LEO RESOURCES INC.

Condensed Interim Financial Statements

Three and Nine Months Ended

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102,Part 4,subsection 4.3(3)(a), if an auditor has not performed a review of the condensed 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 condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Leo Resources Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

		As at April 30, 2017		As at July 31, 2016
ASSETS				
Current assets				
Cash	$	**788,119**	$	-
Government GST/HST recoverable (note 7)		**27,568**		2,211
Prepaid expenses (note 9)		**97,142**		-
Total current assets		**912,829**		2,211
Non-current assets				
Exploration and evaluation assets (note 8)		**44,795**		44,795
Total non-current assets		**44,795**		44,795
Total assets	$	**957,624**	$	47,006
EQUITY AND LIABILITIES				
Current liabilities				
Bank indebtedness	$	**-**	$	773
Amounts payable and other liabilities (note 10)		**60,210**		14,652
Due to related party (note 11)		**-**		13,277
Total current liabilities		**60,210**		28,702
Shareholders' equity				
Share capital (note 12)		**1,366,661**		503,001
Reserves (note 12)		**816,340**		91,235
Contributed surplus		**26,300**		15,065
Accumulated deficit		**(1,311,887)**		(590,997)
Total shareholders' equity		**897,414**		18,304
Total liabilities and shareholders' equity	$	**957,624**	$	47,006

Nature of operations (note 1)
Going concern (note 2)

Approved on behalf of the Board of Directors:

"Anthony Jackson" (signed) Director
Anthony Jackson, Director

"Konstantin Lichtenwald" (signed) Director
Konstantin Lichtenwald, Director

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

Leo Resources Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended April 30,		Nine months ended April 30,	
	2017	**2016**	**2017**	**2016**
Operating Expenses				
Bank charges	**$ 477**	$ 36	**$ 544**	$ 147
Consulting fees (note 11)	**690,862**	-	**690,862**	-
Filing and listing fees	**9,980**	1,500	**13,100**	7,773
Legal and professional fees (recovery)	**(34,880)**	(271)	**11,328**	6,969
Shareholder information	**351**	1,451	**351**	2,455
Office and general expenses	**805**	1,325	**2,130**	3,975
Transfer agent fees	**1,925**	2,528	**2,575**	3,230
Net loss and comprehensive loss	**$ (669,520)**	$ (6,569)	**$ (720,890)**	$ (24,549)
Basic and diluted net loss per share (note 13)	**$ (0.272)**	$ (0.006)	**$ (0.477)**	$ (0.023)
Weighted average number of common shares outstanding - basic and diluted	**2,465,147**	1,049,416	**1,510,955**	1,049,416

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

Leo Resources Inc.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Nine Months Ended April 30,		2017		2016
Operating activities				
Net loss for the period	$	(720,890)	$	(24,549)
Government GST/HST recoverable		(25,357)		15,201
Prepaid expenses (note 9)		(97,142)		-
Amounts payable and other liabilities		44,785		(3,325)
Net cash used in operating activities		(798,604)		(12,673)
Financing activities				
Shares issued for private placements		1,600,000		-
Due to related company		(678)		9,964
Due to related party		(12,599)		1,239
Net cash provided by financing activities		1,586,723		11,203
Net change in cash		788,119		(1,470)
Cash, beginning of period		-		1,077
Cash (bank indebtedness), end of period	$	788,119	$	(393)

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

Leo Resources Inc.
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital		Preferred Share Capital		Reserves				
	Number of shares	Amount	Number of shares	Amount	Share-based payments	Warrants	Contributed surplus	Deficit	Total
Balance, July 31, 2015	**1,049,416**	**$ 403,001**	**20,000**	**$ 100,000**	**$ 16,835**	**$ 80,000**	**$ 9,465**	**$ (559,079)**	**$ 50,222**
Net loss for the period	-	-	-	-	-	-	-	(24,549)	(24,549)
Balance, April 30, 2016	**1,049,416**	**$ 403,001**	**20,000**	**$ 100,000**	**$ 16,835**	**$ 80,000**	**$ 9,465**	**$ (583,628)**	**$ 25,673**
Balance July 31, 2016	**1,049,416**	**$ 403,001**	**20,000**	**$ 100,000**	**$ 11,235**	**$ 80,000**	**$ 15,065**	**$ (590,997)**	**$ 18,304**
Cancelled options	-	-	-	-	(11,235)	-	11,235	-	-
Private placements	4,400,000	863,660	-	-	-	736,340	-	-	1,600,000
Net loss for the period	-	-	-	-	-	-	-	(720,890)	(720,890)
Balance, April 30, 2017	**5,449,416**	**$1,266,661**	**20,000**	**$ 100,000**	**$ -**	**$ 816,340**	**$ 26,300**	**$ (1,311,887)**	**$ 897,414**

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

1. Nature of Operations

Leo Resources Inc. ("Leo" or "Company") was incorporated on March 18, 2013 in the Province of British Columbia. The Company is engaged in the business of acquisition and exploration of mining properties in Canada. Prior to January 31, 2016, Leo was 19.96% owned by GreenBank Capital Inc. and 16.76% owned by Winston Resources Inc., both Canadian public companies. GreenBank and Winston declared share dividends on January 29, 2016 to distribute all of their shareholding interest of Leo to their shareholders. GreenBank and Winston no longer have any shareholder interest in the Company. The head office of the Company is located at 4168 Finch Avenue East, Suite 308, Toronto, Ontario M1S 5H6, Canada.

At July 31, 2013, the Company was a wholly-owned subsidiary of Zara Resources Inc. ("Zara") a Canadian public company. Following the completion of a plan of arrangement and the acquisition of a property from Zara on August 2, 2013, the Company is no longer a subsidiary of Zara. On August 16, 2013, the Company became a public company with its common shares listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "LEO".

On May 23, 2014, the Company approved a one for five share consolidation of its common shares. All outstanding shares, options and warrants and the amounts reported in these condensed interim financial statements have been adjusted to reflect this consolidation unless otherwise indicated.

2. Going Concern Assumption

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company has not commenced active exploration on its exploration and evaluation assets ("E&E"). It is unknown whether the E&E contain reserves that are economically recoverable. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

The business of exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the E&E contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation assets using the full cost method allowed under IFRS 6. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its E&E, and making the required payments pursuant to E&E purchase agreements. The Company has yet to generate income and cash flows from its operations.

There is no assurance that the Company will be able to obtain the external financing necessary to explore, develop if E&E are proven successful and bring to commercial production its E&E. The Company has no proven history of profitability, which casts doubt as to whether the Company will be able to continue as a going concern should it not be able to obtain the necessary financing to fund working capital and capital expenditures. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its interests or terminate its operations.

2. Going Concern Assumption (continued)

As at April 30, 2017, the Company has yet to generate revenues from operations and had a deficit of $1,311,887 (July 31, 2016 - $590,997). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Statement of Compliance

The Company applies IFRS as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of June 29, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended July 31, 2016, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending July 31, 2017 could result in restatement of these unaudited condensed interim financial statements.

(b) Basis of Presentation

These condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods, and have been prepared using the accrual basis of accounting except for cash flow information.

4. Significant Accounting Policies

These condensed interim financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Changes in Accounting Policies
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after July 31, 2016. The following new standards have been adopted:

(i) IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016. At August 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

4. Significant Accounting Policies (continued)

Changes in Accounting Policies (continued)

(ii) IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. At August 1, 2016, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

Future Accounting Policies

At the date of authorization of these financial statements, the IASB has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting period.

(i) IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. 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. This standard also requires an expected loss impairment method to be used, replacing the incurred loss model.

In October 2010, the IASB added requirements for financial liabilities to IFRS 9. These requirements were largely carried forward from the existing requirements in IAS 39, however, fair value changes due to credit risk for liabilities designated at fair value through profit and loss are to be recorded in other comprehensive income.

In November 2013, the IASB amended IFRS 9 to include a new general hedge accounting model.

In July 2014, the IASB issued the final version IFRS 9 that supersedes the requirements of earlier versions of the standard. The new standard will replace both IAS 39 and IFRIC 9 - Reassessment of Embedded Derivatives. The standard will retain the classification and measurements requirements and new hedge accounting model introduced by the previous versions while introducing a single forward-looking expected credit loss impairment model. The final version of this new standard is effective for annual periods beginning on or after January 1, 2018. The Company is still in the process of assessing the impact of this pronouncement.

Various other accounting pronouncements (such as IFRS 14, IFRS 15, and the various annual improvements) that have no material impact to the Company are not included above. The Company has not early adopted these standards.

5. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

5. Financial Risk Management (continued)

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is limited to the carrying value amount carried on the statement of financial position. The Company's assets most susceptible to credit risk is its cash, which is held at a Canadian chartered bank in a non-interest bearing account, and government GST/HST recoverable, which is due from the Canadian government. As such, the risk of loss on these assets is minimal.

Market and other risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly.

Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. As at April 30, 2017, the Company had $788,119 in cash. Currently, the Company does not have sufficient funds and will require financing to carry out an exploration and acquisition program and meet general and administration expenses for the next twelve months.

Commodity risk

The value of the Company's exploration and evaluation assets are related to the price of gold and other mineral commodities, and the outlook for these mineral commodities. Adverse changes in the price of gold can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

The carrying values of the Company's financial instruments carried at amortized cost approximate fair values due to their short duration.

The Company has designated its cash at FVTPL. The government GST/HST recoverable is classified as loans and receivables whereby they are initially recognized at fair value and then subsequently carried at amortized cost. Accounts payables and accrued liabilities, due to related parties and due to related companies are classified as other financial liabilities whereby they are initially recognized at fair value and then measured at amortized cost.

(Expressed in Canadian Dollars)

5. Financial Risk Management (continued)

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

		As at April 30, 2017		As at July 31, 2016
Financial Assets				
Fair value through profit or loss				
Cash	**$**	**788,119**	$	-
Loans and receivables				
Government GST/HST recoverable	**$**	**27,568**	$	2,211
Financial Liabilities				
Fair value through profit or loss				
Bank indebtedness	**$**	**-**	$	773
Other financial liabilities				
Amounts payable and other liabilities	**$**	**60,210**	$	14,652
Due to related party	**$**	**-**	$	13,277

6. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of E&E and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

The Company defines its capital as its shareholders' equity. As at April 30, 2017, the Company's capital resources amounted to a capital of $852,619 (July 31, 2016 - $18,304).

All of the E&E, in which the Company currently has an interest, are in the exploration stage with no operating revenues; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new E&E 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's capital management objectives, policies and processes have remained unchanged during the three and nine months ended April 30, 2017. The Company is not subject to any capital requirements imposed by a lending institution.

7. Government GST/HST Recoverable

		As at April 30, 2017		As at July 31, 2016
Government GST/HST recoverable	**$**	**27,568**	$	2,211

(Expressed in Canadian Dollars)

8. Exploration and Evaluation Assets

		Riverbank (Ontario property) (100% interest)
Balance, July 31, 2015 and April 30, 2016	$	**44,795**
Balance, July 31, 2016 and April 30, 2017	$	**44,795**

Riverbank

On March 20, 2013, the Company entered into a Purchase Agreement (the "Agreement") with its then Parent Company Zara Resources Inc. ("Zara"). Under the terms of the Agreement, Leo agreed to purchase from Zara, all of Zara's rights, interests, obligations and benefits of the Riverbank property ("Riverbank") for $358,000. The Riverbank property consists of 8 unpatented mining claims comprising 87 claim units. The claims are subject to a pre-existing 2% NSR payable to Melkior Resources Inc.

On August 2, 2013 the Zara Plan was approved by the Supreme Court of British Columbia and the purchase by Leo of Riverbank and the spin off to Zara shareholders was completed. Accordingly Leo is no longer a subsidiary of Zara and the Riverbank property is no longer owned by Zara.

Pursuant to the closing of the purchase of the Riverbank, one claim was allowed to lapse and accordingly an impairment loss of the exploration and evaluation assets in the amount of $44,750 was recorded in the statement of profit or loss and other comprehensive income during the year ended July 31, 2014.

During the year ended July 31, 2015, the Company allowed six out of seven Riverbank claims to lapse. As a result, $268,455 of the carrying value of the Riverbank property was written off and the amount was recorded in the statement of profit or loss and other comprehensive income for the year.

9. Prepaid Expenses

The prepaid expenses of $97,142 (2016 - $nil) comprise of prepaid consulting fee.

Included in prepaid expenses of $57,142 (2016 - $nil) are to directors, officers and companies controlled by directors and officers of the Company.

10. Amounts Payable and Other Liabilities

		As at April 30, 2017		As at July 31, 2016
Amounts payable	**$**	**47,979**	$	9,152
Other liabilities		**12,231**		5,500
	$	**60,210**	$	14,652

(Expressed in Canadian Dollars)

10. Amounts Payable and Other Liabilities (continued)

The aging of the accounts payable and other liabilities is as follows:

		As at April 30, 2017		As at July 31, 2016
Less than 30 days	**$**	**20,738**	$	5,952
From 30 days to 90 days		**36,017**		3,311
Greater than 90 days		**3,455**		5,389
	$	**60,210**	$	14,652

11. Related Party Transactions and Disclosures

Related party transactions were in the normal course of operations.

As at April 30, 2017, the due to related company of $nil (July 31, 2016 - $678) is comprised of due to GreenBank Capital Inc. The amount was made to provide working capital and are due on demand.

GreenBank Capital Inc. has Daniel Wettreich, a former director and officer of the Company, as director.

The due to related party at April 30, 2017 of $nil (July 31, 2016 - $12,599) is comprised of due to Daniel Wettreich of $nil (July 31, 2016 - $12,599). These amounts were made to provide working capital and were paid out as at April 30, 2017.

During the three and nine months ended April 30, 2017, the Company incurred transfer agent fees of $226 and $876, respectively (three and nine months ended April 30, 2016 - $2,528 and $3,230, respectively) to Reliable Stock Transfer Inc., ("Reliable") a company owned by Daniel Wettreich for the provision of share transfer services. As at April 30, 2017, amount owed to Reliable is $nil (July 31, 2016 - $5,912) and has been included in the amounts payable and other liabilities.

During the nine months ended April 30, 2017, the Company incurred and paid fees of $85,714 (2016 - $nil) as consulting fees to directors, officers and companies controlled by directors and officers of the Company.

Included in prepaid expenses of $57,142 (2016 - $nil) are to directors, officers and companies controlled by directors and officers of the Company.

During the nine months ended April 30, 2017, the Company incurred and paid fees of $20,000 (2016 - $nil) as consulting fees to Bridgemark Financial which was owned by one of the former directors.

12. Share Capital

(i) **The Company's authorized share capital consists of:**

- an unlimited number of common shares with no par value
- an unlimited number of Series A preferred shares – non-voting, non-retractable, non-redeemable without dividend, no par value

Share consolidation

Subsequent to period ended April 30, 2017, the Company will consolidate its issued and outstanding share capital on the basis of one post-consolidation share for each five pre-consolidation common shares. No fractional shares will be issued. Any fraction of a share will be rounded down to the nearest whole number.

Issuance of shares and warrants

On March 11, 2017, the Company oversubscribed and closed its previously announced non-brokered private placement on March 3, 2017. The private placement was oversubscribed by $100,000 for a total of 2,400,000 units and gross proceeds of $600,000 at a price of $0.25 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant is convertible into one common share at a price of $0.325 per share and is exercisable for a period of two years from date of issuance.

On April 27, 2017, the Company closed a non-brokered private placement of 2,000,000 units and gross proceeds of $1,000,000 at a price of $0.50 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each whole warrant is convertible into one common share at a price of $0.60 per share and is exercisable for a period of one year.

(ii) **Stock Options**

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to purchase shares to directors, officers, founders, employees, persons engaged to provide investor relations activities and consultants of the Company.

The options granted under the Plan together with all of the Company's other previously established stock option plans or grants, shall not result at any time in

- the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the outstanding Common Shares;
- the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- the grant to any once (1) optionee within a twelve month period, of a number of options exceeding 5% of the issues and outstanding Common Shares unless the Company obtains the requisite disinterested shareholder approval; and
- the grant to all persons engaged by the Corporation to provide investor relations activities, within any twelve-month period, of options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares; other grant to any one consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares.

An optionee shall be entitled to exercise an Option granted to him/her at any time prior to the expiry of the option period and to vesting limitations imposed by the Board of directors at the time such Option is granted.

(Expressed in Canadian Dollars)

12. Share Capital (continued)

Issuance of shares and warrants (continued)

(ii) **Stock Options (continued)**

Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

Stock option transactions for the periods presented are as follows:

	Fair value	Number of stock options	Weighted average exercise price
Balance, July 31, 2015 and April 30, 2016	**$ 16,835**	**100,000**	**$ 0.25**
Balance, July 31, 2016 and April 30, 2017	**$ -**	**-**	**$ -**

During the period ended April 30, 2017, 300,000 stock options were cancelled.

There are no stock options outstanding as at April 30, 2017.

(iii) **Warrants**

The issued and outstanding warrants balance at April 30, 2017 is comprised as follows:

	Number of warrants
Balance, July 31, 2016	**500,000**
Issued	4,400,000
Balance, April 30, 2017	**4,900,000**

Issue date	Fair value	Expiry date	Weighted average exercise price	Number of warrants
May 23, 2014	$ 80,000	May 23, 2017	$ 0.250	500,000
March 11, 2017	288,926	March 11, 2019	0.325	2,400,000
April 27, 2017	447,414	April 27, 2018	0.600	2,000,000
	$ 816,340		$ 0.430	**4,900,000**

(iv) **Series A Preferred Shares Subscription**

In August 2013 as part of the plan of arrangement with the Zara Resources Inc., the Company issued 20,000 Series A preferred shares during the year ended July 31, 2014.

13. Net Loss Per Common Share

The calculation of basic and diluted loss per share for three and nine months ended April 30, 2017 was based on the loss attributable to common shareholders of $669,520 and $720,890 (three and nine months ended April 30, 2016 - $6,569 and $24,549) and the weighted average number of common shares outstanding of 2,465,147 and 1,510,955 (three and nine months ended 2016 - 1,049,416). All outstanding options were excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

14. Segmented Information

The Company's operations are comprised of a single reporting operating segment engaged in the exploration and evaluation of mineral resources. As the operations comprise a single reporting segment, amounts disclosed in the financial statements also represent a single reporting segment. As at April 30, 2017 all of the Company's exploration and evaluation assets and liabilities are situated in Canada.

15. Subsequent Events

On May 2, 2017, the Company consolidate its issued and outstanding share capital on the basis of one post-consolidation share for each five pre-consolidation common shares. No fractional shares will be issued. Any fraction of a share will be rounded down to the nearest whole number.

On May 9, 2017, the Company entered into a non-binding letter of intent with Green Life Clinics Inc. (GLC) dated May 8, 2017, in respect of a proposed transaction pursuant to which GLC is expected to acquire the Company by way of reverse takeover for a combination of cash and share consideration.

Pursuant to the terms of the LOI, the Company would acquire 100 per cent of the issued and outstanding securities of GLC in consideration of the payment of an aggregate $5-million in cash and issuance of 25 million common shares of the Company to the shareholders of GLC.

The transaction is subject to the Company completing an equity financing by way of a non-brokered private placement of units to raise aggregate gross proceeds of $10-million at an intended price of 50 cents per unit. The Company will also have an overallotment option to place up to an additional 50 per cent of the financing. Each unit will consist of one common share and one-half of one common share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of 85 cents per share for a period of 12 months from the closing of the transaction. In the event that company's share prices closes at a price of $1.40 per share for a period of 10 consecutive trading dates, the Company will have the option to provide notice to the warrant holders in writing or through press release to accelerate the term of the warrants to a period of 30 days following such notice. The Company may pay finders' fees in connection with the financing. The net proceeds from the financing will be used for the development of the business, potential acquisitions and general working capital purposes.

On May 29, 2017, the Company announced the completion of the definitive agreement with GLC is expected to be complete on or before June 30, 2017.

On June 21, 2017, the Company has oversubscribed and closed the first tranche of its non-brokered private placement for 21,266,900 units for gross proceeds $10,633,450 at a price of 50 cents per unit.

Each unit will consist of one common share and one-half of one common share purchase warrant. Each full warrant will entitle the holder to purchase an additional common share at the price of 85 cents per share for a period of 12 months from the closing of the transaction. In the event that Company's share prices closes at a price of $1.40 per share for a period of 10 consecutive trading dates, the Company will have the option to provide notice to the warrant holders in writing or through press release to accelerate the term of the warrants to a period of 30 days following such notice.

15. Subsequent Events (continued)

In connection with the private placement, the Company has paid finders' fees in the amount of 7 per cent of gross proceeds raised and common share purchase warrants entitling the finder to purchase common shares of the Company up to 7 per cent of the number of units sold in the private placement, having the same terms as the warrants issued in the financing.

The Company will proceed with the overallotment option of the financing and is expecting to close a second tranche of the financing of up to $2.5-million.

The net proceeds from the financing will be used for the development of the business, potential acquisitions and general working capital purposes.