



GTA RESOURCES AND MINING INC.

Financial Statements

March 31, 2018 and 2017

(Expressed in Canadian Dollars)

Explanatory Note

GTA Resources and Mining Inc. (the "Company") is re-filing its annual audited financial statements for the years ended March 31, 2018 and 2017 as the originally filed annual financial statements, which were filed on SEDAR on July 19, 2018 inadvertently did not include the auditor's emphasis of matter paragraph in the signed auditor's report. Other than the inclusion of such emphasis of matter paragraph, the re-filed annual audited financial statements of the Company for the years ended March 31, 2018 and 2017, as set forth below, do not contain any changes or amendments.

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of GTA Resources and Mining Inc. and the Management Discussion and Analysis are the responsibility of management and have been approved by the Board of Directors. The financial statements necessarily include some amounts that are based on management's best estimates, which have been made using careful judgement.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial and operating data elsewhere in the Management Discussion and Analysis are consistent with the information contained in the financial statements.

In fulfilling their responsibilities, management of GTA Resources and Mining Inc. has developed and continue to maintain systems of internal accounting controls, and segregation of duties and responsibilities whenever possible.

Although no cost effective system of internal control will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements principally through its Audit Committee, consisting of a majority of non-executive directors.

The financial statements have been audited by Grant Thornton LLP, who have full access to the Audit Committee, with and without the presence of management.

(signed)
Peter M. Clausi
President and Chief Executive Officer

(signed)
Brian Crawford
Chief Financial Officer

Burlington, Ontario
July 19, 2018

Independent Auditor's Report

To the Shareholders of GTA Resources and Mining Inc.,

We have audited the accompanying financial statements of GTA Resources and Mining Inc., which comprise the statements of financial position as at March 31, 2018 and 2017, and the statements of operations and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of GTA Resources and Mining Inc. as at March 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that additional funding will be necessary to advance the Company's exploration and evaluation efforts. This condition, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Grant Thornton LLP

Toronto, Canada
July 19, 2018

Chartered Professional Accountants
Licensed Public Accountants

GTA RESOURCES AND MINING INC.
STATEMENTS OF FINANCIAL POSITION
As at March 31, 2018 and 2017
(Expressed in Canadian Dollars)

	March 31, 2018	March 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 72,189	\$ 80,391
Miscellaneous receivables (Note 3)	16,382	51,273
Prepaid expenses	10,472	5,519
Total current assets	99,043	137,183
Exploration and evaluation assets (Note 4)	5,276,885	5,688,318
Total assets	\$ 5,375,928	\$ 5,825,501
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 119,523	\$ 54,107
Liability for flow-through shares (Note 12)	34,647	-
Total current liabilities	154,170	54,107
Shareholders' equity		
Share capital (Note 5)	10,293,208	9,886,667
Contributed surplus (Note 5)	218,959	197,509
Accumulated Deficit	(5,290,409)	(4,312,782)
Total shareholders' equity	5,221,758	5,771,394
Total liabilities and shareholders' equity	\$ 5,375,928	\$ 5,825,501

Nature of business and going concern (Note 1)
Commitments and contingencies (Note 12)
Subsequent event (Note 13)

Approved by the Board of Directors

"Peter M. Clausi"

Director

"Brian Crawford"

Director

The accompanying notes are an integral part of these financial statements

GTA RESOURCES AND MINING INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
Years ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
Operating expenses		
Filing and transfer agent fees	\$ 21,073	\$ 30,171
General and administration costs	358,733	322,989
Professional fees	28,875	30,270
Share-based compensation	41,166	70,794
Loss before other (income) expenses	449,847	454,224
Write down of exploration and evaluation assets (Note 4)	574,538	453,402
Gain on sale of investments	-	(114,333)
Loss before income taxes	1,024,385	793,293
Deferred income tax benefit (Note 8)	(20,203)	(49,400)
Net loss and comprehensive loss	\$ 1,004,182	\$ 743,893
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)
Weighted average number of shares outstanding	45,862,554	39,884,787

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

GTA RESOURCES AND MINING INC.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Total
Balance, March 31, 2016	33,306,855	\$ 9,505,934	\$ 706,112	\$ (4,130,993)	\$ 6,081,053
Shares issued for exploration and evaluation assets	200,000	9,000	-	-	9,000
Shares issued for cash	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	-	-	70,794	-	70,794
Stock options expired	-	-	(562,104)	562,104	-
Warrants exercised	1,110,000	71,670	(6,070)	-	65,600
Options exercised	345,000	20,775	-	-	20,775
Transfer of contributed surplus on exercise of options	-	18,811	(18,811)	-	-
Loss and comprehensive loss	-	-	-	(743,893)	(743,893)
Balance, March 31, 2017	41,601,855	\$ 9,886,667	\$ 197,509	\$ (4,312,782)	\$ 5,771,394
Shares issued for exploration and evaluation assets (Notes 4,5)	750,000	36,250	-	-	36,250
Shares issued for cash	8,645,000	440,750	-	-	440,750
Share issue costs	-	(23,770)	-	-	(23,770)
Flow-through share premium	-	(54,850)	-	-	(54,850)
Broker warrants issued	-	(6,839)	6,839	-	-
Share-based compensation	-	-	41,166	-	41,166
Stock options expired	-	-	(26,555)	26,555	-
Warrants exercised	250,000	15,000	-	-	15,000
Loss and comprehensive loss	-	-	-	(1,004,182)	(1,004,182)
Balance, March 31, 2018	51,246,855	\$ 10,293,208	\$ 218,959	\$ (5,290,409)	\$ 5,221,758

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

GTA RESOURCES AND MINING INC.
STATEMENTS OF CASH FLOWS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
Operating activities		
Net loss and comprehensive loss for the year	\$ (1,004,182)	\$ (743,893)
Items not affecting cash and cash equivalents		
Deferred income tax benefit	(20,203)	(49,400)
Share-based compensation	41,166	70,794
Write-down of exploration and evaluation assets	574,538	453,402
Gain on sale of investments	-	(114,333)
Change in non-cash working capital:		
Miscellaneous receivables	34,891	(25,061)
Prepaid expenses	(4,953)	11,549
Accounts payable and accrued liabilities	65,416	(51,170)
Net cash used in operating activities	(313,327)	(448,112)
Financing activities		
Issuance of common shares, net of issue costs	431,980	403,840
Net cash provided by financing activities	431,980	403,840
Investing activities		
Investment in and expenditures on exploration and evaluation assets	(126,855)	(463,460)
Proceeds on sale of exploration and evaluation assets	-	134,000
Proceeds on sale of investments, net of selling costs	-	278,333
Net cash used in investing activities	(126,855)	(51,127)
Net change in cash and cash equivalents	(8,202)	(95,399)
Cash and cash equivalents, beginning of year	80,391	175,790
Cash and cash equivalents, end of year	\$ 72,189	\$ 80,391
Supplemental schedule of non-cash transactions:		
Shares issued for mineral property acquisition (Note 5)	750,000	200,000

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

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

GTA Resources and Mining Inc. (“GTA” or 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. There has been no determination whether properties held contain economically recoverable mineral resources.

The Company needs equity capital and financing for its working capital and for the costs of exploration and development of its properties. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. These financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and conversion to International Financial Standards

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The policies applied in these financial statements are based on IFRS issued and effective as of March 31, 2018. The Board of Directors approved the financial statements on July 19, 2018.

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional Currency

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of depreciation for property and equipment, the collectability of the miscellaneous accounts receivable, accruals, the impairment and recoverability of non-financial assets, the assumptions used in the determination of the fair value of financial instruments and stock-based compensation, and the recognition of deferred income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Financial Instruments

Financial assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial.

The Company has classified its cash and cash equivalents and miscellaneous receivables as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the fair value, including transaction costs and are subsequently measured at amortized cost. They are included in current assets.

Financial liabilities

Financial liabilities are classified as either 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

The Company has classified its accounts payable and accrued liabilities as other financial liabilities.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

Impairment of financial assets:

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been negatively impacted.

Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of a financial asset is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to income. Changes in the carrying amount of the allowance account are recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations and comprehensive income (loss) to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the reliability of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2018 and March 31, 2017, none of the Company's financial instruments are recorded at fair value on the statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at banks, and other short-term highly liquid investments.

Exploration and Evaluation Assets

Acquisition costs for exploration and evaluation assets are capitalized and include the cash consideration paid and the fair value of common shares issued on acquisition, based on the trading price of the shares on the date the shares are issued.

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

The Company is in the exploration stage with respect to its investment in mineral properties and follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

Impairment of Non-financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less disposal costs or its value in use. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual evaluation for indicators of impairment.

Reversal of Impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
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(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES - continued

such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at March 31, 2018 and March 31, 2017 as the disturbance to date is minimal.

Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax basis, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share-Based Compensation

The fair value of share options granted to employees at the date of grant is recognized as an expense over the vesting period with a corresponding increase in contributed surplus. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by a direct employee, including directors of the Company.

In situations where share options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods or services received at the grant date.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES - continued

expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

All equity settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. If an option is not exercised prior to its expiration, the amount previously reflected in contributed surplus is credited to retained earnings (deficit).

Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to common shares issued in the private placements at their fair value as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as contributed surplus in shareholders' equity. Share issue costs are netted against share proceeds on a pro rata basis.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to the individual investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, which is recognized as a liability, and ii) share capital. Upon qualifying expenditures being incurred, the Company derecognizes the premium liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. Any resulting deferred tax as a result of tax rate differential is recognized as a deferred tax recovery or expense.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the year end is disclosed separately as flow-through share liability in Note 12.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back Rule, in accordance with Government Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar

GTA RESOURCES AND MINING INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company had no material provisions at March 31, 2018 and March 31, 2017.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after April 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- (i) IFRS 9 Financial instruments (“IFRS 9”) is a partial replacement of IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not anticipate a significant impact on financial results from adopting the standard.
- (ii) IFRS 15 *Revenue from Contracts with Customers* (“IFRS 15”) establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company does not anticipate a significant impact on the financial results as it has no revenue.

- (iii) IFRS 16 *Leases* (“IFRS 16”) eliminates the classification of leases as either operating or finance leases for a lessee. Instead all leases are capitalized by recognizing the present value of lease payments and recognizing an asset and a financial liability representing an obligation to make future lease payments. The principles in IFRS 16 provide a more consistent approach to acquiring the use of an asset whether by leasing or purchasing the asset.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

The new leasing standard is applicable to all entities and will supersede current lease accounting standards under IFRS. Prospective application is required beginning on or after January 1, 2019 with early adoption permitted only if an entity early adopts IFRS 15 as well. The Company does not anticipate a significant impact on the financial results from adopting the standard.

- (iv) IFRS 2 *Share-based Payments* (“IFRS 2”) has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in June 2016. The amendments provide guidance on the accounting for:
- the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
 - share-based payment transactions with a net settlement feature for withholding tax obligations; and
 - a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendments are effective for annual periods beginning on or after January 1, 2018. The Company does not anticipate a material impact on its financial results from adopting the standard.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The most significant critical judgment that members of management have made in the process of applying the entity’s accounting policies and that have the most significant effect on the amounts recognized in the financial statements is the policy on exploration and evaluation assets.

In particular, management is required to assess exploration and evaluation assets for impairment. Note 4 discloses the carrying values of such assets. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

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 future periods if the revision affects both current and future periods.

The Black-Scholes Option Pricing Model was developed for use in estimating the fair value of traded options which are fully tradable with no vesting restrictions. This option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company’s stock options and warrants have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

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3. MISCELLANEOUS RECEIVABLES

The components of miscellaneous receivables are as follows:

	March 31, 2018		March 31, 2017	
Miscellaneous receivables	\$	5,832	\$	9,157
Government entity receivables		10,550		42,116
	\$	16,382	\$	51,273

4. EXPLORATION AND EVALUATION ASSETS

	Auden Property		Northshore Property		Ivanhoe Property		Burnt Pond Property		Big Duck Lake Property		Total
Balance, March 31, 2016	\$	2,215,243	\$	3,373,311	\$	298,000	\$	80,706	\$	-	\$ 5,967,260
Acquisition costs		-		1,892		9,000		-		-	10,892
Deferred exploration costs		5,286		230,687		-		225,595		-	461,568
Write-down		(444,402)		-		(9,000)		-		-	(453,402)
Proceeds on sale of assets		-		-		(298,000)		-		-	(298,000)
Balance, March 31, 2017	\$	1,776,127	\$	3,605,890	\$	-	\$	306,301	\$	-	\$ 5,688,318
Acquisition costs		-		-		-		-		91,250	91,250
Deferred exploration costs		2,320		19,896		-		1,610		142,195	166,021
Write-down		(574,538)		-		-		-		-	(574,538)
Proceeds of Junior Exploration Assistance Program		-		(69,916)		-		(24,250)		-	(94,166)
Balance, March 31, 2018	\$	1,203,909	\$	3,555,870	\$	-	\$	283,661	\$	233,445	\$ 5,276,885

Big Duck Lake

On April 24, 2017, the Company entered into an option agreement under which it can acquire a 100% interest in the Big Duck Lake property. Terms of the option agreement included cash payment of \$15,000 on approval by TSXV and cash payment of \$40,000 six months following the initial cash payment both tranches of which have been paid as at March 31, 2018. In addition, the Company issued 250,000 common shares upon approval by the TSXV and an additional 500,000 common shares six months following the issue of the initial 250,000 common shares. The vendors of the Big Duck Lake property retained a 2% royalty of which the Company can purchase 50% for \$1 million at any time.

The value of the 250,000 and 500,000 common shares issued was determined by the fair value of the shares issued at the date the option agreement was concluded (250,000 shares @\$0.065 per share) and at the date the subsequent shares were issued (500,000 shares @\$0.04).

The Company has incurred exploration expenditures of \$142,195 to March 31, 2018.

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.

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4. EXPLORATION AND EVALUATION ASSETS - continued

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

During the year the Company allowed 386 claim units to expire resulting in the recording of impairment of \$574,538 being the carrying value of the expired claim units.

The Company has incurred exploration expenditures of \$936,919 and \$630,440 to March 31, 2017 and to March 31, 2018 respectively.

Northshore

On July 27, 2011, the Company and Balmoral Resources Ltd. 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. In addition, the Company has incurred exploration expenditures of \$2,943,514 and \$2,893,493 to March 31, 2017 and to March 31, 2018, respectively.

Upon exercise of the First Option outlined above, the Company would 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 \$295,319 subsequent to the formation of the co-ownership with Balmoral.

During fiscal 2017 GTA completed phase 1 of a 2016 diamond drilling program and assay results were disclosed in a press release dated August 22, 2016. This phase was intended to test the northern area near the former producing Northshore Gold Mine.

During fiscal 2018, GTA received \$69,916 pursuant to the Junior Exploration Assistance Program funded by the Northern Ontario Heritage Corporation.

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4. EXPLORATION AND EVALUATION ASSETS - continued

Ivanhoe

On April 25, 2014, the Company entered into an Option Agreement (“Option”) 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 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 would retain a 3% Net Smelter Royalty, half of which can 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 in fiscal 2017 for \$298,000, recorded impairment of \$217,608.

During the year ended March 31, 2017 GTA issued 200,000 common shares as partial consideration for the Option, and subsequently sold the Option for gross proceeds of \$298,000 consisting of \$134,000 cash and 200,000 shares of Probe Metals Inc. The shares of Probe Metals Inc. were subsequently sold and the Company realized a gain of \$114,333.

Burnt Pond

In May 2015, the Company acquired a 100% interest in the Burnt Pond Zinc-Copper Property in central Newfoundland. The property located in the Tally Pond volcanic belt which hosts Teck Resources Ltd’s Duck Pond Mine and a number of other Copper-Zinc-Silver-Gold massive sulphide deposits.

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

During fiscal 2018 GTA received \$24,250 from the Junior Exploration Assistance Program funded by the government of Newfoundland and Labrador.

The Company has incurred exploration expenditures of \$223,357 to March 31, 2018.

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5. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	Number of Shares		Share Capital		Contributed Surplus
Balance, March 31, 2016	33,306,855	\$	9,505,934	\$	706,112
Shares issued for acquisition of mining claims (Note 4)	200,000		9,000		-
Shares issued for cash	6,640,000		332,000		-
Share issue costs	-		(14,535)		-
Flow-through share premium	-		(49,400)		-
Share-based compensation	-		-		70,794
Options exercised	345,000		20,775		-
Transfer of contributed surplus on exercise of options	-		18,811		(18,811)
Warrants exercised	1,110,000		71,670		(6,070)
Stock options expired	-		-		(562,104)
Broker warrants issued	-		(7,588)		7,588
Balance, March 31, 2017	41,601,855	\$	9,886,667	\$	197,509
Shares issued for acquisition of mining claims (Note 4)	750,000		36,250		-
Shares issued for cash	8,645,000		440,750		-
Share issue costs	-		(23,770)		-
Flow-through share premium	-		(54,850)		-
Broker warrants issued	-		(6,839)		6,839
Warrants exercised	250,000		15,000		-
Share-based compensation	-		-		41,166
Stock options expired	-		-		(26,555)
Balance, March 31, 2018	51,246,855	\$	10,293,208	\$	218,959

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5. SHARE CAPITAL – continued

Share issuances

During the year ended March 31, 2018:

- (a) On April 18, 2017, the Company issued 425,000 flow-through units at \$0.07 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.08 per share until April 18, 2019. The Company received cash proceeds of \$29,750.
- (b) On May 2, 2017, the Company issued 250,000 common shares in connection with the exercise of 250,000 share purchase warrants and received cash proceeds of \$15,000.
- (c) On May 5, 2017 and November 3, 2017, the Company issued 250,000 common shares and 500,000 common shares respectively as consideration to acquire its interest in the Big Duck Lake Property.
- (d) On September 11, 2017, the Company issued 1,000,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until September 11, 2018. The Company received gross cash proceeds of \$50,000 and incurred cash commissions of \$2,000. In connection with this financing, the Company issued 40,000 broker warrants entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until September 11, 2018. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.44%, expected volatility of 180% and an expected life of 12 months. The value attributed to the 40,000 broker warrants was \$1,044.
- (e) On September 15, 2017, the Company issued 300,000 units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.05 until September 15, 2018. The Company received cash gross proceeds of \$15,000.
- (f) On September 26, 2017, the Company issued 400,000 units and 900,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.05 per share for the common share purchase warrants issued as part of units, and at \$0.06 per share for the common share purchase warrants issued as part of flow-through units, until September 26, 2019. The Company received gross cash proceeds of \$65,000 and incurred cash commissions of \$4,550. In addition, 91,000 broker warrants were issued entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until September 26, 2018 for 63,000 broker warrants and for \$0.05 until March 26, 2019 for 28,000 broker warrants. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.43%, expected volatility of 106% and an expected life of 12 months for 63,000 broker warrants and 18 months for 28,000 broker warrants. The value attributed to the 91,000 broker warrants was \$1,118.
- (g) On November 1, 2017, the Company issued 1,000,000 flow-through units \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until November 1, 2018. The Company received gross cash proceeds of \$50,000 and incurred cash commissions of \$3,500. In connection with the financing, the Company issued 70,000 broker warrants entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until November 1, 2018. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.35%, expected volatility of 180% and an expected life of 12 months. The value attributed to the 70,000 broker warrants was \$1,559.
- (h) On November 24, 2017, the Company issued 700,000 units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until May 24, 2019. The Company received gross cash proceeds of \$35,000 and incurred cash commissions of \$1,750.

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5. SHARE CAPITAL – continued

- (i) On December 5, 2017, the Company issued 1,000,000 flow-through units \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until December 6, 2018. The Company received gross cash proceeds of \$50,000 and incurred cash commissions of \$3,500. In connection with the financing, the Company issued 70,000 broker warrants entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until November 1, 2018. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.35%, expected volatility of 180% and an expected life of 12 months. The value attributed to the 70,000 broker warrants was \$1,559.
- (j) On December 11, 2017, the Company issued 650,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until December 11, 2018. The Company received gross cash proceeds of \$32,500 and incurred cash commissions of \$525.
- (k) On December 12, 2017, the Company issued 870,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until December 12, 2018. The Company received gross cash proceeds of \$43,500 and incurred cash commissions of \$3,045.
- (l) On December 14, 2017, the Company issued 400,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until December 12, 2018. The Company received gross cash proceeds of \$20,000 and incurred cash commissions of \$1,400.
- (m) On December 18, 2017, the Company issued 1,000,000 flow-through units \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until December 18, 2018. The Company received gross cash proceeds of \$50,000 and incurred cash commissions of \$3,500. In connection with the financing, the Company issued 70,000 broker warrants entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until November 1, 2018. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.40%, expected volatility of 180% and an expected life of 12 months. The value attributed to the 70,000 broker warrants was \$1,559.

During the year ended March 31, 2017:

- (a) On April 25, 2016, the Company issued 200,000 common shares as consideration to acquire its interest in the Ivanhoe Property.
- (b) On May 2, 2016, the Company issued 1,200,000 units and 1,100,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.05 per share for the common share purchase warrants issued as part of units, and at \$0.06 per share for the common share purchase warrants issued as part of flow-through units, until May 2, 2017. The Company received gross cash proceeds of \$115,000 and incurred cash commissions of \$1,500.
- (c) On May 13, 2016, the Company issued 400,000 units and 840,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.05 per share for the common share purchase warrants issued as part of units, and at \$0.06 per share for the common share purchase warrants issued as part of flow-through units, until May 13, 2017. The Company received gross cash proceeds of \$72,000.

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5. SHARE CAPITAL – continued

- (d) On May 16, 2016, the Company issued 2,500,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until May 16, 2017. The Company received gross cash proceeds of \$125,000 and incurred cash commissions of \$10,000. In addition, 200,000 broker warrants were issued entitling the holder to acquire 1 unit consisting of 1 common share and 1 common share purchase warrant for \$0.06 until May 16, 2017. The broker warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 0.56%, expected volatility of 180% and an expected life of 12 months. The value attributed to the 200,000 broker warrants was \$7,588.
- (e) On May 20, 2016, the Company issued 100,000 units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until May 20, 2017. The Company received gross cash proceeds of \$5,000.
- (f) On June 13, 2016, the Company issued 500,000 flow-through units at \$0.05 per unit with each unit consisting of 1 common share and 1 common share purchase warrant exercisable at \$0.06 per share until June 13, 2017. The Company received gross cash proceeds of \$25,000.
- (g) On August 24, 2016, the Company issued 120,000 common shares in connection with the exercise of 100,000 share purchase warrants and 20,000 options. The Company received gross cash proceeds of \$5,000 and \$1,400 for the exercise of warrants and options respectively.
- (h) On September 2, 2016, and September 16, 2016, the Company issued 500,000 common shares and 100,000 common shares respectively in connection with the exercise of 600,000 share purchase warrants and received cash proceeds of \$36,000.
- (i) On October 31, 2016, the Company issued 160,000 units at \$0.06 with each unit consisting of 1 common share and 1 common share purchase warrant exercisable for \$0.06 until May 16, 2017. The Company received cash proceeds of \$9,600.
- (j) On February 9, 2017, the Company issued 250,000 common shares in connection with the exercise of 250,000 share purchase warrants and received cash proceeds of \$15,000.
- (k) On February 10, 2017, the Company issued 325,000 common shares in connection with the exercise of 325,000 options and received cash proceeds of \$19,375.

6. WARRANTS

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

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2016	4,275,000	\$	0.05
Warrants expired	(3,875,000)	\$	0.15
Warrants issued	7,000,000	\$	0.05
Warrants exercised	(1,110,000)		0.14
Balance, March 31, 2017	6,290,000	\$	0.05
Warrants issued	8,986,000	\$	0.06
Warrants exercised	(250,000)	\$	0.06
Warrants expired	(6,040,000)	\$	0.05
Balance, March 31, 2018	8,986,000	\$	0.06

6. WARRANTS – continued

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The warrants outstanding as at March 31, 2018 expire as follows:

Number of Warrants	Expiration Date
2,731,000	September 2018
1,770,000	November 2018
4,060,000	December 2018
425,000	April 2019

7. SHARE-BASED COMPENSATION

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 year ended March 31, 2018 are presented below:

		<u>During the year</u>					<u>Closing</u>	<u>Vested and</u>
<u>Grant date</u>	<u>Expiry date</u>	<u>Exercise Price</u>	<u>Opening Balance</u>	<u>Granted</u>	<u>Exercised</u>	<u>Expired</u>	<u>Balance</u>	<u>Exercisable</u>
September 18, 2012	September 18, 2017	\$0.50	37,500	-	-	(37,500)	-	-
December 1, 2012	December 1, 2017	\$0.50	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	1,060,000	-	-	-	1,060,000	1,060,000
June 15, 2016	June 15, 2021	\$0.055	900,000	-	-	-	900,000	900,000
November 9, 2016	November 9, 2021	\$0.06	300,000	-	-	-	300,000	300,000
August 30, 2017	August 30, 2022	\$0.05	-	1,200,000	-	-	1,200,000	1,200,000
			<u>2,662,500</u>	<u>1,200,000</u>	<u>-</u>	<u>(137,500)</u>	<u>3,725,000</u>	<u>3,725,000</u>
Weighted average exercise price			<u>\$0.10</u>	<u>\$0.05</u>	<u>\$0.00</u>	<u>\$0.50</u>	<u>\$0.07</u>	<u>\$0.07</u>

A summary of the status of the stock option plan and changes for the year ended March 31, 2017 are presented below:

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7. SHARE-BASED COMPENSATION – continued

During the year

<u>Grant date</u>	<u>Expiry date</u>	<u>Exercise Price</u>	<u>Opening Balance</u>	<u>Granted</u>	<u>Exercised</u>	<u>Expired</u>	<u>Closing Balance</u>	<u>Vested and Exercisable</u>
February 23, 2012	February 23, 2017	\$1.00	10,000	-	-	(10,000)	-	-
March 22, 2012	March 22, 2017	\$0.90	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	-	(120,000)	(100,000)	1,060,000	1,060,000
June 15, 2016	June 15, 2021	\$0.055	-	1,125,000	(225,000)	-	900,000	900,000
November 9, 2016	November 9, 2021	\$0.06	-	300,000	-	-	300,000	300,000
			<u>2,562,500</u>	<u>1,425,000</u>	<u>(345,000)</u>	<u>(980,000)</u>	<u>2,662,500</u>	<u>2,662,500</u>
Weighted average exercise price			<u>\$0.39</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$ 0.82</u>	<u>\$0.10</u>	<u>\$0.10</u>

The weighted average exercise price at grant date of options granted during the year ended March 31, 2018 was \$0.5 per option (year ended March 31, 2017: \$0.06).

The weighted average share price of options exercised during the year ended March 31, 2018 was \$0.00 as there were no options exercised during the year.

The weighted average remaining contractual life of the options outstanding at March 31, 2018 is 2.99 years (2017 – 3.18 years)

Options Issued to Employees

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield, expected forfeitures and the risk free interest rate for the term of the option.

Options Issued to Non-Employees

Options issued to non-employees are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The model inputs for options granted during the years ended March 31, 2018 and 2017 include:

<u>Grant date</u>	<u>Expiry date</u>	<u>Share price at grant date</u>	<u>Exercise price</u>	<u>Risk-free interest rate</u>	<u>Expected life</u>	<u>Volatility factor</u>	<u>Dividend yield</u>
November 9, 2016	November 9, 2021	\$0.06	\$0.06	0.98%	5 years	163%	0%
June 15, 2016	June 15, 2021	\$0.06	\$0.055	1.63%	5 years	135%	0%
August 30, 2017	August 30, 2022	\$0.05	\$0.05	1.51%	5 years	135%	0%

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7. SHARE-BASED COMPENSATION - continued

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk free rate of return is the yield on a zero-coupon Canadian Treasury bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

Total expenses arising from the share-based payment transactions recognized during the year as part of share-based compensation expense was \$41,166 (2017: \$70,794).

As at March 31, 2018 there was \$nil (2017: \$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 year as part of exploration and evaluation asset acquisition costs were \$nil (2017: \$nil).

8. INCOME TAXES

(a) Provision for Income Taxes

The following table reconciles the expected income tax provision at the statutory income tax rate of 26.5% (2017 - 26.5%) to the amounts recognized in the statements of loss and comprehensive loss:

	March 31, 2018		March 31, 2017	
Loss before income taxes	\$	(1,024,385)	\$	(793,293)
Expected income tax recovery at the statutory tax rate		(271,462)		(210,223)
Write-off of resource related assets		152,253		120,152
Share-based compensation		10,909		18,760
Gain on sale of investments		-		(30,298)
Share issue costs		(3,213)		(1,948)
Other		(1,106)		(1,285)
Benefit of tax losses not recognized		112,619		104,842
Flow-through premium		(20,203)		(49,400)
Income tax recovery	\$	(20,203)	\$	(49,400)
Provision for income taxes consists of the following:				
Current income taxes (recovery)	\$	-	\$	-
Deferred income taxes (recovery)		(20,203)		(49,400)
	\$	(20,203)	\$	(49,400)

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8. INCOME TAXES – continued

(b) Deferred tax balances

	March 31, 2018		March 31, 2017	
Deferred income tax assets (liabilities):				
Resource related liability	\$	(996,794)	\$	(952,799)
Non-capital losses recognized		996,794		952,799
Other deferred tax assets recognized		-		-
	\$	-	\$	-

The following temporary differences have not been recognized in the financial statements.

	March 31, 2018		March 31, 2017	
Capital losses carried forward	\$	50,000	\$	50,000
Non-capital losses carried forward		977,745		718,785
Share issue costs		32,202		20,560
Investment tax credits carried forward		32,782		32,782
Capital assets		40,927		45,101
	\$	1,133,656	\$	867,228

(c) Tax loss carry-forwards

As at March 31, 2018, the Company had approximately \$4,729,233 (2017 - \$4,314,252) of non-capital losses which can be used to reduce taxable income in future years. The non-capital losses expire at dates as described below:

2027	\$	176
2028		58,934
2029		86,329
2030		76,063
2031		260,596
2032		623,532
2033		838,413
2034		753,648
2035		636,463
2036		584,446
2037		395,652
2038		424,981
	\$	4,739,233

The Company also has \$50,000 (2017 - \$50,000) of capital losses carried forward which can be utilized to reduce capital gains in future years. The capital losses carried forward do not have an expiry date.

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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:

		March 31, 2018		March 31, 2017
Management fees (i)	\$	180,500	\$	177,333
Mineral property-exploration expenditures (i)	\$	55,000	\$	57,000
Office rent and supplies (ii)	\$	12,000	\$	19,666
Equipment (iii)	\$	500	\$	5,869
Share-based compensation	\$	41,166	\$	60,562

- (i) The Company paid \$180,500 (2017 - \$177,833) in management fees, including \$37,500 to a company owned by the President of the Company and \$22,500 (2017-\$25,000) to the former President of the Company; \$60,000 (2017 - \$55,500) to a company owned by the CFO of the Company, \$22,500 (2017-\$60,000) to a company owned by the Executive Vice President of the Company; \$33,000 to a company owned by the Chairman of the Company (2017-\$15,000); and \$5,000 (2017-\$22,333) to a company owned by the former VP of Exploration. The Company also paid and \$55,000 (2017 - \$32,500) in mineral property exploration consulting costs to a company owned by the VP of Exploration.
- (ii) The Company paid \$12,000 (2017 - \$19,666) for rent, supplies and administrative expenses to private companies controlled by directors and officers of the Company.
- (iii) The Company paid \$500 (2017 - \$5,869) to a company owned by the former VP of Exploration for equipment rental in connection with mineral property exploration activity.

Net accounts payable and accrued liabilities include \$41,042 (2017 - \$814) due to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company classified its cash and cash equivalents as loans and receivables; miscellaneous receivables as loans and receivables; and accounts payable and accrued liabilities, as other financial liabilities. The carrying values of cash and cash equivalents, miscellaneous receivables, and accounts payable and accrued liabilities approximate their fair values due to the expected maturity of these financial instruments.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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:

		March 31, 2018		March 31, 2017
Cash and cash equivalents	\$	72,189	\$	80,391
Miscellaneous receivables	\$	16,382	\$	51,273

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. The credit risk associated with miscellaneous receivables is minimized as the majority are receivable from a government 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 will require 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.

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 March 31, 2018. 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.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

ii. Foreign currency risk

During the year ended March 31, 2018, 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.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general 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. The Company considers its capital to be total shareholders' equity, comprising share capital, contributed surplus and deficit which at March 31, 2018 totaled \$5,221,758 (March 31, 2017 - \$5,771,394).

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 monitors its cash, common shares, warrants and stock options as capital. There were no changes in the Company's approach to capital management during the year ended March 31, 2018. The Company's investment policy is to hold cash in interest bearing bank accounts and highly liquid short-term interest bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company expects its current capital resources to be insufficient to carry out its planned exploration programs and operating costs for the next twelve months. The expectation is based on its capital resources at March 31, 2018.

12. 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 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. The liability for flow-through shares is the liability portion (the premium) of the flow-through shares issued for the amount of the premium on flow-through funds that at March 31, 2018 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the commitment for the flow-through shares issuances.

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12. COMMITMENTS AND CONTINGENCIES – continued

Balance at March 31, 2017	\$	-
Liability incurred on issue of flow-through issued calendar 2017		54,850
Settlement of flow-through share liability on incurring expenditures		(20,203)
Balance at March 31, 2018	\$	34,647

13. SUBSEQUENT EVENT

On April 19, 2018, the Company granted 1,350,000 incentive stock options to officers, directors, and consultants. The options have a term of five years, are exercisable at \$0.05 per share and vest immediately as to 1,225,000 options and after six months for 125,000 options unless cancelled by a resolution of the Board of Directors.