BIRD RIVER RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2017

(UNAUDITED – PREPARED BY MANAGEMENT)

<u>Notice to Reader</u>

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in Canadian Dollars)

	As at April 30 2017	As at July 31 2016
ASSETS		
Current		
Cash and cash equivalents (note 4)	$ 48,778	$ 87,845
Trade receivables	9,526	14,283
Goods and service tax recoverable	-	3,546
Inventory	24,297	17,468
Total current assets	82,601	123,142
Non-current		
Property and equipment (note 5)	124,148	146,087
Exploration and evaluation assets (note 7)	35,127	35,127
Total non-current assets	159,275	181,214
Total assets	**$ 241,876**	**$ 304,356**
LIABILITIES		
Current		
Trade payables	$ 139,055	$ 116,202
Other payables (note 8)	64,852	83,831
Total current liabilities	203,907	200,033
Non-current liabilities		
Decommissioning obligations (note 9)	9,385	9,385
Total liabilities	213,292	209,418
SHAREHOLDERS' EQUITY		
Share capital (note 10)	1,012,247	1,012,247
Share-based payments reserve	1,840	1,840
Deficit	(985,503)	(919,149)
Total shareholders' equity	28,584	94,938
Total liabilities and shareholders' equity	**$ 241,876**	**$ 304,356**

Basis of preparation and going concern assumption (note 2)

Approved by the Board:

"Nelson Shodine" Director

"Jon Bridgman" Director

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Comprehensive Loss (unaudited)

(Expressed in Canadian Dollars)

	3 months ended April 30 2017	3 months ended April 30 2016	9 months ended April 30 2017	9 months ended April 30 2016
Revenue				
Petroleum and natural gas revenue	$ 7,644	$ 13,766	$ 20,827	$ 15,099
Industrial mineral sales	15,099	15,949	41,003	41,990
	22,743	29,715	61,830	57,089
Expenses				
Depletion	7,209	3,700	21,628	25,836
Depreciation	104	176	312	406
General and administrative (note 13)	3,376	27,021	72,283	83,588
Production and operating - petroleum and natural gas	4,524	9,836	12,247	24,693
Production and operating - industrial minerals	7,118	15,246	21,826	35,231
	22,331	55,979	128,296	169,754
Income (loss) from operations	412	(26,264)	(66,466)	(112,665)
Other income (expenses):				
Interest income	112	773	112	5,041
Net income (loss) and comprehensive income (loss) for the period	**$ 524**	**$ (25,491)**	**$ (66,354)**	**$ (107,624)**
Loss per common share (basic and fully diluted) (note 11)	**$ 0.000**	**$ (0.002)**	**$ (0.006)**	**$ (0.010)**
Weighted average number of common shares outstanding Basic and diluted (note 11)	**10,570,225**	**10,570,225**	**10,570,225**	**10,570,225**

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

BIRD RIVER RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows (unaudited)

(Expressed in Canadian Dollars)

	9 months ended April 30 2017	9 months ended April 30 2016
Cash provided by (used in) operating activities		
Net income (loss) for the period	$ (66,354)	$ (107,624)
Adjustments for:		
Depletion	21,628	25,836
Depreciation	312	406
Changes in non-cash working capital items:		
Trade receivables	4,757	(1,828)
Goods and services tax recoverable	3,546	792
Inventory	(6,829)	3,761
Note receivable	-	741
Trade payables	22,852	41,903
Other payables	(18,979)	(22,626)
	(39,067)	(58,639)
Cash provided by (used in) investing activities		
Property and equipment	-	-
Increase (decrease) in cash and cash equivalents	(39,067)	(58,639)
Cash and cash equivalents, beginning of the period	87,845	101,550
Cash and cash equivalents, end of the period	**$ 48,778**	**$ 42,911**

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

BIRD RIVER RESOURCES INC.
Condensed Interim Consolidated Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

	Share capital			Share-based payments reserve				
	Shares		Amounts		reserve		Deficit		Total
Balances, July 31, 2015	**10,570,225**	**$**	**1,012,247**	**$**	**1,636**	**$**	**(675,106)**	**$**	**338,777**
Share-based payments	-		-		204		-		204
Net income (loss) for the year	-		-		-		(244,043)		(244,043)
Balances, July 31, 2016	**10,570,225**		**1,012,247**		**1,840**		**(919,149)**		**94,938**
Net income (loss) for the period	-		-		-		(66,354)		(66,354)
Balances, April 30, 2017	**10,570,225**	**$**	**1,012,247**	**$**	**1,840**	**$**	**(985,503)**	**$**	**28,584**

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

1. Nature of operations

Bird River Resources Inc. (the "Company") is a publicly listed company incorporated under the laws of Manitoba on March 7, 1958. The mailing and office address of its executive office is 1059 Selkirk Avenue, Winnipeg, Manitoba, R2X 0C2.

The principal business activities include the acquisition and exploration of resource properties with the Company's primary focus on petroleum and natural gas properties. The Company also engages in secondary activities, from time to time, involving the purchase or acquisition of certain industrial minerals, typically diatomaceous earth and bentonite, for distribution and re-sale or for use in an abandoned water well sealing operation. The Company's shares are listed on the Canadian Stock Exchange under the symbol BDR.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

2. Basis of preparation and summary of significant accounting policies

These condensed interim consolidated financial statements of the Company for the nine month period ended April 30, 2017 (the "consolidated interim financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting.

These consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended July 31, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and using accounting policies consistent with those used in the Company's July 31, 2016 annual consolidated financial statements.

The consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

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

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 3.

Basis of measurement

These consolidated interim financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified as at fair value through profit or loss, which are measured at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern of operations

The going concern assumption implies that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. However, there is doubt about the appropriateness of the use of the going concern assumption because the Company has experienced losses and negative cash flows from operations over a number of years.

The Company has not yet determined whether all of its exploration and evaluation assets contain reserves that are economically recoverable, and accordingly, the success of any further exploration or development prospects cannot be assured. If the Company's exploration and development programs are successful, additional funds may be required, and the Company may not have sufficient funds to conduct the exploration required. The primary source of future funds available to the Company is through the sale of additional equity capital, which may dilute the interests of existing shareholders.

These consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate, then adjustments may be necessary to the carrying value of assets and liabilities and the reported amounts of revenue and expenses.

Significant accounting judgments and estimates

The preparation of these consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated interim financial statements include estimates that, by their nature are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant 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 assumptions made, relate to, but are not limited to, the following:

(i) the recoverability of sundry receivables that are included in the statement of financial position;
(ii) the recoverability of exploration and evaluation expenditures incurred on the Company's property interests;
(iii) although the Company has taken steps to verify title to the resource properties in which it has an interest, these procedures do not guarantee the Company's title and such properties may be subject to prior agreements or transfers and title may be affected by undetected issues;
(iv) the estimated useful lives and residual value of property and equipment which are included in the financial statements and the related depreciation included in profit or loss;
(v) the inputs used in accounting for share based payment transactions;
(vi) management's position that there are no income tax considerations required within these consolidated interim financial statements; and
(vii) management's judgment in determining the functional currency of the Company as Canadian Dollars.

Basis of consolidation

These consolidated interim financial statements include the accounts of the company and its wholly-owned subsidiary 2411181 Manitoba Ltd. All significant inter-company transactions have been eliminated on consolidation

Future accounting changes

Recent accounting announcements

Standards issued but not yet effective up to the date of issuance of these consolidated interim financial statements are listed below. This listing is of the standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of these new standards on its consolidated financial statements to be significant.

(Expressed in Canadian dollars)

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in July 2014 and replaces IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the underlying financial instrument. For financial liabilities, the standard retains most of the requirements from IAS 39. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income or loss rather than in profit or loss, unless this creates an accounting mismatch. The required adoption date for IFRS 9 is annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires entities to follow a five-step model for the recognition of revenue upon the transfer of control of a good or service to the customer. The five steps are: (1) contract is identified with the customer; (2) performance obligations are identified; (3) transaction price is determined; (4) transaction price is allocated; and (5) revenue is recognized when the performance obligation is satisfied. In addition, there are enhanced revenue disclosures to provide investors with a more comprehensive understanding of the nature, amount, timing and uncertainty of revenue and cash flows from contracts. This standard replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations on revenue recognition. This standard is effective for annual periods beginning on or after January 1, 2017.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles of IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing an asset. The standard is effective for annual periods beginning on or after January 1, 2019.

3. Exploration and evaluation expenses

During the period ended April 30, 2017, the Company has directly expensed exploration and evaluation costs in the amount of $ nil (2016- $ nil).

4. Cash and cash equivalents

	April 30, 2017 ($)	July 31, 2016 ($)
Cash	6,288	30,092
Treasury bills - money market fund	42,490	57,753
	48,778	87,845

Cash and cash equivalents are deposited at established Canadian financial institutions.

(Expressed in Canadian dollars)

5. Property and equipment

	Exploration and evaluation equipment ($)	Vehicles ($)	Petroleum and natural gas properties ($)	Totals ($)
Cost:				
Balance, July 31, 2015	52,333	11,342	267,631	331,306
Additions	-	-	-	-
Impairment loss	-	-	(12,162)	(12,162)
Disposals	-	-	-	-
Balance, July 31, 2016	52,333	11,342	255,469	319,144
Additions	-	-	-	-
Balance, April 30, 2017	52,333	11,342	255,469	319,144
Accumulated depletion and depreciation:				
Balance, July 31, 2015	50,430	10,806	95,391	167,627
Depletion and depreciation for the year	380	161	15,889	16,430
Balance, July 31, 2016	50,810	10,967	111,280	173,057
Depreciation for the period	228	84	21,628	21,940
Balance, April 30, 2017	51,038	11,051	132,908	194,997
Carrying amounts:				
At July 31, 2016	1,523	375	144,189	146,087
At April 30, 2017	1,295	291	122,561	124,147

6. Interests in joint arrangements

The Company has entered into a joint operation with Antler River Resources Ltd. and other parties relating to twelve oil wells in southwestern Manitoba (LSD 6-13-7-29, LSD 14-15-8-28, HZ 13-15-8-28, HZ 11-26-1-28, HZ 12-15-8-28, HZ 7-34-1-28, HZ 13-23-1-28, HZ 15-30-1-27, HZ 3-15-8-28, HZ 16-16-7-28, HZ 3-22-7-28 and HZ 4-5-2-27). The Company has rights to the assets and obligations for the liabilities relating to this joint operation, therefore has recognized its share of the assets, liabilities, revenues and expenses in these consolidated interim financial statements. Pursuant to the arrangement, expenditures are limited to costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells. The related expenditures are deferred in the accounts of the Company until the technical and commercial viability of extracting resources has been demonstrated. The Company has earned an interest equal to 80% of their contribution to the costs of surface access, building location, drilling, completing, equipping and operating or abandoning the oil wells, which represents approximately a 4% interest in the joint operation. These amounts are included in petroleum and natural gas properties in property and equipment and are being depleted accordingly (see Note 5).

7. Exploration and evaluation assets

The Company has capitalized the following amounts:

	April 30, 2017 ($)	July 31, 2016 ($)
Petroleum and natural gas properties:		
Lease holdings (i)	35,127	35,127
Mineral exploration properties (ii)	-	-
	35,127	35,127

(Expressed in Canadian dollars)

(i) The Company has invested in lease holdings as follows:

1) Northeast quarter 17-1-27, 33 1/3% owned with a renewable one year lease term;
2) Northeast quarter 23-1-28, 15% owned with a renewable one year lease term; and
3) Northeast quarter 30-1-27, 15% owned with a renewable one year lease term.

During the year ended July 31, 2016 various leases expired resulting in write-downs of exploration and evaluation assets totaling $91,850 relating to leases in Northwest quarter 23-1-28, Southwest quarter 23-1-28, Northeast quarter 14-4-22, Northeast quarter 2-3-26 and Southeast quarter 2-3-26.

(ii) The Company held one Quarry Lease, QL - 1530, located 85 kilometers southwest of Winnipeg near Miami, Manitoba. The 8 hectare lease hosts a narrow bed of bentonite. This lease expired during the year ended July 31, 2016 and was not renewed resulting in a write down in the amount of $273.

The Company previously held an exploration property known as the Ore Fault property located on the Bird River Greenstone Belt, 125 kilometers northeast of Winnipeg, Manitoba. In 2008, Marathon PGM acquired a 100% interest in the Ore Fault Property with the Company retaining a 1% net smelter return ("NSR") royalty.

8. Other payables

The Company's other payables are comprised of the following:

	April 30, 2017 ($)	July 31, 2016 ($)
Sales taxes payable	303	116
Accrued liabilities	64,549	83,715
	64,852	83,831

9. Decommissioning obligations

The Company's decommissioning obligations result from its ownership interest in petroleum and natural gas properties. The total provision for decommissioning obligations is estimated based on the Company's net ownership interest in all wells and facilities, estimated costs to reclaim and abandon these wells and facilities and the estimated timing of the costs to be incurred in future years. The total estimated undiscounted cash flows required to settle the obligations, before considering salvage as at July 31, 2016 is approximately $19,000 (2015 - $19,000), which has been discounted using a pre-tax rate of 2.96% (2015 - 2.96%) reflecting the time value of money and the risks specific to the obligation. These obligations are to be settled based on the economic lives of the underlying assets, which currently extend up to 25 years (2015 - 25 years) into the future and will be funded from general corporate resources at the time of abandonment.

The Company's decommissioning obligations as at April 30, 2017 and July 31, 2016 were as follows:

	April 30, 2017 ($)	July 31, 2016 ($)
Balance, beginning of period/year	9,385	9,115
Accretion	-	270
Balance, end of period/year	9,385	9,385

(Expressed in Canadian dollars)

10. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common voting shares.

(b) Changes in issued common shares are summarized below:

	Number of common shares (#)	Amount ($)
Balance, July 31, 2015	10,570,225	1,012,247
Changes during the year	-	-
Balance, July 31, 2016	10,570,225	1,012,247
Changes during the period	-	-
Balance, April 30, 2017	10,570,225	1,012,247

(c) Income (loss) per share

The calculation of basic and diluted income (loss) per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the periods:

	3 months ended April 30, 2017	3 months ended April 30, 2016	9 months ended April 30, 2017	9 months ended April 30, 2016
Income (loss) for the period	$ 524	$ (25,491)	$ (69,354)	$ (89,921)
Weighted average number of common shares	10,570,225	10,570,225	10,570,225	10,570,225
Income (loss) per common share	$ 0.000	$ (0.002)	$ (0.007)	$ (0.009)

All of the outstanding stock options were anti-dilutive for the relevant periods.

11. Share-based payments

(a) Outstanding options

The following table summarizes stock options outstanding as at April 30, 2017 and July 31, 2016:

	Number outstanding (#)	Exercise price ($)	Expiry date
Directors' options	100,000	0.10	March 14, 2019

(Expressed in Canadian dollars)

(b) Changes in stock options

A summary of the changes in stock option activity for the period ended January 31, 2017 and the year ended July 31, 2016 is as follows:

	April 30, 2017		**July 31, 2016**	
	Weighted average exercise price ($)	**Number of options (#)**	**Weighted average exercise price ($)**	**Number of options (#)**
Outstanding, beginning of period/year	0.10	100,000	0.10	100,000
Granted	-	-	-	-
Expired	-	-	-	-
Outstanding and exercisable, end of period/year	0.10	100,000	0.10	100,000

The options outstanding at the end of the period have an exercise price of $0.10 per share (year ended July 31, 2016 - $0.10 per share) and had a weighted average remaining contractual life of 1.87 years as at April 30, 2017 (2.62 years as at July 31, 2016).

(c) Effects on profit or loss

The total estimated fair value of options vested and recognized as an expense for the period ended April 30, 2017 was $ nil (year ended July 31, 2016 = $204) as the options are now fully vested.

12. General and administrative expenses

The general and administrative expenses incurred by the Company for the periods ended April 30, 2017 and 2016 were as follows:

	3 months ended April 30, 2017 ($)	**3 months ended April 30, 2016 ($)**	**9 months ended April 30, 2017 ($)**	**9 months ended April 30, 2016 ($)**
Automotive	1,296	-	2,520	303
Management fees	12,000	12,000	36,000	36,000
Office and general	1,545	1,867	5,985	7,547
Professional fees	(16,042)	2,350	9,848	13,000
Rent	2,400	2,400	7,200	7,200
Repairs and maintenance	-	-	883	1,462
Shareholder maintenance and filing fees	1,687	6,410	7,557	13,735
Telephone	490	361	1,827	2,720
Travel	-	-	463	1,621
	3,376	25,388	72,283	83,588

13. Related party transactions

(a) Key management personnel compensation

The Company did not pay employment based remuneration to directors, officers and other members of key management for the nine month periods ended April 30, 2017 and 2016, however, the Company did pay contract based remuneration to directors, officers and other members of key management as disclosed in part (b) below.

(b) Other related party transactions

During the nine month period ended April 30, 2017, the Company paid management fees in the amount of $22,500 (2016 - $22,500) to a director and officer of the Company and $13,500 (2016 - $13,500) to another director and officer. The Company also paid rent in the amount of $7,200 (2016 - $7,200) to a director and officer of the Company. These amounts are recorded at the exchange amount, which is the amount agreed upon by the related parties.

As at April 30, 2017, included in trade and other payables are amounts owing to directors and officers of the Company in the amount of $143,762 (2016 - $79,900). These amounts are unsecured and non-interest bearing with no specified terms of repayment.

14. Financial instruments

(a) Risk management and hedging activities

In the normal course of operations, the Company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not meaningfully participate in the use of financial instruments to control these risks. The Company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The Company does not hold any assets or liabilities denominated in a foreign currency, therefore is not exposed to currency risk.

(ii) Price risk

The Company is exposed to price risk with respect to commodity prices of oil and gas. The Company monitors commodity prices in order to manage their exposure to these risks. An annual average change of 1% in crude oil prices would affect the reported net income by $439 for the year ended July 31, 2016.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company is exposed to credit risk on its financial assets. Cash is held with established Canadian financial institutions and the Company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The Company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

The carrying amount of financial assets recorded in the consolidated interim financial statements of $58,304 (July 31, 2016 - $105,674) represents the maximum exposure to credit risk at the reporting date.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the Company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at April 30, 2017, the Company had a working capital deficiency in the amount of $121,305 (July 31, 2016 – deficiency of $76,891).

(Expressed in Canadian dollars)

The contractual maturities of financial liabilities based on the earliest date on which payment can be required are as follows:

	Total amount ($)	6 months or less ($)	More than 6 months ($)
As at April 30, 2017:			
Trade payables	139,055	139,055	-
Other payables	64,952	64,952	-
	203,907	203,907	-
As at July 31, 2016:			
Trade payables	116,202	116,202	-
Other payables	83,831	83,831	-
	200,033	200,033	-

(v) Interest rate risk

The Company is not exposed to any meaningful interest rate risk due to the short term nature of its interest generating assets.

(b) Sensitivity analysis

The Company had cash and cash equivalents subject to interest rate risk of $48,778 (July 31, 2016 - $87,845). A 1% change in the primary interest rate would affect the reported net income on an annualized basis by $487.

(c) Fair values, carrying amounts and changes in fair value

The fair values of the Company’s financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the consolidated interim statement of financial position, have been prioritized into three levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level two includes inputs that are observable other than quoted prices included in level one; and
- Level three includes inputs that are not based on observable market data.

The Company's financial instruments within the fair value hierarchy as at April 30, 2017 and July 31, 2016 were as follows:

	Level 1 ($)	Level 2 ($)	Level 3 ($)
As at April 30, 2017:			
Cash and cash equivalents	48,778	-	-
As at July 31, 2016:			
Cash and cash equivalents	87,845	-	-

(d) Collateral

The carrying value of financial assets the company has pledged as collateral is $ nil (2014 - $ nil).

15. Capital management

The Company considers its capital structure to consist of share capital, stock options and warrants. When managing capital, the Company's objective is to ensure that the Company continues as a going concern as well as to maintain 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 mineral and petroleum and natural gas 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 to sustain future development of the Company's operations. As at April 30, 2017, the Company had managed capital, being total equity on the consolidated interim statement of financial position of $28,584 (July 31, 2016 - $94,938).

A number of 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 the planned exploration and pay for administrative expenses, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties it if feels there is sufficient geologic or economic 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 reasonable.

There were no changes in the Company's approach to capital management during the current or prior period. The Company is not subject to externally imposed capital requirements.