



**INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars)

**SEPTEMBER 30, 2016**  
(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited interim financial statements of Explorex Resources Inc. for the period ended September 30, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company and are the responsibility of the Company's management.

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

**Explorex Resources Inc.**  
**Interim Statements of Financial Position**  
(Expressed in Canadian Dollar)  
(Unaudited)

	September 30, 2016	March 31, 2016
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 221,452	\$ 2,080
GST receivable	3,617	5,314
Advance for exploration	20,000	-
	245,069	7,394
<b>Non-current assets</b>		
Exploration and evaluation assets (Note 3)	79,094	35,935
	\$ 324,163	\$ 43,329
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 76,372	\$ 106,319
<b>Shareholders' equity</b>		
Share capital (Note 4)	1,655,552	1,208,802
Share-based payment reserve (Note 4)	104,760	55,337
Deficit	(1,512,521)	(1,327,129)
	247,791	(62,990)
	\$ 324,163	\$ 43,329

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on November 28, 2016

Approved on Behalf of the Board:

"William E.A Wishart"

William E.A. Wishart, Director

"Gary Schellenberg"

Gary Schellenberg, Director

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

# Explorex Resources Inc.

## Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian Dollar)

(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2016	2015	2016	2015
<b>EXPENSES</b>				
Advertising and promotion	\$ 13,775	\$ -	\$ 13,775	\$ -
Consulting (Note 7)	12,000	9,000	27,000	9,000
General office	19,969	9,617	26,877	17,295
Management fees (Note 7)	19,500	18,000	37,500	36,000
Professional fees	6,597	11,530	15,711	18,687
Rent	5,900	5,400	11,300	10,800
Stock-based compensation	41,744	-	49,423	-
Transfer agent and filing fees (Recovery)	5,377	(217)	8,455	17,988
Travel	1,316	1,882	1,316	3,208
<b>Loss before other items</b>	<b>(126,178)</b>	<b>(55,212)</b>	<b>(191,357)</b>	<b>(112,978)</b>
Gain on forgiveness of debt	5,965	-	5,965	-
<b>Loss and comprehensive loss for the period</b>	<b>\$ (120,213)</b>	<b>(55,212)</b>	<b>\$ (185,392)</b>	<b>\$ (112,978)</b>
<b>Basic and diluted loss per shares</b>	<b>\$ (0.02)</b>	<b>(0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding</b>	<b>5,582,400</b>	<b>3,600,197</b>	<b>4,830,437</b>	<b>3,600,197</b>

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

# Explorex Resources Inc.

## Interim Statements of Cash Flows

(Expressed in Canadian Dollar)

(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	\$ (120,213)	\$ (55,212)	\$ (185,392)	\$ (112,978)
Non-cash items				
Gain on forgiveness of debt	5,965	-	5,965	-
Share-based compensation	41,744	-	49,423	-
Change in non-cash working capital accounts				
GST receivables	2,285	(2,611)	1,697	7,765
Prepaid expense	-	5,040	-	-
Advance for exploration	(20,000)	25,000	(20,000)	-
Accounts payable and accrued liabilities	(91,173)	14,642	(35,912)	23,442
Cash used in operating activities	(181,392)	(13,141)	(184,129)	(81,771)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>				
Issuance of share for cash	446,750		446,750	-
Subscription received	(97,500)	67,000	-	67,000
Cash provided by financing activity	349,250	67,000	446,750	67,000
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>				
Exploration and evaluation assets	(23,159)	(25,000)	(43,159)	(25,000)
Cash used in investing activity	(23,159)	(25,000)	(43,159)	(25,000)
<b>Change in cash for the period</b>	144,699	28,859	219,372	(39,771)
Cash, beginning of period	76,753	30,620	2,080	99,250
<b>Cash, end of period</b>	\$ 221,452	\$ 59,479	\$ 221,452	\$ 59,479

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

# Explorex Resources Inc.

## Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollar)

(Unaudited)

	Number of Shares	Share Capital \$	Subscription Received \$	Shared-Based Payment Reserve \$	Deficit \$	Total Shareholders' Equity \$
<b>Balance, March 31, 2015</b>	3,600,197	1,014,302	-	55,337	(954,471)	115,168
Subscription received	-	-	67,000	-	-	67,000
Net income for the period	-	-	-	-	(112,978)	(112,978)
<b>Balance, September 30, 2015</b>	3,600,197	1,014,302	67,000	55,337	(1,067,449)	69,190
<b>Balance, March 31, 2015</b>	4,580,697	1,208,802	-	55,337	(1,327,129)	(62,990)
Share issued for cash (Note 4)(b)	4,620,000	462,000				462,000
Share issuance costs (Note 4)(b)		(15,250)				(15,250)
Share-based compensation	-	-	-	49,423	-	49,423
Net income for the period	-	-	-	-	(185,392)	(185,392)
<b>Balance, September 30, 2016</b>	9,200,697	1,655,552	-	104,760	(1,512,521)	247,791

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

# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

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### 1. NATURE AND CONTINUANCE OF OPERATIONS

Explorex Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 214 – 1118 Homer Street, Vancouver, British Columbia, V6B 6L5. The registered office of the Company is located at Suite 1780-400 Burrard Street, Vancouver, British Columbia, V6C 3A6. The Company does not have any subsidiaries.

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) applicable to a going-concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at September 30, 2016, the Company had working capital of \$168,697, had not yet achieved profitable operations and has an accumulated deficit of \$1,512,521 since its inception. The Company expects to incur further losses in the development of its business, all of which cast significant doubt on the Company’s ability to continue as a going concern. The Company will require additional financing in order to explore new business opportunities, meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

### 2. BASIS OF PRESENTATION

#### **Basis of presentation**

The interim financial statements have been prepared in accordance to IAS 34 *Interim Financial Reporting* using accounting policies consistent with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The interim financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. These interim financial statements do not include all the information required for full annual financial statements. The interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2016. The accounting policies, methods of computation and presentation applied in these financial statements are consistent with those of the previous financial year.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

### 3. EXPLORATION AND EVALUATION ASSETS

	Silver Dollar Property	Arlington Property	Total
Acquisition costs, March 31, 2016	\$ -	\$ 10,935	\$ 10,935
Additions during the period	20,000	-	20,000
Acquisition costs, September 30, 2016	20,000	10,935	30,935
Deferred exploration costs, March 31, 2016	-	25,000	25,000
Additions during the period	23,159	-	23,159
Deferred exploration costs, September 30, 2016	23,159	25,000	48,159
Total exploration and evaluation assets, September 30, 2016	\$ 43,159	\$ 35,935	\$ 79,094

#### *Arlington Property, British Columbia*

On January 19, 2015, the Company acquired a 100% interest in the Arlington property by staking.

#### *Silver Dollar Property, British Columbia*

On May 11, 2016, the Company has entered into an option agreement with Happy Creek Minerals Ltd. to purchase a 100% interest in Happy Creek's Silver Dollar Property, located, approximately 45 kilometres southeast of Revelstoke, B.C.

Upon the signing the Agreement and to earn 100% interest, the Company is required to make the following payments as follows:

- \$20,000 cash on the earlier of the date that is 5 days following Canadian Securities Exchange approval for closing of the Company's proposed private placement of \$400,000 and June 30, 2016 (paid);
- a minimum \$100,000 work commitment by November 11, 2016;
- 300,000 shares by December 1, 2016;
- 300,000 shares by November 11, 2017; and
- 1,000,000 shares by May 11, 2018

The property is subject to a 1% NSR.



# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

### 4. SHARE CAPITAL

a) Authorized share capital:

As at September 30, 2016, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital:

During the period ended September 30, 2016, the Company completed a non-brokered private placement of 4,620,000 common shares at a price of \$0.10 per share for gross proceeds of \$462,000. Finder's fee of \$15,250 was paid.

### Stock option plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at September 30, 2016 the following options were granted or outstanding.

	Options Outstanding Number of Shares	Weighted Average Exercise Price
Balance, March 31, 2016	200,000	\$0.33
Granted	800,000	\$0.15
Expired	(188,889)	\$0.90
Balance, September 30, 2016	811,111	\$0.15

A summary of the Company's options outstanding as at September 30, 2016 is as follows:

Expiry Date	Number of Stock Options	Exercise Price	Number of Stock Options Exercisable
July 17, 2017	11,111	\$0.90	11,111
May 25, 2017	250,000	\$0.15	125,000
September 29, 2021	550,000	\$0.13	550,000
	811,111		686,111

# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

### 4. SHARE CAPITAL (cont'd...)

#### Share Purchase Warrants

As at June 30, 2016, the following share purchase warrants were outstanding:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, March 31, 2016 and September 30, 2016	933,333	\$0.169	July 25, 2019

### 5. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at September 30, 2016, the Company's shareholders' equity was \$247,791. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the period ended September 30, 2016.

### 6. FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The fair value of the Company's receivables, accounts payable and accrued liabilities approximates their carrying values due to the short-term nature.

# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

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### 6. FINANCIAL INSTRUMENTS AND RISK (cont'd...)

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

#### *Credit risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2016, the Company had a cash balance of \$221,452 to settle current liabilities of \$76,372.

#### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

#### (a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

#### (b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

#### (c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

### 7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

# Explorex Resources Inc.

## Notes to the Interim Financial Statements

For the Six Months Ended September 30, 2016

(Expressed in Canadian Dollar)

(Unaudited)

### 7. RELATED PARTY TRANSACTIONS (cont'd...)

During the period ended September 30, 2016, the Company entered into the following transactions with related parties:

- Paid or accrued exploration costs of \$43,159 (2015 - \$25,000) that were capitalized as exploration and evaluation assets to a company controlled by a director of the Company.
- Paid or accrued consulting fees of \$15,000 (2015 - \$Nil) to a company controlled by a director of the Company.
- Paid or accrued rent of \$11,300 (2015 - \$10,800) and management fees of \$37,500 (2015 - \$36,000) to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued professional fees of \$3,000 (2015 - \$1,000) to the current Chief Financial Officer of the Company.
- Remuneration attributed to key management personnel and directors included stock-based compensation of \$34,064 (2015 – \$Nil).

Accounts payable to related parties are as follows:

	2016	2015
An entity controlled by a director and Chief Executive Officer	\$ -	\$ -
An entity controlled by a director	5,568	-
	\$ 5,568	\$ -

#### *Commitments – Consulting agreements*

On August 1, 2012, amended on July 11, 2013 and was amended on September 1, 2016, the Company has entered into a consulting agreement with a director of the Company for the provision of consulting services at a current cost of \$90,000 per annum. The agreement is for a term of five years.