



INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

DECEMBER 31, 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 December 31, 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)

	December 31, 2016	March 31, 2016
ASSETS		
Current		
Cash	\$ 112,026	\$ 2,080
GST receivable	12,817	5,314
	124,843	7,394
Non-current assets		
Exploration and evaluation assets (Note 3)	123,885	35,935
	\$ 248,728	\$ 43,329
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 62,521	\$ 106,319
Shareholders' equity		
Share capital (Note 4)	1,655,552	1,208,802
Share-based payment reserve (Note 4)	104,760	55,337
Deficit	(1,574,105)	(1,327,129)
	186,207	(62,990)
	\$ 248,728	\$ 43,329

Nature and continuance of operations (Note 1)

Approved and authorized by the Board on January 24, 2017

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 December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
EXPENSES				
Advertising and promotion	\$ 6,000	\$ -	\$ 19,775	\$ -
Consulting (Note 7)	23,539	-	50,539	9,000
General office	3,557	4,111	30,434	21,406
Management fees (Note 7)	22,500	18,000	60,000	54,000
Professional fees	1,813	16,050	17,524	34,737
Rent	5,850	5,400	17,150	16,200
Stock-based compensation	-	-	49,423	-
Transfer agent and filing fees	4,270	4,589	12,725	22,577
Travel	1,576	5,304	2,892	8,512
Loss before other items	(69,105)	(53,454)	(260,462)	(166,432)
Gain on forgiveness of debt	-	-	5,965	-
Loss on deposit related to LOI	-	(134,713)	-	(134,713)
Provincial Tax Credit	7,521	-	7,521	-
Loss and comprehensive loss for the period	\$ (61,584)	(188,167)	\$ (246,976)	\$ (301,145)
Basic and diluted loss per shares	\$ (0.01)	(0.04)	\$ (0.04)	\$ (0.07)
Weighted average number of common shares outstanding	9,200,697	4,559,382	5,994,930	4,082,410

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 December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
OPERATING ACTIVITIES				
Loss for the period	\$ (61,584)	\$ (188,167)	\$ (246,976)	\$ (301,145)
Non-cash items				
Gain on forgiveness of debt	-	-	5,965	-
Share-based compensation	-	-	49,423	-
Change in non-cash working capital accounts				
GST receivables	(9,200)	2,453	(7,503)	10,218
Advance for exploration	20,000	-	-	-
Accounts payable and accrued liabilities	(13,851)	5,503	(49,763)	28,945
Cash used in operating activities	(64,635)	(180,211)	(248,854)	(261,982)
CASH FLOWS FROM FINANCING ACTIVITY				
Issuance of share for cash	-	194,500	446,750	194,500
Subscription received	-	(67,000)	-	-
Cash provided by financing activity	-	127,500	446,750	194,500
CASH FLOWS FROM INVESTING ACTIVITY				
Exploration and evaluation assets	(44,791)	-	(87,950)	(25,000)
Cash used in investing activity	(44,791)	-	(87,950)	(25,000)
Change in cash for the period	(109,426)	(52,711)	109,946	(92,482)
Cash, beginning of period	221,452	59,479	2,080	99,250
Cash, end of period	\$ 112,026	\$ 6,768	\$ 112,026	\$ 6,768

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 \$
Balance, March 31, 2015	3,600,197	1,014,302	-	55,337	(954,471)	115,168
Share issued for cash	980,500	196,100	-	-	-	196,100
Share issuance cost	-	(1,600)	-	-	-	(1,600)
Net income for the period	-	-	-	-	(301,145)	(301,145)
Balance, December 31, 2015	4,580,697	1,208,802	-	55,337	(1,255,616)	8,523
Balance, March 31, 2015	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	-	-	-	-	(246,976)	(246,976)
Balance, December 31, 2016	9,200,697	1,655,552	-	104,760	(1,574,105)	186,207

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

Explorex Resources Inc.

Notes to the Interim Financial Statements

For the Nine Months Ended December 31, 2016

(Expressed in Canadian Dollar)

(Unaudited)

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 December 31, 2016, the Company had working capital of \$62,322, had not yet achieved profitable operations and has an accumulated deficit of \$1,574,105 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 Nine Months Ended December 31, 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, December 31, 2016	20,000	10,935	30,935
Deferred exploration costs, March 31, 2016	-	25,000	25,000
Additions during the period	67,950	-	67,950
Deferred exploration costs, December 31, 2016	67,950	25,000	92,950
Total exploration and evaluation assets, December 31, 2016	\$ 87,950	\$ 35,935	\$ 123,885

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.

On Nov 23, 2016, the Company announced it had reached an agreement with Happy Creek Minerals to amend the terms of the due diligence period and schedule of payments:

The due diligence period is extended to May 11, 2017 as is the minimum work commitment of \$100,000.

Issuing of 300,000 common shares within 20 days (June 9, 2017) of completion of due diligence.
Issuing of 300,000 common shares within 12 months (May 11, 2018) of completing the due diligence
Issuing 500,000 common shares within 18 months (Nov 11, 2018) of completing the due diligence

The agreement is subject to a 1% NSR payable to Happy Creek

Explorex Resources Inc.

Notes to the Interim Financial Statements

For the Nine Months Ended December 31, 2016

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4. SHARE CAPITAL

a) Authorized share capital:

As at December 31, 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 December 31, 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 December 31, 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, December 31, 2016	811,111	\$0.15

A summary of the Company's options outstanding as at December 31, 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 Nine Months Ended December 31, 2016

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(Unaudited)

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

Share Purchase Warrants

As at December 31, 2016, the following share purchase warrants were outstanding:

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

5. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at December 31, 2016, the Company's shareholders' equity was \$186,207. 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 December 31, 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 Nine Months Ended December 31, 2016

(Expressed in Canadian Dollar)

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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 December 31, 2016, the Company had a cash balance of \$112,026 to settle current liabilities of \$62,521.

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.

Explorex Resources Inc.

Notes to the Interim Financial Statements

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(Unaudited)

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.

During the period ended December 31, 2016, the Company entered into the following transactions with related parties:

- Paid or accrued exploration costs of \$87,950 (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 \$30,000 (2015 - \$Nil). \$15,000 paid to a director and \$15,000 paid to a company controlled by a director of the Company.
- Paid or accrued rent of \$17,150 (2015 - \$16,200) and management fees of \$60,000 (2015 - \$54,000) to a company controlled by a director and Chief Executive Officer of the Company.
- Paid or accrued professional fees of \$4,550 (2015 - \$2,000) 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	27,956	-
	\$ 27,956	\$ -

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.