GREYWACKE EXPLORATION LTD.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

December 31, 2016 & 2015

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management.

The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Greywacke Exploration Ltd.
Statements of Financial Position
(Expressed in Canadian dollars)

	December 31, 2016 $	September 30, 2016 $
		(Audited)
ASSETS		
Current		
Cash	**46,238**	93,149
Trade and other receivables (Note 4)	**874**	2,687
	47,112	95,836
Gold loan receivable (Note 5)	**45,161**	-
	92,273	95,836
LIABILITIES		
Current		
Trade and other payables (Note 6)	**327,021**	312,590
EQUITY (DEFICIENCY)		
Capital stock (Note 8 (b))	**788,997**	788,997
Reserve for warrants (Note 9)	**139,859**	139,859
Accumulated deficit	**(1,163,604)**	(1,145,610)
	(234,748)	(216,754)
	92,273	95,836

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations (Note 13)

Approved on behalf of the Board of Directors on February 16, 2017:

"Tom MacNeill" (signed)
Director

"Andrew Davidson" (signed)
Director

The accompanying notes are an integral part of these audited financial statements

Greywacke Exploration Ltd.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the three month period ended December 31,	2016	2015
	$	$
Revenues		
Interest revenue on gold loan (Note 5)	**4,669**	-
Expenses		
Accounting, audit and legal	**5,495**	1,695
Management fees	**15,000**	15,000
Office, general and administration	**139**	757
Public relations, filing, transfer and regulatory fees	**2,029**	1,997
Exploration and evaluation expenditures (Note 10)	**-**	-
	22,663	19,449
Net loss and comprehensive Loss	**17,994**	19,449
Loss per share - basic and diluted	**0.00**	0.00

The accompanying notes are an integral part of these audited financial statements

Greywacke Exploration Ltd.
Statement of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Reserves		
	Number of shares	Amount	Warrants	Accumulated deficit	Total
Balance at October 1, 2015	7,640,499	740,093	67,059	(1,058,400)	(251,248)
Net loss for the period	-	-	-	(19,449)	(19,449)
Balance at December 31, 2015	7,640,499	740,093	67,059	(1,077,849)	(270,697)

	Share Capital		Reserves		
	Number of shares	Amount	Warrants	Accumulated deficit	Total
Balance at October 1, 2016	**7,640,499**	**788,997**	**139,859**	**(1,145,610)**	**(216,754)**
Net loss for the period	**-**	**-**	**-**	**(17,994)**	**(17,994)**
Balance at December 31, 2016	**7,640,499**	**788,997**	**139,859**	**(1,163,604)**	**(234,748)**

Greywacke Exploration Ltd.
Statements of Cash Flows
(Expressed in Canadian dollars)

For the three months ended December 31,	**2016** **$**	2015 $
Operating activities		
Net loss for the period	**(17,994)**	(19,449)
Non-cash exploration expense	**-**	-
Change in non-cash working capital		
Trade and other receivables	**1,813**	491
Trade and other payables	**14,431**	18,642
Cash generated (used) in operating activities	**(1,750)**	(316)
Investing activities		
Gold loan advance	**(50,000)**	-
Gold loan repayments	**4,839**	-
Cash generated in financing activities	**(45,161)**	-
Increase (decrease) in cash	**(46,911)**	(316)
Cash, beginning of period	**93,149**	2,558
Cash, end of period	**46,238**	2,242
Supplementary Information		
Interest paid	**-**	-
Income tax paid	**-**	-

The accompanying notes are an integral part of these audited financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company's head office is located at 602-224 4th Avenue South, Saskatoon, Saskatchewan, S7K 5M5. The shares of the Company are listed on the Canadian Stock Exchange ("the CSE"), and commenced trading on August 13, 2007. The Company is in the business of location, acquisition, exploration and development of mineral properties.

Management of the Company is devoting its efforts to locate, acquire and explore mineral properties with potential reserves. To date, the Company has not determined whether properties acquired contain ore reserves that are economically recoverable, has yet to commence significant exploration work and is considered to be in the exploration stage.

Going Concern

The Company's ability to continue to operate and to meet its obligations as they come due is dependent upon its ability to obtain additional financing as necessary and to successfully develop its existing mineral property interests or one or more alternative investments. The development of the Company's Greywacke Property and Brunswick property are uncertain as explained in Note 10. The ultimate outcomes of these matters cannot presently be determined because they are contingent on future events.

As at December 31, 2016, the Company had working capital deficiency of $279,909 (September 30, 2016 – working capital deficiency of $216,754), had not yet achieved profitable operations, had accumulated losses of $1,163,604 (September 30, 2016 - $1,145,610) and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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 exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

These unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These unaudited interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These audited financial statements were authorized by the Board of Directors of the Company on February 16, 2017.

2.2 Basis of presentation

These unaudited interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's September 30, 2016 annual financial statements. Management advises readers of these unaudited interim financial statements to review the audited financial statements and accompanying notes as at September 30, 2016 in conjunction with the review of these statements.

2.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial years beginning on or after October 1, 2016. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods:

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2018, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 38 – '*Intangible Assets'* ("IAS 38") and IAS 16 – '*Property, Plant and Equipment'* ("IAS 16"), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted

The Company has not early adopted these standards, amendments and interpretations; however, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

(Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)

2.3 Adoption of new and revised standards and interpretations (continued)
At the date of authorization of these financial statements no new standards have been adopted.

3. Cash

Cash in the statement of financial position comprise cash at banks.

4. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from goods and services tax ("GST") due from the Canadian government. These are broken down as follows:

	As at,	
	December 31, 2016	September 30, 2016
	$	$
GST receivable	**874**	2,687
Other receivable	**-**	-
Total trade and other receivables	**874**	2,687

At December 31, 2016, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 12.

The Company holds no collateral for any receivable amounts outstanding as at December 31, 2016.

5. GOLD LOAN RECEIVABLE

On October 11, 2016 the Company advanced $50,000 to a third party, private alluvial gold operator in British Columbia, pursuant to a gold loan agreement signed in September. Under the terms of the agreement, repayment of the loan will be satisfied with the delivery of 62 refined ounces over the next 24 months. The issuer can elect cash delivery in lieu of physical gold delivery. Where cash delivery is exercised the price received for the scheduled ounces is based on 30 day average spot price, less a 5% processing and selling fee. The loan is secured through a first charge security interest in the gold processing trommel, which is owned free and clear by the borrower.

Should the producer repay 52 ounces, or their cash equivalent before August 31, 2017, this shall be deemed repayment in full under the early repayment provision of the agreement.

(Expressed in Canadian dollars)

5. GOLD LOAN RECEIVABLE (continued)

The following table illustrates the gold loan repayment schedule, in ounces:

Production month by fiscal quarter	**OZ Delivery**	
2017 - Q1	6	Received in cash
2017 - Q2	-	
2017 - Q3	8	
2017 - Q4	13	
2018 - Q1	10	
2018 - Q2	-	
2018 - Q3	10	
2018 - Q4	15	
	62	

The Company has elected to receive the first two loan repayments in cash.

6. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	December 31, 2016	September 30, 2016
	$	$
Less than 3 months	**20,057**	33,728
Greater than 3 months	**306,964**	278,862
Total Trade and Other Payables	**327,021**	312,590

7. RELATED PARTY TRANSACTIONS

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Greywacke. All transactions are conducted in the normal course of operations and are measured at the exchange amounts as follows:

During the year three months ended December 31, 2016, the Company incurred management fee expenses of $15,000 (December 31, 2015 - $15,000) to a shareholder of the Company, for providing officers, directors and investor relation services to the Company. As at December 31, 2016 $246,315 (September 30, 2016 - $260,565) of these amounts are included in trade and other payables.

(Expressed in Canadian dollars)

8. SHARE CAPITAL

(a) Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares with no par value.

(b) Changes in issued capital stock to December 31, 2016 were as follows:

	Number of Shares	Amount $
Balance, October 1, 2014	6,390,499	733,843
Shares issued for property	1,250,000	6,250
Balance, September 30, 2015	7,640,499	740,343
Shares issued, net of issuance costs	2,800,000	48,904
Balance, September 30, 2016 and December 31, 2016	**10,440,499**	**788,997**

On June 11, 2015 the Company issued 1,250,000 shares, at a price of $0.005 per share, for bringing a property to the Company.

On May 31, 2016, the Company completed a financing for gross proceeds of $140,000 through the issuance of 2,800,000 units at an issue price of $0.05 per unit. Each unit consists of one non-flow-through common share of the Corporation and one common share purchase warrant with an exercise price of $0.10 and a term of 12 months. The Company paid $9,800 finders' fees in cash.

(c) Stock options

During the 2007 year, a stock option plan was approved by the directors and shareholders of the Company. The plan provides that the aggregate number of shares reserved for issuance is to be 10% of the total number of issued and outstanding common shares of the Company from time to time. These options vest immediately when issued, unless otherwise stated.

As at December 31, 2016, the Company had 1,044,050 (September 30, 2016 – 1,044,050) options available for issuance under the plan.

As at December 31, 2016 and September 30, 2015, there were no stock options outstanding under this plan.

(Expressed in Canadian dollars)

8. SHARE CAPITAL (continued)

(d) Warrants

A summary of the outstanding warrants is as follows:

	December 31, 2016			September 30, 2016		
	Warrants		**Exercise Price**	Warrants		Exercise Price
Outstanding, beginning of period	2,800,000	$	-	-	$	-
Warrants granted	-		-	2,800,000		0.10
Outstanding, end of period	**2,800,000**	**$**	**0.10**	2,800,000	$	-

9. RESERVE FOR WARRANTS

Reserve for warrants is comprised of the following:

	December 31, 2016		September 30, 2016	
Balance, beginning of period	**$**	**139,859**	$	67,059
Warrants granted		**-**		72,800
Balance, end of period	**$**	**139,859**	$	139,859

On May 31, 2016, the Company issued 2,800,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.10 for a period of 12 months and vest immediately. In accordance with the Company's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at $72,800. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 236.39%, and a risk free interest rate of 0.61%. These warrants expire on May 31, 2017.

10. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	Three month period ended December 31,				**Cumulative to date**	
		2016		2015		
Greywacke	**$**	**-**	$	-	**$**	**161,999**
Brunswick		**-**		-		**23,097**
Exploration and evaluation expenditures	**$**	**-**	$	-	**$**	**185,096**

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Greywacke, Saskatchewan, Canada
Effective April 8, 2013 the Company acquired a 100% mineral interest in a 13,777 hectare property located within the La Ronge gold belt district, north-central Saskatchewan for cash consideration of $50,000, issuance of 1,000,000 post consolidation shares.

Effective June 11, 2015. the Company acquired 100% interest in 19,231 hectares of prospective ground in the La Ronge gold belt region of north-central Saskatchewan from Eagle Plains Resources Ltd. (TSX-V: EPL) and an arm's-length private landholder. As consideration, the Company issued 700,000 and 550,000 common shares, respectively and a 2.5% net smelter returns royalty, which the Company can reduce by 0.5% with the payment of $50,000 and by an additional 1% with the payment of an additional $1 million.

The Company has not performed any exploration on the property and does not have any exploration program planned in the current fiscal period. As such, the Company has allowed the claims to lapse as they come due.

Brunswick, Ontario, Canada
Effective March 31, 2014, the Company acquired a 100% mineral interest in a 3,136 hectare property located within the Cote Lake gold district, northern Ontario for cash consideration of $18,000 for staking costs, issuance of 200,000 shares as a finder's fee and a 1% NSR on the property.

On March 21, 2016, the Company transferred the claims to an arm's length third party, in exchange for a right of first refusal to re-option the properties for a period of six months from the date of signing the agreement. Under the terms of the agreement, the Company has 21 days to match any option terms that may be negotiated.

On August 8, 2016, the Company received notice that an option agreement was received for the property. The Company did not exercise the right of first refusal to re-option the property and therefore has expired.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of 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 to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, 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 if it 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 period ended December 31, 2016. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts, and accumulated deficit, which as at December 31, 2016 totaled a deficiency of $234,748 (September 30, 2016 - a deficiency of $216,754).

11. CAPITAL MANAGEMENT (continued)

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of mineral deposits. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

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

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and short-term guarantee deposits, all held with a major Canadian financial institution.

12. FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded 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);

Level 3 **-** valuation techniques using inputs for the asset or liability that are not based on observable market data.

Fair Value

The Company has designated its cash as FVTPL, which is measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value. Fair values of trade and other receivables and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements. As at December 31, 2016, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

12. FINANCIAL INSTRUMENTS (continued)

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Credit Risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations.

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

Interest Rate Risk
The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Liquidity Risk
The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2016, the Company had current assets of $47,112 (September 30, 2016 - $95,836) and current liabilities of $327,021, (September 30, 2016 - $312,590). All of the Company’s financial liabilities and receivables are subject to normal trade terms. The Company had current working capital deficiency as of December 31, 2016, of $279,909 and at September 30, 2016, of $216,754.

13. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company’s activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

Effective July 1, 2013, the Company entered into a management services agreement with 49 North Resources Inc., which expired in 2014 and is month to month in accordance original agreement. Under the agreement certain staff of 49 North Resources Inc. will provide services as the Company’s President and Chief Executive Officer, Vice-President and Chief Operating Officer, Chief Financial Officer and Secretary, Investor Relations and general administrative services, including rent. Monthly remuneration is $5,000 and is payable to 49 North Resources Inc.