ALBERT MINING INC.

(formerly known as Majescor Resources Inc.)

Condensed Consolidated Interim Financial Statements

Three Months Ended May 31, 2017

(Expressed in Canadian Dollars)

Management's Responsibility for Condensed Consolidated Interim Financial Statements

The accompanying condensed consolidated interim financial statements of Albert Mining Inc. (formerly known as Majescor Resources Inc.) (the "Company") are the responsibility of management and the Board of Directors.

The consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in compliance with all applicable International Financial Reporting Standards.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the consolidated financial statements and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the audited consolidated annual financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company 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.

(signed)
Andre Audet
Chief Executive Officer

(signed)
Lucie Letellier
Chief Financial Officer

Ottawa, Canada
July 26, 2017

Albert Mining Inc.

(formerly known as Majescor Resources Inc.)
Consolidated Statements of Financial Position
May 31, 2017

(Expressed in Canadian dollars)

		May 31, 2017		February 28, 2017
Assets				
Current assets				
Cash	**$**	**493,644**	$	284,131
Accounts receivable		**34,514**		9,547
Prepaid expenses		**52,267**		480
Total current assets		**580,425**		294,158
Non-current assets				
Office equipment		**1,417**		-
Mining assets		**24,000**		-
Exploration and evaluation assets (note 7)		**276,000**		-
Total non-current assets		**301,417**		-
Intangible assets				
Artificial Intelligence software		**750,000**		-
Total assets	**$**	**1,631,842**	$	294,158
Liabilities and Equity				
Current liabilities				
Accounts payable and accrued liabilities (note 9)	**$**	**153,315**	$	125,812
Flow through premium (note 10)		**16,667**		16,667
Total liabilities		**169,982**		142,479
Equity				
Share capital (note 11)		**36,282,049**		34,825,331
Subscriptions received		**- 100,000**		95,000
Contributed surplus		**5,599,079**		5,469,468
Warrants		**638,636**		375,240
Deficit		**(40,957,904)**		(40,613,360)
		1,461,860		151,679
Total liabilities and equity	**$**	**1,631,842**	$	294,158

Director　　　　Director

The accompanying notes to the consolidated financial statements are an integral part of these statements

Albert Mining Inc.

(formerly known as Majescor Resources Inc.)

Consolidated Statements of Operations

(Expressed in Canadian Dollars)

	Three Months Ended May 31, 2017	Three Months Ended May 31 2016
Expenses		
Exploration and evaluation expenditures (note 7)	$ -	$ -
General and administrative	**209,619**	76,984
Stock based compensation	**134,925**	65,100
Gain on sale of royalty	-	-
Gain on settlement of trade payables	-	-
Loss on foreign exchange	-	-
	344,544	142,084
Net (loss) gain for the year	**(344,544)**	(125,390)
Attributable to:		
Equity holders of the Parent Company	**(344,544)**	(125,390)
Non-controlling interest	-	-
	$ (344,544)	$ (125,390)
Basic and diluted (loss) gain per share (Note 14)		
(Loss) gain per share from continued operations	**$ (0.01)**	$ (0.01)
(Loss) gain per share from SOMINE operations and its deconsolidation	-	-
Total (loss) gain per share attributable to equity holders of the parent	**$ (0.01)**	$ (0.01)
Weighted average number of shares outstanding (Note 14)	**36,864,862**	17,924,911

The accompanying notes to the consolidated financial statements are an integral part of these statements

Albert Mining Inc.
(formerly known as Majescor Resources Inc.)
Consolidated Statements of cash flows
(Expressed in Canadian dollars)

	Three Months Ended	
	May 31, 2017	May 31, 2016
Operating activities		
Net (loss) gain for the year	**$ (344,544)**	$ (125,390)
Items not affecting cash:		
Stock-based compensation	**134,925**	65,100
	(209,619)	(60,290)
Changes in non-cash working capital items:		
Accounts receivable	**(24,967)**	5,285
Prepaid expenses	**(51,787)**	1,634
Accounts payable	**27,503**	(28,348)
Cash flows used in operating activities	**(258,870)**	(81,719)
Investing activities		
Purchase of office equipment	**(1,417)**	-
Exploration and evaluation costs	**(50,000)**	-
Cash flows from investing activities	**(51,417)**	-
Financing activities		
Issuance of common shares	**530,000**	550,500
Cash from exercised warrants	**5,000**	-
Share issue expenses	**(15,200)**	(37,000)
Cash flows from financing activities	**519,800**	513,500
Net changes in cash	**209,513**	431,781
Cash, beginning of period	**284,131**	63,987
Cash, end of period	**$ 493,644**	$ 495,768

The accompanying notes to the consolidated financial statements are an integral part of these statements

Albert Mining Inc. (formerly known as Majescor Resources Inc.)
Consolidated Statements of Changes in Equity
(Canadian Dollars)

	Share Capital (Note 11)	Subscriptions Received	Contributed Surplus (Note 13)	Warrants (Note 12)	Deficit	Equity attributable to equity holders of the Parent Company	Non-controlling Interest	Total
Balance, February 29, 2016	**34,043,280**	**-**	**5,292,468**	**311,778**	**(39,669,728)**	**(22,202)**	**-**	**(22,202)**
Common shares issued in private placement	311,500	-	-	-	-	550,500	-	550,500
Share issue costs	(38,364)	-	1,382	-	-	(36,982)	-	(36,982)
Warrants issued in private placement	(69,000)	-	-	69,000	-	-	-	-
Flow-through premium	(52,580)	-	-	-	-	(52,580)	-	(52,580)
Common stock issued for Flow-through	239,000	-	-	-	-	239,000	-	239,000
Stock based compensation	-	-	65,100	-	-	65,100	-	65,100
Net loss for the period	-	-	-	-	(125,390)	(125,390)	-	(125,390)
Balance, May 31, 2016	**34,433,836**	**-**	**5,358,950**	**380,778**	**(39,795,118)**	**378,446**	**-**	**378,446**
Common shares issued for mineral property	225,000	-	-	-	-	225,000	-	225,000
Subscription received	-	95,000	-	-	-	95,000	-	95,000
Share issue costs adjustment	30,000	-	(1,382)	1,364	-	29,982	-	29,982
Flow-through premium	(16,667)	-	-	-	-	(16,667)	-	(16,667)
Flow-through premium adjustment	52,580	-	-	-	-	52,580	-	52,580
Warrants exercised	50,582	-	-	(6,902)	-	43,680	-	43,680
Common stock issued for Flow-through	50,000	-	-	-	-	50,000	-	50,000
Stock based compensation	-	-	111,900	-	-	111,900	-	111,900
Net loss and comprehensive loss for the year	-	-	-	-	(818,242)	(818,242)	-	(818,242)
Balance, February 28, 2017	**34,825,331**	**95,000**	**5,469,468**	**375,240**	**(40,613,360)**	**151,679**	**-**	**151,679**
Common shares issued for mineral property	226,000	-	-	-	-	226,000	-	226,000
Common shares issued in private placement	662,600	-	-	-	-	662,600	-	662,600
Options exercised	10,314	-	(5,314)	-	-	5,000	-	5,000
Share issue costs	(22,800)	-	-	-	-	(22,800)	-	(22,800)
Common shares issued for mining assets	24,000	-	-	-	-	24,000	-	24,000
Common shares issued for acquisition of Intangible assets	750,000	-	-	-	-	750,000	-	750,000
Subscription received/(receivable)	-	(195,000)	-	-	-	(195,000)	-	(195,000)
Stock based compensation	-	-	134,925	-	-	134,925	-	134,925
Warrants exercised	81,075	-	-	(11,075)	-	70,000	-	70,000
Warrants issued in private placement	(274,471)	-	-	274,471	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(344,544)	(344,544)	-	(344,544)
Balance, May 31, 2017	**36,282,049**	**(100,000)**	**5,599,079**	**638,636**	**(40,957,904)**	**1,461,860**		**1,461,860**

The accompanying notes to the consolidated financial statements are an integral part of these statements

1. Nature of operations

Albert Mining Inc. (formerly known as Majescor Resources Inc.) ("Albert'' or the "Company") was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The nature of operations involves the acquisition, exploration and development of mineral resource properties. Albert and its subsidiaries (hereinafter the "Company") is in the exploration stage and does not derive any revenue from the development of its properties. The Company also offers services using its 2D-3D CARDS system using Artificial Intelligence (AI) and datamining. The Company's common shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol MJX. The Company's office is located at 5460 Canotek Road, Suite 99, Ottawa, Ontario, Canada, K1J 9G9.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The recoverability of the amounts shown for exploration and evaluation property costs and property and equipment is dependent upon the Company obtaining the necessary financing to complete the exploration and evaluation properties, the discovery of economically recoverable reserves and future profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, indigenous claims, and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

2. Deconsolidation of SOMINE S.A.

On August 31, 2015, the Company entered into an agreement with the minority shareholders of SOMINE S.A. ("SOMINE") for the redemption of 740,210 common shares of SOMINE. The SOMINE shares are held by Albert's wholly owned subsidiary SIMACT Alliance Copper-Gold Inc. ("SACG"). After the redemption of the SOMINE shares, SACG maintains 40,000 of the 263,274 remaining common shares of SOMINE, which represents approximately 15.5% of the outstanding SOMINE shares.

In compensation for the redemption of the SOMINE shares, the Company received a 2% royalty on each of the two Mining Exploitation Permits (PEM) held by SOMINE. SOMINE retains the right to purchase at any time the royalties in whole or in part in the amount of $1,000,000 for 1% per royalty. Management assessed that the redemption of its shares in SOMINE along with a decreased representation on the SOMINE board of directors resulted in a loss of control of SOMINE for financial reporting purposes. Upon redemption, control of SOMINE was transferred to SOMINE's previous minority shareholders which are arms-length from Albert.

Due to the current exploration stage of the mining permits as well as the past difficulty in raising funds to continue exploration of the projects, the royalties and the remaining interest in SOMINE were valued at $Nil.

Starting August 31, 2015, the Company had no power to govern the financial and operating policies of SOMINE due to the loss of power to cast the majority of votes at Shareholder and Board of Directors meetings. Therefore, the Company derecognized related assets, liabilities and non-controlling interests of SOMINE. As management, has determined that the Company is unable to exert significant influence on SOMINE, the remaining interest has been classified as an available for sale asset.

(Expressed in Canadian Dollars)

2. Deconsolidation of SOMINE S.A. (continued)

The gain on the deconsolidation of SOMINE recognized in the consolidated statement of operations for the year ended February 29, 2016, is measured as follows:

Net liabilities as at deconsolidation date	$	3,073,431
Non-controlling interest		(1,816,409)
Gain on deconsolidation of SOMINE	$	**1,257,022**

The following is an analysis of the assets and liabilities over which the Company lost control upon deconsolidation of SOMINE.

Cash and cash equivalents	$	382
Property and equipment		19,000
Trade payables		(453,912)
Debt obligation		(2,634,031)
Long-term debt		(4,870)
Net liabilities deconsolidated	**$**	**(3,073,431)**

The Company has had no involvement with the operations of SOMINE after the share redemption and deconsolidation.

3. Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue its operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable and the Company has not yet generated revenues from its operations. As at May 31, 2017 the Company has incurred a loss of $ 344,544 during the three months ended May 31, 2017 (2016 – $125,390) and the Company has an accumulated deficit of $40,957,904 (February 28, 2017 - $40,613,360). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

As at May 31, 2017, the Company had working capital surplus of $410,443 (February 28, 2017 - $151,679), including $493,644 (February 28, 2017 - $284,131) in cash and current liabilities totalling $169,982 including flow-through share premium liability of $16,667 (February 28, 2017 - $142,479, including flow-through share premium liability of $16,667).

The Company must secure additional funding to be able to discharge its liabilities and to fund its ongoing working capital requirements. Management is evaluating various alternatives to secure the necessary financing so that the Company can continue as a going concern.

The carrying amount of assets, liabilities and expenses presented in the consolidated financial statements and the classification used in the consolidated statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate.

4. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Financial Reporting Standards Board ("IFRIC")., The accounting policies applied in these consolidated financial statements are presented in note 5 and have been applied consistently to all years unless otherwise noted.

The preparation of the condensed consolidated interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgements in applying the Company's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on July 24, 2017.

5. Significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, except for available for sale financial instruments, which are at fair value.

(b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Albert Mining Inc. (formerly known as Majescor Resources Inc.) is the group's ultimate parent company. The parent controls a subsidiary if it is exposed, or has the rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All transactions and balances between companies are eliminated upon consolidation, including unrealized gains and losses on transactions between companies.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest thus exists, any losses of that subsidiary are attributed to the owners of the parent and to the non-controlling interests even if that results in the non-controlling interest having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The following companies have been consolidated within the consolidated financial statements:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Tropic Diamonds Inc.	Ontario, Canada	100%	Holding company
Ampanihy Resources S.A.R.L	Madagascar	100%	Holding company
SIMACT Alliance Copper Gold Inc.	Montreal, Canada	100%	Exploration company

SIMACT Alliance Copper Gold Inc. owned 77.75% of the outstanding common shares of SOMINE until the share redemption on August 31, 2015 (Note 2).

5. Significant accounting policies (continued)

(c) Functional currency and foreign currency translation

These consolidated financial statements are presented in Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates ("the functional currency"). Albert's functional currency is the Canadian dollar. The functional currency of all of the subsidiaries is the Canadian dollar. The functional currency for Albert and its subsidiaries has remained unchanged during 2016 and 2017.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period: monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates of exchange prevailing at the date the fair value was determined; and, non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation at period-end are recognized in net loss.

(d) Jointly-controlled exploration operations

Joint arrangements are arrangements where the Company has joint control through a contractually agreed sharing of control arrangement. Joint control exists when decisions about the relevant activities require the unanimous consent of parties sharing control. Arrangements are classified and recognized as follows:

- Joint operations – when the Company has rights to assets, and obligations for the liabilities, relating to the joint arrangement and recognizes its assets, liabilities, revenue, expenses, and share of any joint transactions arising from the joint operations;
- Joint venture – when the Company has the rights to the net assets of the joint arrangement relating to the joint arrangement and recognizes its interest using the equity method like for investments in associates.

(e) Financial Instruments

Financial instruments are defined as any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets of the Company are classified into the following categories at their initial recognition:

- loans and receivables;
- available for sale investments.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

<u>Loans and receivables</u>
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and accounts receivable, except sales tax, fall into this category of financial instruments.

5. Significant accounting policies (continued)

(e) Financial Instruments (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's investment in SOMINE at May 31, 2017 falls into this category.

Available-for-sale financial assets are measured at fair value. Net change in fair value is recognized in other comprehensive income and reported within the accumulated other comprehensive income reserve within equity. When the asset is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss as a gain (loss) on sale of marketable securities, if applicable, and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognized in profit or loss within finance income.

Reversals of impairment losses are recognized in other comprehensive income.

Financial liabilities at amortized cost:
The Company's financial liabilities include trade and other payables, debt obligations and long-term debts. Financial liabilities are measured subsequently at amortized cost using the effective interest method. All interest-related charges are reported in profit and loss within finance costs, if applicable.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when all of the substantial risks and rewards are transferred.

Financial liabilities are derecognized when they are extinguished, discharged, cancelled, or expire.

Impairment of Financial assets
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(f) Impairment of non-financial assets

The Company assesses non-financial assets including property and equipment for impairment when facts and circumstances suggest that the carrying amount of the assets are impaired. An impairment review is undertaken when indicators of impairment arise.

5. Significant accounting policies (continued)

(f) Impairment of non-financial assets (continued)

Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are largely independent cash inflows (Cash-generating units or "CGU"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Any reversal of impairment is recognized immediately in profit or loss.

(g) Exploration and evaluation assets and exploration and evaluation expenses

All of the Company's projects are currently in the exploration and evaluation phase.

All exploration and evaluation expenditures are expensed in the statement of operations.

(h) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. 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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The Company had no material provisions or contingent liabilities as at May 31, 2017 and February 28, 2017.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination.

(i) Equity-settled share based payment transactions

The Company operates equity-settled share based remuneration plans (share options plans) for its eligible directors, officers, employees and consultants. None of the Company's plans feature any options for a cash settlement. Occasionally, the Company issues warrants to brokers.

5. Significant accounting policies (continued)

(i) Equity-settled share based payment transactions (continued)

All goods and services received in exchange for the grant of any share based payments are measured at their fair values, unless fair value cannot be reasonably estimated reliably. Where employees are rewarded using share based payments, the fair value of the services rendered by the employees or a consultant providing similar services as employees is determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. No adjustment is made to any expense recognized in the prior period if the number of share options ultimately exercised is different from that estimated on vesting, share based payments incorporate an expected forfeiture rate.

All equity settled share based payments under equity settled share based payment plans, except warrants to brokers, are ultimately recognized as an expense in the profit or loss with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a share option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the share options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as issuance cost of equity instruments with a corresponding credit to contributed surplus, in equity.

(j) Equity

The share capital represents the amount received upon the share issuance, less issuance costs, net of any underlying income tax benefit from these issuance costs. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded in contributed surplus and warrants.

Unit placements
Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the proportional method.

Other elements of equity
Reserves include the accumulated other comprehensive income reserve, the contributed surplus reserve and the warrants reserve.

The accumulated other comprehensive income reserve includes unrealized gains and losses on available-for-sale financial assets.

Contributed surplus includes charges related to stock options. When stock options are exercised, the related compensation costs is transferred to share capital.

Warrants include the fair value on the issuance of warrants. When warrants are exercised, the related amount is transferred to share capital. Any revaluation of warrants based on the extension of warrants life, modification of exercise price, etc., issued in the prior years are recorded directly in deficit. Deficit includes all current and prior period profits or losses.

(k) Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

5. Significant accounting policies (continued)

(k) Income taxes (continued)

Current income tax assets and/or liabilities are the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

However, since the Company is in the exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Changes in deferred tax assets and liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(l) Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(m) Segmented reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors.

The Company has determined that it operates in two segments, being acquisition, exploration and development of mineral properties for economically recoverable reserves in Canada and generating revenue from providing services using its CARDS system.

5. Significant accounting policies (continued)

(n) Standards, amendments and interpretations not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the May 31, 2017, reporting period. Updates that are not applicable or are not consequential to the Company may have been excluded from the list below. The Company is currently assessing the impact of these new standards, if any, on its consolidated financial statements.

IFRS 9 – Financial Instruments ("IFRS 9") was recently released by the IASB in 2014, representing the completion of its project to replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for impairment of financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

6. Critical accounting estimates and judgements

Significant estimates, judgements and assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from estimates, judgements and assumptions made, relate to, but are not limited to, the following:

<u>Estimates</u>

- The estimation of share-based payment costs requires the selection of an appropriate valuation model and data and consideration as to the volatility of the Company's own share price, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model.

<u>Judgements</u>

- determination that no material restoration, rehabilitation and environmental obligations and liabilities existed based on the facts and circumstances;

- the assessment of the Company's ability to execute its strategy by funding future working capital. Further information regarding going concern is outlined in note 3;

- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

7. Exploration and evaluation assets

a) Eastmain - James Bay, Québec

On September 23, 2015, the Company acquired certain claims in the James Bay area of Quebec for $24,974 from a director of the Company. There are no exploration work requirements on the property.

On September 15, 2015, the Company acquired a list of targets on these claims for 1,400,000 common shares with an estimated fair value of $70,000, as well as a 2% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the targets identified. The Company has the right to purchase 1% of the royalty for $1,000,000.

During the three months ended May 31, 2017, the Company incurred exploration and evaluation expenses of $Nil (year ended February 28, 2017 - $137,656) on this property.

b) Montagne B - Central, Québec

On May 25, 2016, the Company entered into an option agreement with Genius Properties Ltd. and two other vendors to purchase 100% of the Montagne B lithium properties (approximately 708 hectares) in central Quebec.

On August 30, 2016, the Company issued 2,500,000 common shares to Optionors and made a cash payment of $25,000 upon receipt of approval from the TSX Venture.

After receiving and reviewing the initial exploration results on the property, and based on those results, the Company provided a termination notice on September 21, 2016, to the Optionors and returned the property.

During the three months ended May 31, 2017, the Company incurred exploration and evaluation expenses of $Nil (year ended February 28, 2017 - $340,237) on this property.

c) Rupert – James Bay, Québec

On June 15, 2016, the Company entered into an option agreement to acquire 20 claims that are located respectively south east from the Whabouchi lithium deposit of Nemaska and south west from the Cyr deposit.

Per the option agreement, Albert has the right to acquire 100% interest in the claims for $20,000, payable half in cash and half in common shares. Albert is also required to incur $4,000 in exploration expenditure per claim over a two-year period.

The claims will be subject to a 1% net smelter royalty, with Albert having the right to purchase 0.5% of the royalty for $1,000,000.

During the period ended May 31, 2017, the Company incurred exploration and evaluation expenses of $ Nil (year ended February 29, 2017 - $22,290) on this property. As at May 31, 2017, the Company had not acquired these claims.

d) Nelly Neilson

On October 25, 2016, the Company entered into a four-year option agreement to acquire 16 claims in the region of Monts Otish situated near the centre of the province of Québec, North of Chibougamau. The company has the right to acquire 100% interest in the 16 claims by spending at least $2,000 per claim in exploration expenditures in the first two years and, a total of $4,000 per claim during the four years of the agreement.

7. Exploration and evaluation assets (continued)

d) Nelly Neilson (continued)

The Company must also pay $2,500 per claim and, the Company will issue shares for a value of $2,500 per claim. The Nelly Neilson claims will be subject to a 1% NSR of which 0.5% can be purchased by Albert for $1,000,000.

During the period ended May 31, 2017, the Company incurred $Nil (year ended February 29, 2016 - $40,650) of exploration and evaluation expenditures on assessing the potential of this property.

As at May 31, 2017, the Company had not acquired these claims.

On January 26, 2017, the Company announced that it has staked additional ground on its Mirabelli gold project in Quebec following the review of its exploration data base. Here is a brief description of the claims:

Mirabelli

Two claim blocks totaling more than 2,550 hectares were map staked in close proximity to the Radisson Road in the James-Bay area. The Company also staked additional ground totaling 6,120 ha. The new claim block totaling 6,120 ha is located just to the southeast of the claims covering a probable Banded Iron Formation.

Laparre

The property, located in the Otish Mountains, totals 461 hectares and covers anomalous kimberlitic indicator minerals (KIMs) counts in till. Ground follow up is planned for the next field season.

Nottaway

The property is located roughly 105 km west of the town of Mattagami and totals 1,899 hectares.

On March 15, 2017 – The Company signed an agreement with Diagnos Inc. (“DIAGNOS”) (see note 11- ix, x) to purchase all of DIAGNOS mining division assets, part of the agreement included the purchase of the following claims:

James Bay Kimberlite

The James Bay Kimberlite property which consists of 21 claims blocks (131 CDC claims) located in proximity to the Renard Diamond Mine and Stornoway’s Adamantin Project

The Company issued 2,592,050 common shares valued at $209,205 purchase the Kimberlite claims.

Currie-Madeleine

The Currie-Madeleine property covers five gold targets, one copper target and two copper-zinc targets generated using CARDS. It consists of 54 claims (CDC) distributed in two claim blocks for a total area of 3,030 hectares in the Lebel-sur-Quévillion and Desmaraisville area included into the prolific Archean Abitibi sub-province.

As part of the purchase agreement with Diagnos, the company issued 45,680 common shares valued at $4,568 for this property.

7. Exploration and evaluation assets (continued)

Wachigabau Lake

The Wachigabau Lake property covers three gold targets and one copper target selected from the CARDS computer program. It includes 33 map designated claims (CDC), totaling 1,842 hectares. The property lies within the southern band (Caopatina Segment) of the Chibougamau-Matagami archean greenstone belt.

As part of the purchase agreement with Diagnos, the company issued 23,190 common shares valued at $2,319 for this property.

DiscoFlo

The DiscoFlo property lies within the Chibougamau-Matagami Archean greenstone belt in the Abitibi sub-province. The property consists of a block of 10 contiguous CDC claims, totaling 561 hectares.

As part of the purchase agreement with Diagnos, the company issued 7,030 common shares valued at $703 for this property.

Chapais

The Chapais property is located in the upper part of the stratigraphic volcanic sequences of northeastern Abitibi where the ultramafic Cumming Complex intrudes mafic and felsic rocks of the Waconichi Formation and mafic rocks of the upper Roy Group. The property consists of 36 map designated and staked claims totaling 1,560 hectares.

As part of the purchase agreement with Diagnos, the company issued 29,510 common shares valued at $2,951 for this property.

Rivière France

The Rivière France property lies within the Chibougamau mining district of the Abitibi sub-province. The property consists of a block of 8 contiguous CDC claims, totaling 442 hectares.

As part of the purchase agreement with Diagnos, the company issued 7,730 common shares valued at $773 for this property.

Penelope

The Penelope property consists of 27 CDC designated claims, totaling 1,516 hectares. The property is located on the southeastern shores of Lac Pusticamica, 52 km northeast of Lebel-sur-Quevillon and lies with the Chibougamau-Matagami Archean greenstone belt of the Abitibi sub-province.

As part of the purchase agreement with Diagnos, the company issued 18,970 common shares valued at $1,897 for this property.

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

Lasarre

The Lasarre property is located in the Abitibi region of western Quebec, approximately 60 km from the town of Rouyn Noranda and approximately 6 km from the town of La Sarre. The property consists of 4 map designated claims, totaling 168 hectares

As part of the purchase agreement with Diagnos, the company issued 2,810 common shares valued at $281 for this property.

Nico

The Nico property comprises 47 CDC designated claims, totaling 2,646 hectares, in two non-contiguous, blocks: Nico West and Nico East. The property is located in central Abitibi belt in proximity to the interpreted Harricana Fault Zone.

As part of the purchase agreement with Diagnos, the company issued 33,030 common shares valued at $3,303 for this property.

8. Qualified person

The above technical information was prepared, confirmed and/or reviewed by Grigor Heba, P.Geo., a qualified person as defined by the National Instrument 43-101.

9. Accounts payable and accrued liabilities

	May 31, 2017	February 28, 2017
Falling due within the year		
Accounts payable and accrued liabilities	**$ 153,315**	$ 125,812

10. Flow through share premium liability

The Company periodically issues flow through shares, to fund Canadian exploration programs, with any resulting flow through premium recorded as a flow through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow through premium is recorded as income. Based on Canadian tax law, the Company is required to spend the amounts raised on eligible exploration expenditures by the end of the year subsequent to the date the expenditures were renounced.

On May 12, 2016, the Company raised $239,000 by issuing 4,780,000 flow through shares at $0.05 per share. The premium paid by investors in excess of the market price of the shares was $Nil.

(Expressed in Canadian Dollars)

10. Flow through share premium liability (continued)

On January 25, 2017, the Company raised $50,000 by issuing 416,666 flow through shares at $0.12 per share. The premium paid by investors in excess of the market price of the shares was $16,667. Based on Canadian tax law, the Company is required to spend the $50,000 on eligible exploration expenditures by December 31, 2018.

The following is a continuity schedule of the liability portion of the flow-through share issuances:

Balance at February 29, 2017	$ 16,667
Premium liability incurred on flow-through shares	-
Balance at May 31, 2017	$ 16,667

11. Share capital

Authorized - the authorized share capital consisted of an unlimited number of common shares.

Common shares	**Number of Shares**	**Amount**
Balance, February 29, 2016	**15,651,109**	**$34,043,280**
Common shares issued in private placement (iii)	6,230,000	311,500
Common shares issued for exploration property (iv)	2,500,000	225,000
Common shares issued on exercise of warrants (vi)	624,000	50,582
Flow-through shares issued (v)	5,196,666	289,000
Share issue costs	-	(8,364)
Warrants issue as part of the private placement	-	(69,000)
Flow through premium	-	(16,667)
Balance, February 28, 2017	**30,201,775**	**$34,825,331**
Common shares issued in private placement	6,626,000	662,600
Common shares issued for exploration property	2,760,000	226,000
Common shares issued on exercise of options	100,000	10,314
Common shares issued for mining assets	240,000	24,000
Common shares issued for acquisition of intangible assets	7,500,000	750,000
Common shares issued on exercise of warrants	1,000,000	81,075
Share issue costs	-	(22,800)
Warrants issue as part of the private placement	-	(274,471)
Balance, May 31, 2017	**48,427,775**	**36,282,049**

11. Share capital (continued)

2016 Issuance

(i) On September 18, 2015, the Company negotiated agreements to issue shares for debt settlements with certain creditors, three of whom are former directors and/or officers of the Company as well as the current CEO of the Company. In consideration for settlement of a total combined debt of $223,099 owing to the creditors by the Company, the Company issued to the creditors 1,230,000 common shares of the Company with a fair market value of $0.05 per share based on the quoted market price of the Company's shares as well as total payments of $22,000 to be paid by September 18, 2017. The common shares will be escrowed with 1/3 released in 6 months, 1/3 released in 12 months and the balance released in 18 months.

(ii) On September 15, 2015, under the terms of a data purchase and sale agreement, Albert purchased a list of targets in the areas of interest by issuing 1,400,000 common shares with a fair value of $70,000.

2017 Issuance

(iii) On May 12, 2016, the Company completed a non-brokered private placement by issuing 6,230,000 units of the Corporation for gross proceeds of $311,500. Each unit consisted of (i) one common share at a price of $0.05 per Common Share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Corporation at a price of $0.07 per common share for a period of twenty-four (24) months.

The 6,230,000 warrants issued in connection to the private placement listed above have been recorded at a value of $69,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.039, an average exercise price of $0.07, risk free interest rate of 0.63%, expected life of warrants of 2 years, annualized volatility rate of 80.81% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

In connection with the private placement, the Company paid a cash finder's fee of $7,000, and issued 124,000 finder's warrants, exercisable at $0.07 for a period of twenty-four (24) months from the closing date. The finder's warrants have been recorded at a value of $1,364 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.039, an average exercise price of $0.07, risk free interest rate of 0.63%, expected life of warrants of 2 years, annualized volatility rate of 80.81% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

(iv) On May 12, 2016, the Company issued 4,780,000 flow through common shares at a price of $0.05 per share for gross proceeds of $239,000. No amount was recorded as a flow through share premium liability.

(v) On September 2, 2016, the Company issued 2,500,000 common shares as part of the Montagne B option agreement (note 7(b)).

(vi) On December 31, 2016, the Company issued 416,666 flow through common shares at a price of $0.12 per share for gross proceeds of $50,000 of which $33,333 was recorded in share capital and the remaining $16,667 was recorded as a flow through shares premium liability (note 10).

(vii) During the year ended February 28, 2017, 624,000 warrants were exercised at a price of $0.07 per share for gross proceeds of $43,680.

(viii) On March 1, 2017, 1,000,000 warrants were exercised at $0.07 for gross proceeds of $70,000 (which was in subscriptions received at February 28, 2017).

(Expressed in Canadian Dollars)

11. Share Capital (continued)

2017 Issuance (continued)

(ix) On May 11, 2017, Albert issued 2,500,000 common shares of its share capital to DIAGNOS, at a deemed price of $0.08 per share, in payment to acquire the Kimberlite claims, valued at $200,000.

(x) On May 18, 2017, Albert issued 8,000,000 common shares of its share capital to DIAGNOS, at a deemed price of $0.10 per share, in payment for the acquisition of the assets, consisting of DIAGNOS' mining claims valued at $26,000, royalty agreements valued at $24,000, and the CARDS system valued at $750,000. Additionally, Albert will remit to DIAGNOS (i) 50% of any payment that Albert receives from the royalty agreements forming part of the acquired assets, and (ii) 5% of revenues generated by the commercialization of the CARDS system.

(xi) On April 10, 2017, the Company completed a non-brokered private placement by issuing 6,550,000 units of the Corporation for gross proceeds of $655,000. Each unit consisted of (i) one common share at a price of $0.10 per Common Share and (ii) one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share in the capital of the Corporation at a price of $0.16 per common share for a period of twenty-four (24) months. The warrants are subject to a forced exercise provision that, should the Corporation's common shares trade at a price of $0.24 or more for thirty (30) consecutive days, the warrant holder will then have 30 days following the 30th day of trading to exercise the warrants before they expire.

In connection with the private placement, the Company paid a cash finder's fee of $15,200 and issued 76,000 common shares and 76,000 non-transferable finder's warrants. Each finder's warrant entitles the holder to purchase one additional common share at a price of $0.16 per share for a period of twenty-four months expiring April 7, 2019. The finder's warrants have been recorded at a value of $4,841 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0637, an average exercise price of $0.16, risk free interest rate of 1.01%, expected life of warrants of 2 years, annualized volatility rate of 171.48% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

The 6,550,000 warrants issued in connection to the private placements listed above have been recorded at a value of $269,630 based on the proportional method based on the Black Scholes option pricing model, using the following assumptions: share price of $0.0637, an average exercise price of $0.07, risk free interest rate of 1.01%, expected life of warrants of 2 years, annualized volatility rate of 171.48% (based on the Company's historical volatility for 2 years up to the issuance date) and dividend rate of 0%.

12. Warrants and agent options

a) Warrants

The following table reflects the continuity of warrants:

	Number of warrants	Weighted average exercise price
Balance, February 29, 2016	**4,900,000**	**$ 0.11**
Granted (note 11)	6,230,000	0.07
Exercised (note 11)	(500,000)	0.07
Balance, February 28, 2017	**10,630,000**	**$ 0.09**
Issued (note 11)	6,550,000	0.16
Exercised	(1,000,000)	0.07
Balance, May 31, 2017	**16,180,000**	**$ 0.12**

(Expressed in Canadian Dollars)

12. Warrants and agent options (continued)

a) Warrants (continued)

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

Number of Warrants	Grant Date Fair Value ($)	Exercise Price ($)	Expiry Date
750,000	78,412	0.10	August 12, 2018
750,000	76,766	0.10	August 12, 2018
3,150,000	145,300	0.12	October 1, 2017
250,000	11,300	0.12	October 1, 2017
4,730,000	63,463	0.07	May 12, 2018
6,550,000	644,871	0.16	April 7, 2019
16,180,000	**1,020,112**	**0.12**	

b) Finder's warrants

The following table shows the continuity of finder's warrants:

	Number of Finder's warrants	Weighted Average Exercise Price
Balance, February 29, 2016	**-**	**$ -**
Granted (note 11)	124,000	0.07
Exercised (note 11)	(124,000)	0.07
Balance, February 28, 2017	**-**	**$ -**
Granted (note 11)	76,000	$ 0.16
Balance, May 31, 2017	**76,000**	**$ 0.16**

13. Stock options

The following table shows the continuity of options:

	Number of Options	Weighted Average Exercise Price
Outstanding at February 29, 2016	**97,500**	**$ 2.04**
Granted	2,925,000	0.06
Expired	(72,500)	2.22
Outstanding at February 28, 2017	**2,950,000**	**$ 0.08**
Granted	1,750,000	$ 0.10
Exercised	(100,000)	$ 0.07
Outstanding at May 31, 2017	**4,600,000**	**$ 0.09**

On April 18, 2016, the Company granted 1,225,000 options to officers, directors and consultants for a period of five years at an exercise price of $0.05 per option. The stock options have a Black-Scholes option pricing value of $65,100 and have been expensed in the Statement of Comprehensive Loss.

(Expressed in Canadian Dollars)

13. Stock options (continued)

On October 31, 2016, the Company granted 1,500,000 options to officers, directors and consultants for a period of five years at an exercise price of $0.07 per option. The stock options have a Black-Scholes option pricing value of $92,200 and have been expensed in the Statement of Comprehensive Loss.

On June 30, 2016, 60,000 stock options expired unexercised.

On September 9, 2016, 12,500 stock options expired unexercised.

On February 24, 2017, the Company granted 200,000 options to an officer, for a period of five years at an exercise price of $0.10 per option. The stock option has a Black-Scholes option pricing value of $19,700 and have been expensed in the Statement of Comprehensive Loss.

On March 2, 2017, 100,000 stock options where exercised at a price of $0.05 per share for gross proceeds of $5,000.

In May 2017, the Company granted 1,750,000 options to officers, directors for a period of five years at an exercise price of $0.10 per options. The stock options have a Black-Scholes option pricing value of $134,925 and have been expensed in the Statement of Comprehensive Loss.

The following table shows the options outstanding as at May 31, 2017:

Range of exercise price	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
$1.50	25,000	0.07	$ 1.50	25,000
$0.07	1,500,000	4.42	$ 0.07	1,500,000
$0.05	1,125,000	3.88	$ 0.05	1,125,000
$0.10	200,000	4.74	$ 0.10	200,000
$0.10	1,750,000	5.00	$ 0.10	1,750,000
	4,600,000		**$ 0.09**	**4,600,000**

Stock-based compensation fair value was calculated on options based on the following assumptions:

Grant Date	**May 22, 2017**	**May 31, 2017**
Number of options	1,000,000	750,000
Exercise price	$0.10	$0.10
Exercise price compared to the market	Higher	Higher
Risk free interest	0.85%	0.85%
Expected volatility	189.96%	190.11%
Expected life (years)	5	5
Vesting	100% at date of grant	
Share price at the date of grant	$0.08	$0.08
Estimate fair value per option	$0.077	$0.077
Estimated fair value	$77,100	$57,825
Forfeiture rate	0.00%	0.00%

(Expressed in Canadian Dollars)

13. Stock options (continued)

The underlying expected volatility was determined by reference to historical data of the Company's shares on the TSX-V over the expected average life of the options. No special features inherent in the options granted were incorporated into measurement of fair value.

In total, $134,925 (2016 - $65,100) of the stock-based payments were included in stock-based compensation in profit or loss for the reporting period ended May 31, 2017, and credited to contributed surplus.

14. Loss per common share

The calculation of basic and diluted loss per share for the period ended May 31, 2017, was based on the loss attributable to common shareholders of the parent company of $344,544 (2016 –$125,390) respectively, and the basic and diluted weighted average number of common shares outstanding of 36,864,862 (2016 – 17,924,911) respectively. Diluted loss per share did not include the effect of stock options, warrants, and agent options as they are anti-dilutive for both 2017 and 2016.

15. Changes in non-cash working capital items

For the three months ended:	**May 31, 2017**	May 31, 2016
Accounts receivable	**$ (24,967)**	$ 5,285
Prepaid expenses	**(51,787)**	1,634
Accounts payable and accrued liabilities	**27,503**	(28,348)
	$ (49,251)	$ (21,429)

16. Related party balances and transactions

Related parties include the Board of Directors and key management personnel, as well as, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. These transactions were measured by the exchange amount that is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

(a) Transactions with key management personnel

Remuneration of directors and key management personnel of the Company was as follows:

For the three months ended:	**May 31, 2017**	May 31, 2016
Consulting fees, including director’s fees	**$ 28,500**	$ 32,700
Share based compensation	**134,925**	63,771
Total	**$ 163,425**	$ 96,471

As at May 31, 2017, directors and key management personnel, as well as former officers and directors, were owed $18,235 (February 29, 2017- $18,325), included in accounts payables and accrued liabilities.

(Expressed in Canadian Dollars)

16. Related party balances and transactions (continued)

1) Management fees include $15,000 (2016 - $20,000) paid to a Company controlled by Andre Audet, the Company's Chief Executive Officer.

2) Management fees include $13,500 (2016 - $Nil) paid to a Company controlled by Lucie Letellier, the Company's Chief Financial Officer and Corporate Secretary.

(b) Transactions with related companies

Albert entered into the following transactions with related companies:

	May 31, 2017	May 31, 2016
Everton Resources Inc. ("Everton")	**$ 5,676**	$ 3,920

Under an agreement, which was signed on March 25, 2013 between the Company and Everton, the Company reimbursed the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management).

17. Segmented information

The Company has determined that it operates in two segments, being acquisition, exploration and development of mineral properties for economically recoverable reserves in Canada and generating revenue from providing services using its CARDS system.

18. Capital management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of its mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be equity attributable to equity holders of the parent company, which is comprised of share capital, reserves and deficit which at May 31, 2017 totalled a surplus of $1,461,860 (February 29, 2017 – a surplus of $151,679).

The properties in which the Company currently has an interest are in the exploration stage. As such the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements;
(ii) focusing financing exploration expenditures on those properties considered to have the best potential; and
(iii) Exploring alternative sources of liquidity by providing services using the Company's CARDS system

18. Capital management (continued)

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company thinks there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

The Company's capital management objectives, policies and processes have remained unchanged during the three month period ended May 31, 2017, as well as the year ended February 29, 2017.

19. Financial risk factors

Financial risk

The Company's activities expose it to a variety of financial risks in relation to financial instruments. The financial assets and liabilities by category are summarized in note 20. The main types of risks are credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

(i) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. Cash is held with reputable Canadian chartered banks, from which management believes the risk of loss to be minimal. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered bank.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Company's financial assets are secured by collateral or other credit enhancements.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at May 31, 2017, the Company had cash of $493,644 (February 29, 2017- $284,131) and current liabilities of $169,982, this amount includes a Flow-Through premium of $16,667 (February 29, 2017 - $142,479, $16,677 Flow-Through premium). The Company's financial liabilities (without the Flow-Through premium) have contractual maturities of less than 30 days, and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

19. Financial risk factors (continued)

(a) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian. The Company is therefore not exposed to fluctuations in the value of assets and liabilities as they are denominated in Canadian dollars.

(b) Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at May 31, 2017, the Company does not hold any publicly listed shares of companies. The Company is not exposed to market risk from unfavourable market conditions.

20. Categories of financial instruments

	May 31, 2017	February 29, 2017
Financial assets:		
Cash	**$ 493,644**	$ 284,131
Financial liabilities:		
Accounts payable and accrued liabilities	**$ 153,315**	$ 125,812

As of May 31, 2017, and February 28, 2017, the fair value of all the Company's financial instruments, approximated the carrying value due to the short-term nature of these investments.

Financial instruments measured at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

21. Commitments and Contingencies

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is committed to using the financing proceeds for mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements; or
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

21. Commitments and Contingencies (continued)

Environmental

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

22. Events after reporting date

On June 20, 2017, the Company announced that it decided to change its corporate name to "Albert Mining Inc." The Corporation has adopted the name "Albert Mining Inc.", and will formalize its re-branding to reflect the acquisition of the entire mining division of DIAGNOS, including the Computer Aided Resources Detection System ("CARDS"), Manageo (claims management), as well as all the exploration projects and Royalties. On July 14, 2017, the name change was approved by the shareholders.

The Company also announced a $550,000 non-brokered private placement (the "Offering") comprised of $250,000 in flow through common shares at an issue price of $0.12 per share and $300,000 in non-flow through common shares at an issue price of $0.10 per share with one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder thereof to acquire one additional common share in the capital of the Corporation at a price of $0.16 per share for a period of twenty-four (24) months following the closing of the Offering. All securities issued in the Offering are subject to a four-month and one day "hold" period. The proceeds of the Offering will be used for exploration on the Corporation's James Bay Kimberlites project located close to the Stornoway Diamond Mine, and Currie Madeleine and Wachigabau gold projects located in the Lebel sur Quevillon region, Quebec. (June 20, 2017 press release)