward period.

10. MANAGEMENT OF CAPITAL

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties in Canada and the US. The Company does not have any externally imposed capital requirements to which it is subject.

In the management of capital the Company considers components of shareholders’ equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash and cash equivalents.

The Company’s investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of exploration and development expenditures from continuing operations.

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND RISK

The following table summarizes information regarding the carrying values of the Company's financial instruments:

		2016		2015
Fair value through profit or loss (i)	$	**340,615**	$	3,338
Other financial liabilities (ii)		**193,399**		13,674

(i) Cash and cash equivalents
(ii) Accounts payable and loans from related parties

IFRS 7 *Financial Instruments – Disclosures*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The following table sets forth the Company's financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as at December 31, 2016:

	Balance at December 31, 2016 $	Quoted Prices in Active Markets for Identical Assets (level 1) $	Significant Other Observable Inputs (Level 2) $	Significant Unobservable Inputs (Level 3) $
Financial Assets:				
Cash	340,615	340,615	-	-

The Company believes that the recorded value of amounts receivable and accounts payable approximate their current fair values because of their nature and relatively short maturity dates or durations.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

11. FINANCIAL INSTRUMENTS AND RISK (continued)

Liquidity Risk
The Company holds cash to meet its short-term exploration, and general and administrative expenditures. The Company invests any cash equivalents in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk
The Company does not have significant foreign currency denominated financial instruments and is not exposed to significant foreign exchange risk.

Market risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instrument will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements,

12. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in the United States in the State of Nevada.

13. SUBSEQUENT EVENTS

On March 10, 2017, the Company completed the private placement of 7,500,000 units at a price of $0.10 per unit for gross proceeds of $750,000. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one additional common share of the Company at a price of $0.15 per share for a period of 24 months. The Company has paid $50,071 to finders introducing subscribers to the Company. 3,150,000 of the shares issued as part of the units are subject to a non-trading holding period expiring on June 15, 2017. For the remaining 4,350,000 shares, the hold period will expire on July 6, 2017.

On April 5, 2017, the Company announced the grant of 2,500,000 share purchase options to Directors, Officers and service providers. The Options will have a five-year term, and will be exercisable at $0.11 per share.