GTA RESOURCES AND MINING INC.

Condensed Interim Financial Statements

September 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

These condensed interim financial statements have not been reviewed by the Company's auditors.

GTA RESOURCES AND MINING INC.
(Unaudited)
(Expressed in Canadian Dollars)

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September 30, 2016 and 2015

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GTA RESOURCES AND MINING INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

As at		September 30, 2016		March 31, 2016
Assets				
Current assets				
Cash and cash equivalents	$	291,806	$	175,790
Miscellaneous receivables		33,194		26,212
Prepaid expenses		23,688		17,068
		348,688		219,070
Exploration and evaluation assets (Note 4)		5,862,053		5,967,260
Investments (Note 5)		164,000		-
	$	6,374,741	$	6,186,330
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities		108,433		105,277
Liability for flow-through shares (Note 10)		12,315		-
		120,748		105,277
Shareholders' equity				
Share capital (Note 6)		9,971,336		9,658,124
Contributed surplus (Note 6)		614,190		553,922
Deficit		(4,331,533)		(4,130,993)
		6,253,993		6,081,053
	$	6,374,741	$	6,186,330

Commitments and contingencies (Note 10)
Subsequent events (Note 11)

Approved by the Board of Directors

"James Macintosh" ______________________ Director

"Brian Crawford" ______________________ Director

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

GTA RESOURCES AND MINING INC.
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended September 30 2016	Three Months Ended September 30 2015	Six Months Ended September 30 2016	Six Months Ended September 30 2015
Operating expenses				
Filing and transfer agent fees	$ 10,540	$ 4,532	$ 16,016	$ 7,377
General and administration costs	67,070	100,124	142,197	197,057
Professional fees	6,250	8,455	16,397	14,705
Depreciation	-	820	-	1,597
Share-based compensation	-	-	54,015	-
	83,860	113,931	228,625	220,736
Loss before other(income) expenses	83,860	113,931	228,625	220,736
Write down of exploration and evaluation assets	-	85,000	9,000	85,000
Loss before income taxes	83,860	198,931	237,625	305,736
Deferred tax benefit	(21,325)	-	(37,085)	(3,305)
Net loss and comprehensive loss	$ 62,535	$ 198,931	$ 200,540	$ 302,431
Basic and diluted loss per share	$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of shares outstanding	40,362,507	33,306,855	38,620,735	32,862,046

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

GTA RESOURCES AND MINING INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian Dollars)

	Number of Shares	Common Shares Issued and Fully Paid	Contributed Surplus	Accumulated Deficit	Total
Balance, March 31, 2015	31,906,855	$ 9,580,818	$ 588,204	$ (3,392,212)	6,776,810
Shares issued for exploration and evaluation assets	1,400,000	70,000	-	-	70,000
Loss for the period		-	-	(302,431)	(302,431)
Balance, September 30, 2015	33,306,855	9,650,818	588,204	(3,694,643)	6,544,379
Expiration of options		-	(26,976)	26,976	-
Broker warrants expired		7,306	(7,306)	-	-
Loss for the period		-	-	(463,326)	(463,326)
Balance, March 31, 2016	33,306,855	9,658,124	553,922	(4,130,993)	6,081,053
Private placement	6,640,000	332,000	-	-	332,000
Share issue costs		(14,535)	-	-	(14,535)
Flow-through share premium		(49,400)	-	-	(49,400)
Broker warrants issued		(7,588)	7,588	-	-
Share based compensation		-	54,015	-	54,015
Shares issued for exploration and		-	-	-	-
evaluation assets	200,000	9,000	-	-	9,000
Options exercised	20,000	1,400	-	-	1,400
Transfer of contributed surplus on exercise of options		1,335	(1,335)	-	-
Warrants exercised	700,000	41,000	-	-	41,000
Loss for the period		-	-	(200,540)	(200,540)
Balance, September 30, 2016	40,866,855	$ 9,971,336	$ 614,190	$ (4,331,533)	6,253,993

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

GTA RESOURCES AND MINING INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

Six months ended September 30		2016		2015
Operating activities				
Net loss and comprehensive loss for the period	$	(200,540)	$	(302,431)
Items not affecting cash and cash equivalents				
Deferred income tax		(37,085)		(3,305)
Depreciation		-		1,597
Share-based payments		54,015		-
Write-down of exploration and evaluation assets		9,000		-
Change in non-cash working capital:				
Miscellaneous receivables		(6,982)		17,210
Prepaid expenses		(6,620)		(19,275)
Accounts payable and accrued liabilities		3,156		60,703
Net cash used in operating activities		(185,056)		(245,501)
Financing activities				
Issuance of common shares, net of issue costs		359,865		-
Net cash provided by financing activities		359,865		-
Investing activities				
Investment in and expenditure on exploration and evaluation assets		(192,793)		(74,497)
Proceeds on sale of exploration and evaluation assets		134,000		-
Net cash used in investing activities		(58,793)		(74,497)
Net change in cash and cash equivalents		116,016		(319,998)
Cash and cash equivalents, beginning of period		175,790		812,656
Cash and cash equivalents, end of period	$	291,806	$	492,658
Supplemental schedule of non-cash transactions:				
Mineral property acquisition-shares issued	$	9,000	$	-
Sale of mineral property – shares received	$	164,000	$	-

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

1. NATURE OF OPERATIONS

GTA Resources and Mining Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006. The address of the Company's registered office is 855 Brant Street, Burlington, Ontario L7R 2J6.

The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the development stage.

These condensed interim financial statements were approved by the board of directors on November 28, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and conversion to International Financial Standards

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

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2016.

Basis of Presentation

These unaudited condensed interim financial statements have been prepared on the basis of accounting policies consistent with those applied in the Company's March 31, 2016 annual financial statements.

The preparation of condensed interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the applications of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

The condensed interim financial statements have been prepared on a historical cost basis.

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. 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 manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

capital and raise additional funds as needed. 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 September 30, 2016. The Company is not subject to externally imposed capital requirements.

The Company classified its cash and cash equivalents and sundry receivables as loans and receivables; and accounts payable and accrued liabilities as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the expected maturity of these financial instruments. The fair value of amounts due to related parties has not been disclosed as their fair values cannot be reliably measured since the parties are not at arm's length.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	September 30, 2016	March 31, 2016
Cash and cash equivalents	$ 291,806	$ 175,790

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has significant cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(Expressed in Canadian Dollars)

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS – continued

i. Interest rate risk

The Company's cash and cash equivalents consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of September 30, 2016. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk

During the period ended September 30, 2016, the Company was not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company has no financial instruments exposed to other price risk.

4. EXPLORATION AND EVALUATION ASSETS

		Auden Property		Northshore Property		Ivanhoe Property		Burnt Pond Property		Total
Balance, March 31, 2015	$	2,287,850	$	3,336,066	$	386,311	$	900	$	6,011,127
Acquisition costs		-		-		72,000		63,055		135,055
Deferred exploration costs		9,537		21,218		47,416		16,271		94,442
Write-downs		(85,000)		-		-		-		(85,000)
Balance, September 30, 2015	$	2,212,387	$	3,357,284	$	505,727	$	80,226	$	6,155,624
Acquisition costs		-		3,063		-		-		3,063
Deferred exploration costs		2,856		12,965		(207,727)		479		(191,427)
Balance, March 31, 2016	$	2,215,243	$	3,373,312	$	298,000	$	80,705	$	5,967,260
Acquisition costs		-		1,893		9,000		-		10,893
Sale proceeds		-		-		(298,000)		-		(298,000)
Write down		-		-		(9,000)		-		(9,000)
Deferred exploration costs		5,287		166,701		-		18,912		190,900
Balance, September 30, 2016	$	2,220,530	$	3,541,906	$	-	$	99,617	$	5,862,053

Auden

On June 21, 2010, the Company completed the acquisition of the Auden property located in Northern Ontario from 1518164 Ontario Inc., an unrelated party. Pursuant to the terms of the Acquisition Agreement, the Company acquired a 100% interest in and to the Auden Property in consideration for the issuance of 5,074,855 common shares.

The Auden property is subject to a 3% net smelter return and a 10% gross overriding in royalty in favour of the shareholders of the previous owner of the claims. The Company may purchase one-half of each royalty for an aggregate

4. EXPLORATION AND EVALUATION ASSETS - continued

amount of $2,000,000 at any time.

As at September 30, 2016, the Auden property consisted of 118 unpatented mining claims comprising 1,684 claim units covering 25,000 hectares in a largely contiguous block.

The Company has incurred exploration expenditures of $1,092,983 and $1,101,126 to September 30, 2015 and to September 30, 2016 respectively.

Northshore

On July 27, 2011 the Company and Balmoral Resources Ltd. ("Balmoral") entered into an Option Agreement whereby the Company has been granted the right to acquire up to a 70% interest in Balmoral's interest in the Northshore Property.

Under the terms of the Option Agreement, the Company may earn an initial 51% interest ("First Option") in the Northshore Property by making cash payments to Balmoral of $50,000, issuing in favour of Balmoral 2,500,000 common shares of GTA and incurring a minimum of $2,500,000 in eligible exploration expenditures on the Property over a three-year period from receipt of regulatory approval. A cash payment of $10,000, issuance of 1,000,000 shares and a year one exploration expenditure of $350,000 (including the production of a 43-101 technical report) are firm commitments by GTA under the Option Agreement. The Company has made cash payments of $70,000 and issued 2,500,000 common shares under the terms of the Option Agreement.

Upon exercise of the First Option outlined above, the Company will have the right to elect to proceed with a Second Option, under which the Company would have the ability to earn an additional 19% interest in the Northshore Property by making an additional cash payment of $100,000, issuing an additional 1,000,000 shares in favour of Balmoral upon exercising its right and incurring additional exploration expenditures totalling $3,000,000 over an additional 24 month time frame.

A portion of the property is subject to a variable (2% to 5%) net smelter return royalty on gold production from the claims. On July 14, 2014 the Company, pursuant to the Northshore Option Agreement, delivered to Balmoral the Exercise Notice to vest the Company's initial 51% interest in the Northshore Property and elected to form a 51/49 co-ownership on the Property with Balmoral. The Company will be the initial operator. The Company has incurred exploration expenditures of $232,416 subsequent to the formation of the co-ownership with Balmoral.

On June 1, 2016, the Company staked three claim units near but not contiguous with the Northshore property.

During the period ending September 30, 2016 GTA completed phase 1 of the 2016 diamond drilling program and assay results were disclosed in a press release dated August 22, 2016. This phase hopes to test the northern area near the former producing Northshore Gold Mine.

The Company has incurred exploration expenditures of $2,699,864 and $2,880,611 to September 30, 2015 and to September 30, 2016, respectively.

Ivanhoe

On April 25, 2014 the Company entered into an Option Agreement with an individual and a private company to acquire a 100% interest in mining claims comprising the Ivanhoe Property in Northeastern Ontario.

Under the terms of the Option Agreement, GTA could earn a 100% interest in the Ivanhoe Property by making staged cash payments totaling $260,000 and share issuances totaling 1,000,000 common shares over a 5 year period, and incurring

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS - continued

minimum exploration expenditures of $250,000 over a two year period. The Company could elect to accelerate some or all of the cash and share payments in order to exercise the Option at an earlier time.

The vendors retained a 3% Net Smelter Royalty, half of which could be purchased for $1,500,000.

During the year ended March 31, 2016 GTA incurred exploration and evaluation expenditures of $57,297 and as a result of the sale of its interest in the property subsequent to the year end for $298,000, recorded impairment of $217,608.

During the period ended September 30, 2016 GTA incurred exploration and evaluation expenditures of $nil and sold its interest in the property for $298,000 comprised of $134,000 cash and 200,000 shares of Probe Metals Inc.

Burnt Pond

In May 2015, the Company acquired a 100% interest in the Burnt Pond Zn-Cu Property in central Newfoundland. The property consists of six separate claim licences (103 units), located in the Tally Pond volcanic belt which hosts Teck Resources Ltd's Duck Pond Mine and a number of other Cu-Zn-Ag-Au massive sulphide deposits.

The core claims (56 claim units) were staked by GTA in March, 2015. Two other licences (47 claim units) were purchased from an arm's length vendor in May 2015. Consideration for the 46 claim units included cash in the amount of $3,055 and the issuance of 1,200,000 common shares. The transaction was measured based on market value of the equity instruments at $0.05 per share rather than the fair value of the property acquired as there was no reliable measurement.

Burnt Pond allows GTA to diversify into a zinc-copper project, in a producing belt with excellent infrastructure and a mining friendly jurisdiction.

An additional 26 claim units were staked in August 2015 resulting in a total of 136 claim units.

The Company has incurred exploration expenditures of $35,663 to September 30, 2016.

5. INVESTMENTS

		September 30, 2016		March 31, 2016
Probe Metals Inc. – common shares	**$**	**164,000**	$	-
	$	**164,000**	$	-

During the period ending September 30, 2016, the Company sold its Ivanhoe property and received as partial consideration 200,000 common shares of Probe Metals Inc. at a price of $0.82 per common share.

At September 30, 2016, the market value of Probe Metals Inc. was $1.66 per share totalling $332,000.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	Number of Shares		Share Capital		Contributed Surplus
Balance March 31, 2015	**31,906,855**	**$**	**9,580,818**	**$**	**588,204**
Shares issued for mineral property	1,400,000		70,000		-
Balance September 30, 2015	**33,306,855**		**9,650,818**		**588,204**
Expiration of options			-		(26,976)
Broker warrants expired			7,306		(7,306)
Balance March 31, 2016	**33,306,855**		**9,658,124**		**553,922**
Private placement	6,640,000		332,000		-
Share issue costs			(14,535)		-
Flow through share premium			(49,400)		-
Broker warrants issued			(7,588)		7,588
Share based compensation					54,015
Shares issued for mineral property	200,000		9,000		-
Exercise of options	20,000		1,400		
Transfer of contributed surplus on exercise of options			1,335		(1,335)
Exercise of warrants	700,000		41,000		-
Balance September 30, 2016	**40,866,855**	**$**	**9,971,336**	**$**	**614,190**

7. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance September 30, 2014	4,035,000	$	0.15
Warrants issued	1,000,000	$	0.14
Warrants expired	(160,000)	$	0.14
Balance September 30, 2015	4,875,000	$	0.14
Warrants issued	6,840,000	$	0.06
Warrants exercised	(600,000)	$	0.06
Warrants exercised	(100,000)	$	0.05
Warrants expired	(4,875,000)	$	0.15
Balance September 30, 2016	6,140,000	$	0.06

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

A summary of the status of the stock option plan and changes for the period ended September 30, 2016 are presented below:

Grant date	Expiry date	Exercise Price	Opening Balance	During the period Granted	Exercised	Expired	Closing Balance	Vested and Exercisable
February 23, 2012	February 23, 2017	$1.00	10,000	-	-	-	10,000	10,000
March 22, 2012	March 22, 2017	$0.90	870,000	-	-	-	870,000	870,000
September 18, 2012	September 18, 2017	$0.50	37,500	-	-	-	37,500	37,500
December 1, 2012	December 1, 2017	$0.50	100,000	-	-	-	100,000	100,000
November 6, 2013	November 6, 2018	$0.20	265,000	-	-	-	265,000	265,000
November 12, 2014	November 12, 2019	$0.07	1,280,000	-	20,000	-	1,260,000	1,260,000
June 15, 2016	June 15, 2021	$0.06	1,125,000	-	-	-	1,125,000	1,125,000
			3,687,500	-	-	-	3,667,500	3,667,500
Weighted average exercise price			$0.29	$0.00	$0.00	$0.00	$0.29	$0.29

The weighted average remaining contractual life of options outstanding at September 30, 2016 was 2.82 years.

A summary of the status of the stock option plan and changes for the period ended September 30, 2015 are presented below:

Grant date	Expiry date	Exercise Price	Opening Balance	During the period Granted	Exercised	Expired	Closing Balance	Vested and Exercisable
February 23, 2012	February 23, 2017	$1.00	10,000	-	-	-	10,000	10,000
March 22, 2012	March 22, 2017	$0.90	870,000	-	-	-	870,000	870,000
September 18, 2012	September 18, 2017	$0.50	37,500	-	-	-	37,500	37,500
December 1, 2012	December 1, 2017	$0.50	100,000	-	-	-	100,000	100,000
November 6, 2013	November 6, 2018	$0.20	265,000	-	-	-	265,000	265,000
November 12, 2014	November 12, 2019	$0.07	1,280,000	-	-	-	1,280,000	1,280,000
			2,562,500	-	-	-	2,562,500	2,562,500
Weighted average exercise price			$0.38	$0.00	$0.00	$0.20	$0.39	$0.39

(Expressed in Canadian Dollars)

8. SHARE-BASED PAYMENTS – continued

The Company applies the fair value method in accounting for its stock options suing the Black-Scholes option pricing model. During the three months ended September 30, 2016, the Company issued a total of nil (2015 - nil) incentive stock options to investor relations consultants of the Company resulting in stock-based compensation of $nil (2015- $nil).

As at September 30, 2016 there was no amount (September 30, 2015: $nil) of total unrecognized compensation cost related to unvested share-based compensation.

Total expenses arising from the share-based payment transactions that were capitalized during the period as part of exploration and evaluation asset acquisition costs were $nil (September 30, 2015: $nil).

9. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

The Company had the following transactions in the normal course of operations with related parties:

		September 30, 2016		September 30, 2015
Management fees (i)	$	82,500	$	123,000
Mineral property-exploration expenditures (i)	$	19,000	$	49,200
Office rent, supplies and admin. expense (ii)	$	17,680	$	21,000
Share based compensation	$	54,015	$	-

(i) The Company paid $27,000 (2015 - $48,000) in management fees to the President of the Company; $25,500 (2015 - $30,000) to the CFO of the Company; $30,000 to the Executive VP of the Company (2015 - $45,000) and $19,000 (2015 - $74,400) in mineral property exploration consulting costs to the VP of Exploration.

(ii) The Company paid $17,680 (2015 - $21,000) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.

Accounts payable and accrued liabilities include $29,679 (2015 - $84,195) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

10. COMMITMENTS AND CONTINGENCIES

On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share

(Expressed in Canadian Dollars)

10. COMMITMENTS AND CONTINGENCIES - continued

capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. Other liabilities include the liability portion (the premium) of the flow-through shares issued for the amount of the premium on flow-through funds that at September 30, 2016 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

Flow-through Shares

Balance at September 30, 2015	**$**	-
Liability incurred on flow-through shares issued in May 2016		49,400
Settlement of flow-through share liability on incurring expenditures		(37,085)
Balance at September 30, 2016	**$**	12,315

11. SUBSEQUENT EVENTS

Subsequent to the period end, the Company granted 300,000 options exercisable at $0.055 for a period of five years, vesting immediately.

On October 31, 2016 160,000 share purchase warrants were exercised resulting in the issuance of 160,000 common shares.