STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Financial Statements

July 31, 2017

September 20, 2017

Management's Responsibility for Financial Reporting

The accompanying unaudited condensed interim consolidated financial statements of **Stockport Exploration Inc.** are the responsibility of management and have been approved by the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited condensed interim consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the financial statements. The Audit Committee of the Board of Directors reviewed and approved the Company's unaudited condensed interim consolidated financial statements and recommended their approval by the Board of Directors.

These unaudited condensed interim consolidated financial statements have not been reviewed by the external auditors of the Company.

(signed) *"James Megann"*
President and Chief Executive Officer
Halifax, Nova Scotia

(signed) *"Robert Randall"*
Chief Financial Officer
Halifax, Nova Scotia

STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Statements of Financial Position

As at July 31, 2017 and October 31, 2016

(expressed in Canadian dollars)

	July 31, 2017	October 31, 2016
ASSETS	**$**	**$**
Current assets		
Cash	503,467	18,989
Sales taxes recoverable	4,821	4,306
Marketable securities	440,320	561,354
Prepaid expenses and deposits	8,061	8,051
	956,669	592,700
Property and equipment (note 6)	4,078	5,260
Resource properties (note 7)	3,955,905	4,253,105
	4,916,652	4,851,065
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	1,664,284	1,581,817
Convertible notes (note 12)	277,500	-
Line of credit (note 15)	-	211,468
	1,941,784	1,793,285
Convertible notes (note 12)	-	255,000
Convertible debentures (note 11)	75,423	125,705
	2,017,207	2,173,990
SHAREHOLDERS' EQUITY	2,899,445	2,677,075
	4,916,652	4,851,065

Nature of operations (note 1)
Basis of presentation and going concern (note 2)
Contingency (note 16)

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

Approved on behalf of the Board of Directors,

(s) James Megann — *(s) Carl Sheppard*

James Megann — **Carl Sheppard**

STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss

For the three and nine-month periods ended July 31, 2017 and 2016

(expressed in Canadian dollars)

	For the Three-Months Ended July 31		For the Nine-Months Ended July 31	
	2017	2016	2017	2016
	$	$	$	$
EXPENSES				
Amortization	139	200	414	595
Banking fees	609	641	2,340	2,552
General and administrative	8,857	8,508	25,804	30,561
Investor relations and marketing	180	180	640	540
Listing and regulatory costs	10,138	12,396	21,439	30,220
Management salaries and fees	23,000	60,500	69,000	185,590
Management services (note 15)	9,000	9,000	27,000	60,000
Professional services	31,583	8,942	114,284	32,814
Share-based compensation	4,656	7,840	12,092	16,760
Travel	479	3,196	1,831	4,116
Write-down of pilot project, net of proceeds (note 7)	-	(162,955)	-	1,616,333
Write-down (recovery) of resource properties (note 7)	(121,939)	2,944,517	(121,939)	2,944,517
	33,298	(2,892,965)	(152,905)	(4,924,598)
OTHER INCOME (EXPENSES)				
Accretion expense (note 12)	(7,500)	(7,500)	(22,500)	(22,500)
Change in fair value of convertible debenture liability (note 11)	50,282	-	50,282	1,584,534
Foreign exchange gain / (loss)	34,007	(9,659)	28,504	11,356
Gain on sale of marketable securities	-	-	278,661	-
Gain on sale of equipment (note 7)	164,318	-	164,318	-
Interest income (note 7)	190,145	23,500	198,675	23,500
Interest expense	(11,153)	(13,434)	(34,459)	(18,059)
NET INCOME (LOSS) FOR THE PERIOD	453,397	(2,900,058)	510,576	(3,345,767)
Items that will be subsequently reclassified to the statement of loss				
Realized gain on available-for-sale securities reclassified to net gain	-	-	(278,661)	-
Unrealized gain (loss) on available-for-sale securities	(35,094)	288,800	(21,637)	291,300
COMPREHENSIVE LOSS FOR THE PERIOD	418,303	(2,611,258)	210,278	(3,054,467)
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED	$ 0.005	$ (0.033)	$ 0.006	$ (0.038)
Weighted Average Number of Common Shares Outstanding	88,653,128	88,653,128	88,653,128	88,653,128

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

STOCKPORT EXPLORATION INC.

Unaudited Condensed Interim Consolidated Statements of Changes in Equity

For the periods ended July 31, 2017 and 2016 and October 31, 2016

(expressed in Canadian dollars)

	Number of Shares	Share Capital	Equity portion of convertible debt	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
		$	$	$	$	$	$	$
Balance at November 1, 2015	88,653,128	22,597,563	90,000	75,349	4,651,586	(6,500)	(21,427,305)	5,980,693
Net income (loss) and other comprehensive income (loss)	-	-	-	-	-	291,300	(3,345,767)	(3,054,467)
Share-based compensation	-	-	-	-	16,760	-	-	16,760
Balance at July 31, 2016	88,653,128	22,597,563	90,000	75,349	4,668,346	284,800	(24,773,072)	2,942,986
Net income (loss) and other comprehensive income (loss)	-	-	-	-	-	14,554	(294,083)	(279,529)
Share-based compensation	-	-	-	-	13,618	-	-	13,618
Balance at October 31, 2016	88,653,128	22,597,563	90,000	75,349	4,681,964	299,354	(25,067,155)	2,677,075
Net income (loss) and other comprehensive income (loss)	-	-	-	-	-	(300,298)	510,576	210,278
Share-based compensation	-	-	-	-	12,092	-	-	12,092
Balance at July 31, 2017	88,653,128	22,597,563	90,000	75,349	4,694,056	(944)	(24,556,579)	2,899,445

Other comprehensive income (loss) for the period comprises the net unrealized gain (loss) on available-for-sale securities.

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

STOCKPORT EXPLORATION INC.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the nine-month periods ended July 31, 2017 and 2016

(expressed in Canadian dollars)

	For the Nine-Months Ended July 31	
	2017	**2016**
	$	$
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net income (loss) for the period	510,576	(3,345,767)
Adjustments to income not involving cash		
Amortization	414	595
Share-based compensation	12,092	16,760
Accretion expense	22,500	22,500
Change in fair value of convertible debenture liability	(50,282)	(1,584,534)
Write-down of pilot project	-	1,616,333
Write-down (recovery) of resource properties	(121,939)	2,944,517
Gain on sale of marketable securities	(278,661)	-
Interest income (note 7)	(198,675)	(23,500)
	(103,975)	(353,096)
Net change in non-cash working capital balances related to operations		
Increase in sales taxes recoverable	(1,347)	(559)
Increase in prepaid expenses and deposits	(10)	(7,416)
Increase in accounts payable and accrued liabilities	123,621	203,337
	18,289	(157,734)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Cash paid on line of credit	(211,468)	(15,056)
	(211,468)	(15,056)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Resource property interests and options	(119,511)	(214,023)
Cash received pursuant to option agreements (note 7)	325,000	250,000
Sales taxes recoverable related to resource property interests	832	2,738
Proceeds on sale of marketable securities	471,336	-
	677,657	38,715
NET CHANGE IN CASH DURING THE PERIOD	484,478	(134,075)
CASH, beginning of period	18,989	178,503
CASH, end of period	503,467	44,428
Non-cash financing activities		
Available-for-Sale securities received pursuant to option agreement (note 7)	371,939	-

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

1. Nature of operations

These unaudited condensed interim consolidated financial statements include the accounts of Stockport Exploration Inc. (the "Company") and its wholly-owned subsidiaries 6321593 Canada Inc., Stockport Exploration of Kenya Limited, Stockport Mining Kenya Limited, and Minera Zapoteca, S.A. de C.V.

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. To date, the Company has not earned significant revenues. The recoverability of the amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, obtaining necessary financing and permitting to complete the development, and future profitable production or proceeds from the disposition thereof. The Company is incorporated and domiciled in Canada and its head office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia, Canada.

Subsequent to the end of the period, the Company entered into a letter of intent related to the proposed acquisition of Sona Nanotech Limited ("Sona"), a private corporation involved in the nano technology life sciences industry (note 18).

2. Basis of Presentation and Going Concern

Going Concern

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they come due.

For the nine-month period ended July 31, 2017, the Company had net income of approximately $0.5 million (year-ended October 31, 2016 - net loss of $3.5 million) and had an accumulated deficit of approximately $24.6 million as at July 31, 2017 (October 31, 2016 - $25.1 million). The Company has no income or cash flow from operations and at July 31, 2017, had a negative working capital balance of approximately $1.0 million (October 31, 2016 - negative working capital balance of $1.2 million). In addition to its working capital requirements, the Company must secure sufficient funding to maintain legal title to its resource properties, to fund any exploration and development activities and to fund its general and administrative costs. Such material uncertainties cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there is no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and, eventually, to generate positive cash flows, either from operations or the sale of properties. These unaudited interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

Statement of Compliance

The Company prepares its unaudited condensed interim consolidated financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as set out in the Handbook of Chartered Professional Accountants of Canada – Part 1 ("CPA Canada Handbook"), which incorporates IFRS as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year-ended October 31, 2016.

The policies applied in these unaudited condensed interim consolidated financial statements are based on the IFRS as of September 20, 2017, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year-ended October 31, 2017 could result in the restatement of these unaudited condensed interim consolidated financial statements.

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments recorded at fair value. Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The Company's functional currency is the Canadian dollar, which is also the presentation currency of the Company.

Use of Estimates and Judgments

The preparation of financial statements under IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. Significant Accounting Policies

These financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of the Company for the year-ended October 31, 2016. Refer to note 3, *Significant Accounting Policies*, of the Company's annual consolidated financial statements for the year-ended October 31, 2016 for information on the accounting policies as well as new accounting standards not yet effective.

4. Financial Instruments

The Company recognizes financial instruments based on their classification. Depending on the financial instruments' classification, changes in subsequent measurements are recognized in net income (loss) or comprehensive income (loss).

If a financial instrument is measured at fair value, changes in its fair value shall usually be recognized in net income (loss) in the period in which the change occurs, with some exceptions, such as for cash flow hedges and available-for-sale investments. For investments designated as being available-for-sale, changes in the fair value shall be recorded directly in Shareholders' Equity in a separate account called *"Accumulated Other Comprehensive Income (Loss)"* until the asset is disposed of or becomes impaired. At that time, the gains and losses are transferred to net income (loss).

The Company has implemented the following classifications:

- Cash is classified as *"Loans and Receivables"*. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

- Marketable securities are classified as *"Available-for-Sale"*. Financial assets classified as Available-for-Sale are recognized initially at fair values plus transaction costs and are subsequently carried at fair value, with changes in the fair value recorded in other comprehensive income. The fair value measurements are based on quoted prices in active markets for identical instruments (Level 1).

- Accounts payable and accrued liabilities are classified as *"Other Financial Liabilities"*. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

- Embedded derivatives are classified as *"Financial Assets or Financial Liabilities at Fair Value through Profit or Loss"*. The convertible debentures issued on October 31, 2013 included certain embedded derivatives, which are included in convertible debentures on the statement of financial position. After initial recognition at fair value, the embedded derivatives are remeasured each period at fair value, with changes in fair value recognized in non-operating income in the consolidated statement of comprehensive loss.

a) Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying values of cash and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

b) Foreign currency rate risk

A portion of the Company's transactions occur in United States, Mexican and Kenyan currencies; accordingly, the related financial assets are subject to fluctuations in the respective exchange rates.

For the period ended July 31, 2017, the sensitivity of the Company's net income due to changes in the exchange rate between the Canadian dollar and foreign currencies (primarily the United States dollar and the Kenyan shilling) would have impacted net income by $19,825 for a 5% increase or decrease in the Canadian dollar.

c) Concentration of credit risk

Management does not believe it is exposed to any significant concentration of credit risk except that a significant portion of its cash is on deposit with major Canadian and Kenyan banks. All of the sales taxes recoverable are with the government of Canada.

d) Liquidity risk

The Company's approach to managing liquidity risk is to continue to maintain sufficient liquidity to be able to meet the funding of its liabilities when required (note 2).

e) Interest rate risk

The Company has cash; accordingly, the Company's interest income is susceptible to fluctuations in interest rates.

5. Capital Management

The Company's capital structure consists of share capital, the equity portion of convertible notes, warrants, and contributed surplus, which at July 31, 2017 totalled $27.5 million (October 31, 2016 - $27.4 million). The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions, and there can be no assurance the Company will be able to raise funds in the future.

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

6. Property and equipment

	Office equipment	Exploration equipment	Total
	$	$	$
Cost			
Balance at November 1, 2015	11,845	32,629	44,474
Additions	-	-	-
Balance at October 31, 2016 and July 31, 2017	11,845	32,629	44,474
Accumulated amortization			
Balance at November 1, 2015	9,203	27,097	36,300
Depreciation	795	2,119	2,914
Balance at October 31, 2016	9,998	29,216	39,214
Depreciation	414	768	1,182
Balance at July 31, 2017	10,412	29,984	40,396
Carrying amounts			
As at October 31, 2016	**1,847**	**3,413**	**5,260**
As at July 31, 2017	**1,433**	**2,645**	**4,078**

Amortization of exploration equipment is recorded as an addition to resource properties.

7. Resource properties

The Company’s resource properties consist of the following:

	Kenya	Canada		
	Nyanza	**KM61**	**Seymour Lake**	**Total**
	$	**$**	**$**	**$**
Balance at November 1, 2015	4,417,238	4,033,234	775,000	9,225,472
Net additions during the period	309,870	12,483	-	322,353
Write-down of pilot project	(1,779,288)	-	-	(1,779,288)
Write-down of resource properties	-	(2,944,517)	-	(2,944,517)
Option payments received	-	(172,240)	(398,675)	(570,915)
Balance at October 31, 2016	2,947,820	928,960	376,325	4,253,105
Net additions during the period	73,587	5,538	-	79,125
Recovery of resource properties	-	-	121,939	121,939
Option payments received	-	-	(498,264)	(498,264)
Balance at July 31, 2017	3,021,407	934,498	-	3,955,905

Kenya

i) Nyanza

The Company has an agreement with East African Pure Gold Limited ("EAPG") and B&M Mining Company Limited ("B&M") to earn an interest in three mineral exploration concessions located in Kenya. Under the terms of the agreement, the Company has:

- A first option to earn a 70% interest on completing exploration expenditures of US $600,000 and making cash payments of US $300,000 to EAPG and B&M, which were due August 2016. The Company is currently negotiating to extend the due date of the property payments. The required exploration expenditures have been incurred, cash payments of US $28,000 have been made to date and $32,000 of expenditures have been settled on the payments owing.

- A second option to earn an 80% interest by exercising the first option and incurring cumulative exploration expenditures of US $4.0 million.

- Within 90 days of completion of the second option, EAPG and B&M can deliver a one-time joint election to fund its 20% share of exploration costs, or EAPG and B&M can grant the Company a future option to acquire an additional 10% interest by funding additional exploration expenditures of US $10.0 million. The Company will remain the operator on the concessions and is not obligated to incur additional exploration expenditures.

- Within 90 days of completion of a positive feasibility study and receipt of a production notice from the Company for each project, EAPG and B&M can deliver a one-time joint election to fund its 10% or 20% share of the construction costs, or EAPG and B&M can grant the Company a further option to acquire an additional 5% interest by funding additional costs of US $10.0 million. The Company is not obligated to advance a project, covered by a feasibility study, to production.

- The Company maintains a 100% right to any surface mineralization to a depth of one metre below saprolite.

SPL 214, which is part of the Nyanza property, is subject to a 2% net smelter royalty ("NSR"). 1% of the NSR is payable to African Queen Mines Limited ("AQ") and 1% is payable to AQ's partner, Abba Mining Company Limited.

The Company suspended the operation of its pilot surface gold recovery project ("pilot project") at the Nyanza property in Kenya during the year-ended October 31, 2016 and wrote-down the accumulated costs associated with the pilot project of $1,779,288. Non-refundable proceeds of $32,665 were received during the year-ended October 31, 2016 on certain Nyanza property equipment, which was netted against the write-down. During the three-month period ended July 31, 2017, the Company received proceeds of USD$120,000 (CAD$164,318) for the sale of certain Nyanza property equipment. The sale was recorded as a gain on sale of equipment on the consolidated statement of comprehensive income (loss).

As at July 31, 2017, the Company determined that there were no indicators of additional impairment or impairment reversals on the property. Subsequent to the end of the period, the Company was in the process of completing the sale of its two Kenyan subsidiaries, Stockport Exploration of Kenya Limited and Stockport Mining Kenya Limited, including all of the assets and liabilities of each subsidiary, to an arm's length party.

Canada

i) KM61

The Company holds a 100% interest in the KM61 property, which is a molybdenum-copper-silver prospect, located in northwestern Ontario, contiguous with the Seymour Lake project. The majority of the KM61 property, including the mineralized zone, is subject to a 0.5% NSR. Of the remaining claims on the KM61 property, certain portions are subject to a 3% NSR and the balance are not subject to any royalties. The Company can repurchase 50% of the 0.5% NSR for $250,000 and/or 50% of the 3% NSR for $1.0 million.

On June 22, 2016, the Company entered into a cash and share option agreement with Sovereign Gold Company Limited ("Sovereign") of Australia to acquire 100% of the Company's KM61 concession claims for gross proceeds of $1.4 million. The option excludes the mineralized area known as the KM61 Project. The Company received $100,000 upon signing of the agreement and a further $75,000 after 75 days from the date of the agreement, which were recorded against resource property expenditures. During the quarter-ended October 31, 2016, Sovereign notified the company that it would not continue with the option agreement and Stockport retained 100% of the Crescent Lake rights.

During the year-ended October 31, 2016, the Company wrote-down the value of its KM61 property to $1,100,000, which was the net present value of the future cash flows associated with the Sovereign cash and share option agreement to acquire the property, using a discount rate of 20%. As of June 22, 2016, if the discount rate was 5% higher or lower, the write-down of resource property expense would increase or decrease by $60,000.

As at July 31, 2017, the Company determined that there were no indicators of additional impairment or impairment reversals on the KM61 property.

ii) Seymour Lake

The Seymour Lake property is a tantalum-lithium-beryllium prospect located in northwestern Ontario, in the Crescent Lake area of the Thunder Bay Mining District. Certain portions of the Seymour Lake property are subject to a 3% NSR, of which 1.5% can be purchased by the Company for $1.0 million.

On January 5, 2016, the Company entered into a cash and share option agreement with Ardiden Limited ("Ardiden") of Australia to acquire 100% of the Company's Seymour Lake concessions for gross proceeds of $1.0 million. During the year-ended October 31, 2016, the Company received $75,000 upon signing of the agreement, a further $75,000 in cash and $250,000 of Ardiden shares at the end of the due diligence period completed within 150 days following the agreement execution date, and received a cash instalment of $25,000.

During the period ended July 31, 2017, Ardiden completed the option agreement with the Company. Pursuant to the agreement, the Company received further cash from Ardiden of $325,000 during the period ended July 31, 2017 and received Ardiden shares with a fair value of $371,939. Total payments received from Ardiden pursuant to the option agreement, in cash and shares, totalled $1.1 million.

The Company maintains the option to purchase a 1.5% NSR for payment of $1.0 million on or before January 24, 2024.

During the year-ended October 31, 2015, the Company wrote-down the value of its Seymour Lake property to $775,000, which was the net present value of the future cash flows associated with the Ardiden cash and share option agreement to acquire the property, using a discount rate of 20%. The fair value of the Ardiden shares received upon completion of the agreement was greater than the $250,000 of shares pursuant to the original agreement, therefore a reversal of the Seymour Lake impairment of $121,939 was recorded as a recovery of resource property during the period ended July 31, 2017.

All amounts received from Ardiden pursuant to the option agreement are recorded against resource property expenditures at their net present value, with the difference between the amount received and the net present value recorded as interest income. The amount recorded as interest income during the nine-month period ended July 31, 2017 was $198,675 (year-ended October 31, 2016 - $29,085), and $498,265 was recorded as against resource properties.

8. Accounts payable and accrued liabilities

	July 31, 2017	October 31, 2016
	$	$
Trade accounts payable and accrued liabilities	770,784	791,712
Amounts payable to related parties (note 15)	871,976	764,107
Withholdings and taxes payable	21,524	25,998
	1,664,284	1,581,817

9. Capital Stock

a) Authorized

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

b) Issued and outstanding

	Nine-month period ended July 31, 2017		Year-ended October 31, 2016	
	Number	Amount ($)	Number	Amount ($)
Opening balance	88,653,128	22,597,563	88,653,128	22,597,563
Shares issued	-	-	-	-
Closing balance	88,653,128	22,597,563	88,653,128	22,597,563

There were no shares issued by the Company during the nine-month period ended July 31, 2017 or the year-ended October 31, 2016.

10. Stock options

The Company has adopted a stock option plan (the "Plan"), providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than closing share price of the day preceding the date of grant.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. During the nine-month period ended July 31, 2017, the Company did not grant any stock options (year-ended October 31, 2016 – 1,950,000 options granted). 600,000 stock options expired during the nine-month period ended July 31, 2017 (year-ended October 31, 2016 – 540,000 stock options expired or forfeited). Weighted-average assumptions used in the pricing model for the options issued during the year-ended October 31, 2016 were as follows:

Risk-free rate	0.47%
Expected volatility of the Company's share price	202%
Expected dividend per share	$0.00
Expected life of each option	4.45 years
Weighted average fair value per option	
Exercise price exceeds the stock price on date of grant	$ 0.02

Changes in stock options during the nine-month period ended July 31, 2017 and the year-ended October 31, 2016 are summarized as follows:

	Nine-month period ended July 31, 2017		Year-ended October 31, 2016	
	Number	Weighted average exercise price ($)	Number	Weighted average exercise price ($)
Outstanding - beginning of period	6,275,000	0.09	4,865,000	0.12
Granted	-	-	1,950,000	0.05
Forfeited or expired	(600,000)	0.25	(540,000)	0.29
Outstanding - end of period	5,675,000	0.07	6,275,000	0.09

As at July 31, 2017, the Company had outstanding stock options entitling the holders to acquire additional common shares as follows:

Weighted average exercise price per share ($)	Number of options outstanding	Expiry date	Weighted average remaining contractual life (years)	Number of options exercisable
0.04	50,000	July 23, 2018	0.98	50,000
0.05	50,000	August 20, 2018	1.05	50,000
0.05	1,200,000	June 5, 2019	1.85	1,200,000
0.05	200,000	February 16, 2021	3.55	100,000
0.05	1,750,000	July 11, 2021	3.95	875,000
0.07	250,000	July 4, 2019	1.93	250,000
0.07	200,000	September 11, 2019	2.12	200,000
0.07	100,000	April 12, 2018	0.70	100,000
0.10	700,000	September 30, 2017	0.17	700,000
0.10	975,000	January 17, 2018	0.47	975,000
0.10	100,000	January 21, 2018	0.48	100,000
0.10	100,000	March 13, 2018	0.62	100,000
0.07	5,675,000		2.04	4,700,000

As at July 31, 2017, 3,190,313 options were available for granting under the Plan (October 31, 2016 – 2,590,313). The estimated value of options earned during the nine-month period ended July 31, 2017 was $12,092 (year-ended October 31, 2016 - $30,378).

11. Convertible Debentures

On October 31, 2013, the Company completed a private placement of 1,196 units at a price of $1,001 per unit, for aggregate gross proceeds of $1,197,196. The proceeds of the financing were used to fund expenditures, including a two-phased exploration and potential surface gold recovery program at the Company's Nyanza Project in Kenya:

- Phase I – sampling, metallurgy, permitting and plant equipment procurement; and
- Phase II – capital investment and plant operation for the surface gold recovery program. Until the Company advanced to Phase II, 75% of the gross proceeds, being $897,897, were held in trust with a Kenyan law firm. At the Company's discretion, it was entitled to advance to Phase II with the completion of a successful Phase I.

During the year-ended October 31, 2014, the Company elected to proceed with Phase II. As a result, the convertible debenture holders are entitled to receive:

- a repayment of the convertible debenture in the amount of 100% of the investment ($1,000 per unit) based on 75% of free cash flow generated from the surface gold recovery project;
- a preferred share in Stockport Mining Kenya ("SMK"). $1 per unit has been allocated to the cost of the preferred share. The preferred share will pay a premium entitlement of 110% of the

original investment ($1,100 per unit) from 75% of free cash flow generated from the gold recovery project and is then redeemed by SMK; and

- if the amount of the debenture plus the 110% premium entitlement is not paid within the five year maturity date of October 31, 2018, then the amount of debt and premium entitlement, less any repayments to that date, will be converted into common shares of the Company at a conversion price of $0.50 per share.

Under the terms of this financing, the Company also issued 1,000 warrants with each unit. The 1,196,000 warrants are exercisable at the commencement of Phase II at a price of $0.10 per share and expire on October 31, 2018. An initial value of $30,000 was assigned as the fair value of the warrants.

Details of the amounts repayable related to the convertible debenture are as follows:

	July 31, 2017	**October 31, 2016**
	$	$
Phase I	299,299	299,299
Phase II	897,897	897,897
Total financing proceeds after Phase I and Phase II	1,197,196	1,197,196
Premium entitlement (110%)	1,316,916	1,316,916
Total amount to be repaid by October 31, 2018	2,514,112	2,514,112
Estimated fair value of amont to be repaid	75,423	125,705
Less: Current portion of convertible debentures	-	-
	75,423	125,705

As a result of the Company suspending the operation of its pilot project and its write-down, the Company recorded a corresponding change in the estimated fair value of its convertible debentures in the amount of $1,609,676 during the year-ended October 31, 2016. As at July 31, 2017, the Company has estimated the fair value of its convertible debenture liability based upon its full settlement obligation to issue 5,028,223 common shares at the maturity date of October 31, 2018. The Company estimated the fair value of its obligation to issue these shares at $75,423 based on the market trading price of $0.015 per share as at July 31, 2017 (October 31, 2016 – $125,705 based on the market trading price of $0.025 per share as at October 31, 2016). If the share price was $0.01 per share higher or lower, the fair value of the convertible debenture liability would increase or decrease by $50,000.

12. Convertible Notes

On February 25, 2015, the Company completed a $295,000 bridge loan financing from various directors and other private investors of the Company by the issuance of unsecured convertible promissory notes (the "Notes"). The Notes were issued at an interest rate of 12% per annum, payable quarterly, and will be repayable by the Company on or before the maturity date of March 27, 2018. Effective October 20, 2015, the interest rate on the Notes was amended to 15% per annum.

The principal amount of the Notes is convertible into common shares of the Company at the election of the holder at the rate of $0.05 of principal converted per share (the "Conversion Price"). If the Notes are not repaid within three days of the maturity date, they will be automatically converted into common shares of the Company at the Conversion Price. If interest is not paid each quarter, any accrued interest can be converted, at the option of the holder, into shares of the Company at a conversion price of $0.05 per share or a five-day volume weighted-average price ("VWAP") preceding the date of conversion, whichever is higher. The holders of the Notes have not yet elected to convert any unpaid accrued interest to common shares of the Company.

The Company has assessed the respective value of the Notes and the conversion component. The Notes have been initially recorded at a value of $205,000 and the equity component of the Notes has been valued at $90,000. The initial recorded value of the Notes, in the amount of $205,000, will be accreted to the face value of the Notes over the term of three years. During the nine-month period ended July 31, 2017 and the year-ended October 31, 2016, the change in the recorded value of the Notes was as follows:

Recorded value of the Notes, November 1, 2015	$ 225,000
Accretion expense – for the year-ended October 31, 2016	30,000
Recorded value of the Notes, October 31, 2016	$ 255,000
Accretion expense – for the period-ended July 31, 2017	22,500
Recorded value of the Notes, July 31, 2017	$ 277,500

In preparing the allocation of value between the Notes and the equity component of the Notes, the Company estimated an interest rate of 25% for a similar debt instrument with no conversion option. If the Company had used an interest rate of 20%, the recorded value of the equity component of the Notes would have been $30,000 lower. If the Company had used an interest rate of 30%, the recorded value of the equity component of the Notes would have been $40,000 higher.

There were no changes to the terms and conditions of the Notes during the nine-month period ended July 31, 2017.

13. Warrants

Warrant activity during the nine-month period ended July 31, 2017 and the year-ended October 31, 2016 was as follows:

	Nine-month period ended July 31, 2017			Year-ended October 31, 2016		
	Number	Weighted - average exercise price per warrant ($)	Amount ($)	Number	Weighted - average exercise price per warrant ($)	Amount ($)
Outstanding - beginning of period	9,039,750	0.07	75,349	9,039,750	0.07	75,349
Warrants expired	(2,843,750)	0.06	-	-	-	-
Outstanding - end of period	6,196,000	0.07	75,349	9,039,750	0.07	75,349

During the period ended July 31, 2017, 2,843,750 warrants expired unexercised. As at July 31, 2017, the Company had the following common share purchase warrants outstanding:

Expiry date	Number of warrants outstanding	Exercise price ($)	Number of warrants exercisable
October 27, 2017	5,000,000	0.06	5,000,000
October 31, 2018	1,196,000	0.10	1,196,000
	6,196,000		6,196,000

14. Deferred Income Taxes

The following reflects deferred income tax assets (liabilities):

	July 31, 2017 $	October 31, 2016 $
Non-capital losses carried forward	245,000	223,000
Deductible share issue costs	5,000	13,000
Accounting value of convertible debentutures less than tax value	(250,000)	(236,000)
Net deferred future income tax asset (liability) recognized	-	-

The Company also has the following approximate net deferred tax assets which have not been recognized:

	July 31, 2017 $	October 31, 2016 $
Net deferred tax assets - not recognized	3,991,000	4,150,000

15. Related Party Transactions

During the nine-month period ended July 31, 2017, the Company incurred management service fees of $27,000 and rent and office costs of $16,280 to a company owned by certain key management (year-ended October 31, 2016 – management service fees of $69,000 and rent of $18,000). The management service fees are incurred on a cost recovery basis and include general and administration charges such as utilities, accounting services and investor relations services of the Company.

During the year-ended October 31, 2015, the Company received proceeds from an operating line of credit of $250,000 by a company owned by certain key management of Stockport. Interest on the operating line of credit was payable monthly at prime plus 1%. As at October 31, 2016, the Company had an outstanding line of credit amount of $211,468 and accrued interest payable of $1,307 on the line of credit balance outstanding. During the nine-month period ended July 31, 2017, the Company paid off the line of credit in full, including all accrued interest.

On February 25, 2015, the Company completed a $295,000 bridge loan financing by the issuance of unsecured convertible promissory notes. Certain directors of the Company contributed $195,000 towards the financing. As at July 31, 2017, accrued interest on the Notes in the amount of $67,427 was payable to related parties (October 31, 2016 - $45,550).

As at July 31, 2017, total amounts payable to officers, directors and companies owned thereby were $1,066,976 (October 31, 2016 - $1,170,575), including an outstanding line of credit amount of $nil (October 31, 2016 - $211,468) and $195,000 (October 31, 2016 - $195,000) of the principal amounts received from related parties pursuant to the convertible note financing, which have a balance sheet carrying value of $183,430 (October 31, 2016 – carrying value of $168,560).

16. Contingency

The Company has an employment arrangement with the President and CEO of the Company which provides that, should a change in control event occur, the President may elect to terminate his employment with the Company, in which event the Company is required to pay the President a lump sum payment equal to 2.5 times his annual salary. The Company also has an arrangement with a Technical Consultant to the Company which provides that, should a change in control event occur, the Technical Consultant may elect to terminate his arrangement with the Company, in which event the Company is required to pay the Technical Consultant a lump sum payment equal to 2.0 times his annual remuneration. The payment of this change in control settlement would be subject to the Company maintaining an average market capitalization in excess of CDN $25 million, based on any 10-day volume weighted trading price within the three-month period following the effective date of the change in control.

At July 31, 2017, the Company has a management services agreement with a company owned by certain key management of the Company for the provision of management services, rent and other office costs, at a fee of $57,540 per year, continuing until both parties mutually agree to terminate.

17. Segmented Information

The Company conducts mineral operations in Canada and Kenya and is searching for mineral exploration opportunities worldwide. Since the Company is in the exploration stage, there is no segmented revenue or operating results to report. The Company's total assets are segmented geographically as follows:

				July 31, 2017
		Mineral Operations		
	Corporate Canada	**Canada**	**Kenya**	**Total**
	$	**$**	**$**	**$**
Current assets	955,746	-	923	956,669
Property and equipment	1,433	-	2,645	4,078
Resource properties	-	934,498	3,021,407	3,955,905
	957,179	934,498	3,024,975	4,916,652

				October 31, 2016
		Mineral Operations		
	Corporate Canada	Canada	Kenya	Total
	$	$	$	$
Current assets	591,680	-	1,020	592,700
Property and equipment	1,847	-	3,413	5,260
Resource properties	-	1,305,285	2,947,820	4,253,105
	593,527	1,305,285	2,952,253	4,851,065

18. Subsequent events

Subsequent to the end of the period, the Company was in the process of completing the sale of its two Kenyan subsidiaries, Stockport Exploration of Kenya Limited and Stockport Mining Kenya Limited, including all assets and liabilities of each subsidiary, to an arm's length party.

Also subsequent to the end of the period, the Company entered into a letter of intent relating to the proposed acquisition of Sona Nanotech Limited, a private corporation existing under the laws of Nova Scotia. Sona is a nano technology life sciences corporation that has developed two proprietary methods for manufacturing gold nano particles. The proposed transaction with Sona will be effected through an exchange of securities with all of the securityholders of Sona (the "Transaction").

Pursuant to the proposed Transaction with Sona, the Company intends to complete a share consolidation on the basis of four (4) old common shares of Stockport for one (1) new common share of Stockport (the "Consolidation"). Post-Consolidation, the Company will acquire all of the issued securities and control of Sona, and in consideration, subject to the acceptance of the TSX Venture Exchange, will issue approximately 22,163,282 common shares (post-Consolidation) to the securityholders of Sona. This will represent approximately 50% of the issued and outstanding common shares after completion of the Consolidation. The proposed Transaction is subject to regulatory and shareholder approvals prior to completion.