IRVING RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED FEBRUARY 28, 2017

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Irving Resources Inc.

We have audited the accompanying consolidated financial statements of Irving Resources Inc., which comprise the consolidated statements of financial position as at February 28, 2017 and February 29, 2016 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, these consolidated financial statements present fairly, in all material respects, the financial position of Irving Resources Inc. as at February 28, 2017 and February 29, 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada　　　　Chartered Professional Accountants

June 27, 2017

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IRVING RESOURCES INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
AS AT

	February 28, 2017	February 29, 2016
ASSETS		
Current assets		
Cash	$ 6,591,461	$ 698,124
Receivables (Note 6)	12,536	38,464
Prepaids	16,548	16,681
	6,620,545	753,269
Equipment (Note 7)	5,493	7,026
Exploration and evaluation assets (Note 8)	2,473,195	1,580,598
	$ 9,099,233	$ 2,340,893
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 174,451	$ 47,624
	174,451	47,624
Shareholders' equity		
Share Capital (Note 10)	$ 9,640,555	$ 2,395,669
Reserves (Note 10)	202,643	67,846
Deficit	(918,416)	(170,246)
	8,924,782	2,293,269
	$ 9,099,233	$ 2,340,893

Nature and Continuance of Operations (Note 1)
Commitments (Note 16)
Subsequent Events (Note 18)

On behalf of the Board:

"Akiko Levinson" Director *"Quinton Hennigh"* Director

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

IRVING RESOURCES INC.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended February 28, 2017	Period From Incorporation on August 28, 2015 to February 29, 2016
EXPENSES		
Consulting fees	$ 93,189	$ 16,745
Depreciation	1,533	486
Directors fees	-	7,000
Foreign exchange loss	38,204	30,235
Insurance	15,431	1,448
Investor relations	27,996	4,532
Management fees	48,000	14,000
Office and miscellaneous	44,597	8,651
Professional fees	92,518	49,870
Property investigation	10,713	-
Regulatory fees	11,169	14,763
Salaries and benefits	105,571	18,176
Shareholder costs	18,153	425
Share-based compensation	190,643	2,746
Telephone	4,945	1,623
Transfer agent	5,963	2,467
Travel and promotion	87,657	5,890
Operating expenses	(796,282)	(179,057)
Interest income	12,781	121
Management fee income	35,331	8,690
	48,112	8,811
Loss and comprehensive loss for the period	$ (748,170)	$ (170,246)
Basic and diluted loss per common share	$ (0.04)	$ (0.05)
Weighted average number of common shares outstanding	18,385,853	3,557,162

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

IRVING RESOURCES INC.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Based Payment Reserves	Warrant Reserves	Deficit	Total Equity
Balance, August 28, 2015	-	$ -	$ -	$ -	$ -	$ -
Issuance of common share	1	1	-	-	-	1
Cancellation of incorporation share	(1)	(1)	-	-	-	(1)
Issuance of capital stock under the Arrangement (Note 3)	5,372,752	2,011,993	-	-	-	2,011,993
Private placement	3,255,000	360,600	-	65,100	-	455,700
Share issue costs	-	(6,924)	-	-	-	(6,924)
Share-based compensation	-		2,746	-	-	2,746
Net loss from the period	-	-	-	-	(170,246)	(170,246)
Balance, February 29, 2016	**8,627,752**	**$ 2,395,669**	**$ 2,746**	**$ 65,100**	**$ (170,246)**	**$ 2,293,269**
Balance, February 29, 2016	**8,627,752**	**$ 2,395,669**	**$ 2,746**	**$ 65,100**	**$ (170,246)**	**$ 2,293,269**
Private placements	20,470,988	6,672,595	-	-	-	6,672,595
Share issue costs	-	(27,888)	-	-	-	(27,888)
Exercise of warrants	2,675,000	585,100	-	(50,100)	-	535,000
Exercise of stock options	66,666	15,079	(5,746)	-	-	9,333
Share-based compensation	-	-	190,643	-	-	190,643
Net loss for the year	-	-	-	-	(748,170)	(748,170)
Balance, February 28, 2017	**31,840,406**	**$ 9,640,555**	**$ 187,643**	**$ 15,000**	**$ (918,416)**	**$ 8,924,782**

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

IRVING RESOURCES INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended February 28, 2017	Period from Incorporation on August 28, 2015 to February 29, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (748,170)	$ (170,246)
Adjustments		
Depreciation	1,533	486
Share-based compensation	190,643	2,746
Change in non-cash working capital items:		
Receivables	25,928	(8,202)
Prepaids	133	(16,681)
Accounts payable and accrued liabilities	8,173	(22,015)
Net cash used in operating activities	(521,760)	(213,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Common shares issued	7,216,928	455,700
Share issue costs	(27,888)	(6,924)
Net cash provided by financing activities	7,189,040	448,776
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from the Arrangement	-	501,779
Advance in connection with the Arrangement	-	(350,000)
Advance repayment in connection with the Arrangement	-	350,000
Exploration and evaluation assets, net of recoveries	(773,943)	(38,519)
Net cash provided by (used in) investing activities	(773,943)	463,260
Change in cash during the period	5,893,337	698,124
Cash, beginning of the period	698,124	-
Cash, end of the period	$ 6,591,461	$ 698,124

Supplemental disclosure with respect to cash flows (Note 12)

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

1. NATURE OF OPERATIONS

Irving Resources Inc. (the “Company” or “Irving”) was incorporated under the Business Corporations Act (British Columbia) on August 28, 2015 under the name 1047431 B.C. Ltd. and changed its name on September 23, 2015 to Irving Resources Inc. For the period from incorporation to November 13, 2015, the Company was a wholly-owned subsidiary of Gold Canyon Resources Inc. (“Gold Canyon”). On December 23, 2015, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the trading symbol “IRV”. The Company’s corporate office is located at 999 Canada Place, Suite 404, Vancouver, BC V6C 3E2. (See Note 3)

These consolidated financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at February 28, 2017, the Company had working capital of $6,446,094 (2016 – $705,645). Management estimates these funds are sufficient to meet its immediate liquidity requirements as well as those for the next twelve months.

2. BASIS OF PREPARATION

a) Statement of Compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), applicable to the preparation of annual financial statement. The IFRS are issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies applied in these financial statements are based on IFRS issued and in effect as at year end.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Approval of the consolidated financial statements

These consolidated financial statements were reviewed by the Audit Committee and authorized for issue by the Board of Directors on June 22, 2017.

(Expressed in Canadian Dollars)

3. PLAN OF ARRANGEMENT

On November 13, 2015, Irving, Gold Canyon and First Mining Finance Corp. (“First Mining) completed a Plan of Arrangement (the “Arrangement”) under the Business Corporation Act (British Columbia) that resulted in Irving holding title to various exploration properties located in Africa.

Under the Arrangement, shareholders of Gold Canyon received one common share of First Mining for each Gold Canyon share held and each Gold Canyon shareholder also received 0.03333 common shares of the Company and 0.03333 warrants of the Company for each unexercised Gold Canyon warrant held.

This resulted in the issuance of 5,372,752 common shares and 376,958 warrants of the Company. The warrants are exercisable at $0.30 until February 5, 2018. As part of the Arrangement, Gold Canyon transferred its non-gold exploration properties together with $500,000 in cash and certain other net assets owned by Gold Canyon to the Company.

In connection with the Arrangement, the Company advanced $350,000 to First Mining pursuant to the terms of the Arrangement. This amount was repaid during the period ended February 29, 2016.

The following table summarizes the recognizable consolidated assets and liabilities acquired and assumed by the Company as a result of the Arrangement:

		As at November 13, 2015
Assets		
Cash	$	501,779
Receivables		30,262
Exploration and evaluation assets		1,525,173
Equipment		7,512
Total assets assumed		**2,064,726**
Accounts payable and accrued liabilities		**(52,733)**
Net assets assumed	**$**	**2,011,993**

4. SIGNIFICANT ACCOUNTNG POLICIES

Principles of consolidation

The consolidated financial statements include the financial statements of the parent company, Irving Resources Inc., and its subsidiaries listed below:

	Jurisdiction	Nature of Operation	Equity Interest
Irving Resources Japan GK ("Irving GK")	Japan	Exploration	100%
New River Stone Limited ("NRSL")	Madagascar	Exploration	100%
River Stone Limited ("RSL")	Malawi, Africa	Exploration	100%
Spring Stone Limited ("SSL")	Malawi, Africa	Exploration	100%
Spring Take Limited ("STL")	Tanzania, Africa	Exploration	100%
Spring Stone Mining Corporation ("SSM")	BC, Canada	Holding	100%
Spring Stone Exploration Inc.("SSE")	BC, Canada	Holding	100%

All inter-company balances and transactions have been eliminated on consolidation.

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial assets at initial recognition. The Company's accounting policy for each category is as follows:

(i) *Financial assets at fair value through profit or loss*
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Derivatives are also categorized as held for trading unless they are designated as hedges.

(ii) *Loans and Receivables*
These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Financial instruments (cont'd)

(iii) Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

(iv) Held-to-maturity investments

The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Company has classified its cash as fair value through profit and loss. The Company's receivables are classified as loans and receivables.

Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified into one of two categories:

- Fair value through profit or loss;
- Other financial liabilities.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Financial instruments (cont'd)

Fair value through profit or loss

This category comprises derivatives, or liabilities, acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities

This category includes accounts payable, all of which are recognized at amortized cost.

The Company classified its financial liabilities which consisted of accounts payable as other financial liabilities.

Exploration and evaluation assets – mineral properties

Pre-exploration costs
Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures
Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, mineral property expenditures in respect of that project are deemed to be impaired. As a result, those mineral property expenditures, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

The Company assesses mineral properties for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Mineral property assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued.

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 the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as contributed surplus.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. 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 an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date using the Black-Scholes option pricing model. They are recognized as an expense over the vesting periods of the options using the graded vesting model. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to share-based payment reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves are recorded as share capital.

Provisions

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Earning / loss per share

Basic earnings / loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is determined by adjusting the earnings or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period.

In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not amortized.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Equipment (cont'd…)

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Major Maintenance and Repairs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and Losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and equipment is depreciated over their estimated useful lives using the following methods:

Computer equipment	30% declining balance
Office furniture and fixtures	20% declining balance

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

4. SIGNIFICANT ACCOUNTNG POLICIES (cont'd)

Impairment of non-financial assets (cont'd)

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if 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 or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

New Accounting Standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended February 28, 2017. The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company:

Effective for annual periods beginning on or after January 1, 2018:

IFRS 9, *Financial Instruments – Classification and Measurement.*

IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

Effective for annual periods beginning on or after January 1, 2019:

IFRS 16, *Leases*

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

c) Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 10.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

d) Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

6. RECEIVABLES

The Company's receivables arise mainly from goods and services tax due from Canadian government taxation authorities and amounts recoverable from joint venture partner.

(Expressed in Canadian Dollars)

7. EQUIPMENT

	Computer equipment	Office furniture and fixtures	Total
Cost			
Balance, August 28, 2015	$ -	$ -	$ -
Additions	1,400	6,112	7,512
Balance, February 29, 2016	$ 1,400	$ 6,112	$ 7,512
Additions	-	-	-
Balance, February 28, 2017	$ 1,400	$ 6,112	$ 7,512
Accumulated depreciation			
Balance, August 28, 2015	$ -	$ -	$ -
Additions	124	362	486
Balance, February 29, 2016	$ 124	$ 362	$ 486
Additions	383	1,150	1,533
Balance, February 28, 2017	$ 507	$ 1 ,512	$ 2,019
Carrying amounts			
At February 29, 2016	$ 1,276	$ 5,750	$ 7,026
At February 28, 2017	$ 893	$ 4,600	$ 5,493

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Company's exploration and evaluation assets:

Year ended February 28, 2017	Africa Properties	Japan Properties	Total
Opening balance, February 29, 2016	$ 1,580,598	$ -	$ 1,580,598
Additions:			
Acquisition costs	-	449,920	449,920
Assays and sampling	-	10,448	10,448
Consulting, management and administration	502,103	50,742	552,845
Materials and supplies	-	6,560	6,560
Staking and claims registration	35,007	166,527	201,534
Travel and transportation	19,386	28,510	47,896
	556,496	712,707	1,269,203
Less: recoveries	(376,606)	-	(376,606)
	179,890	712,707	892,597
Total, exploration and evaluation assets, February 28, 2017	$ 1,760,488	$ 712,707	$ 2,473,195

Period from incorporation on August 28, 2015 to February 29, 2016	Africa Properties	Japan Properties	Total
Opening balance, August 28, 2015	$ -	$ -	$ -
Contributions from spinout assets November 13, 2015 (Note 3)	1,525,173	-	1,525,173
Additions:			
Assays and sampling	28,607	-	28,607
Consulting, management and administration	62,928	-	62,928
Staking and claims registration	3,026	-	3,026
Travel and transportation	13,377	-	13,377
	107,938	-	107,938
Less: recoveries	(52,513)	-	(52,513)
	55,425	-	55,425
Total, exploration and evaluation assets, February 29, 2016	$ 1,580,598	$ -	$ 1,580,598

8. EXPLORATION AND EVALUATIONS ASSETS (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to all of the assets is in good standing.

a) Japan Properties

Omui Property

The Company entered into an agreement to purchase a 100% interest in a mining right for the Omui Property located in Hokkaido, Japan. The mining right encompasses an area of approximately 2.98 sq km. The total purchase price for the mining right is JPY40,000,000 cash (approximately CAD $514,000) and JPY10,000,000 (approximately CAD $128,500) worth of the Company's common shares. During the year, the Company paid JPY20,000,000 cash (CAD $246,400) towards the acquisition of this agreement. The balance will be payable upon commencement of the definitive registration procedure of the transfer of the mining right. The Company's common shares will be issued upon completion of the registration of the transfer of the mining right.

The Company has also filed 39 prospecting licenses covering additional prospective ground in the vicinity of the Omui mine.

The Company acquired 0.33 sq km (33 hectares) of surface rights covering an area near the Omui mine for the purchase price of JPY14,500,000 cash. The Company's total cost in relation the acquisition is $182,763.

The Company entered into a long-term lease of surface rights covering 0.15 sq km (15 hectares) of an area near the Omui mine. The Company has incurred a total cost of JPY1,801,656 cash (CAD $22,077) for access to 0.15 sq km (15 hectares) for the initial five years. The lease is a five-year term and can be extended for up to three additional five-year periods.

Utanobori Property

The Company filed for 38 mineral prospecting licenses at the Utanobori mining centre.

Rubeshibe Property

The Company filed for mineral prospecting licenses for 56 claims to explore for gold and other metals in an area called Rubeshibe in Hokkaido, Japan.

8. EXPLORATION AND EVALUATION ASSETS (cont'd…)

b) Tanzania Property

The Company, through its wholly-owned Tanzanian subsidiary, Spring Take Limited ("STL"), has been granted four Prospecting Licences ("PLs") by the Ministry of Energy and Minerals in the United Republic of Tanzania, Africa. The PLs cover certain areas in the Mpwapwa District. This project is also part of a Joint Exploration Agreement ("JEA") with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). Under the JEA, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% the Company. Subsequent to the end of the year, the Company elected to not participate in the 2017 exploration program and will dilute its 33% interest as further costs are incurred.

c) Malawi Property

The Company has a Rare Earth Element ("REE") exploration project in Malawi, Africa through its wholly-owned Malawian subsidiaries and the JEA, with its joint venture participant, JOGMEC. The REE exploration is being operated by the Company's wholly-owned subsidiary, SSL. Under the JEA, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% the Company.

The Company has an Exclusive Prospecting Licence ("EPL") granted to the joint venture by the Malawi Ministry of Natural Resources, Energy Environment for the Mulanje Project. Exploration work on the Mulanje Project has been carried out by the Company's wholly owned subsidiary, SSL, pursuant to the terms of the JEA with JOGMEC; however, the Company is not currently conducting any exploration on this property. Effective April 1, 2016, the Company elected to dilute its participation by not contributing further funds to the project.

9. JOINT VENTURES

a) Joint Exploration Alliance

The Company holds a JEA, entered into on January 22, 2009 by Gold Canyon, and assigned to Irving under the Arrangement, under which JOGMEC contributes 67% of the funding and holds a 67% option to all of the JEA projects.

The Company, as operator of the JEA, conducts REE project identification and exploration. The objective of the JEA is to identify, analyze and perform metallurgical evaluation leading to production of REEs. All the property investigation costs will be expensed as incurred until the Company assesses whether there is any future benefit of REEs and acquires the rights to the property.

9. JOINT VENTURES (cont'd…)

b) Project Venture Agreement

On July 5, 2016, the Company announced it entered into a new Project Venture Agreement ("PVA") with JOGMEC in the Republic of Madagascar. The participating interest and contributions of each of the joint venture partners are 90% JOGMEC and 10% the Company, with the Company having an option to increase its participating interest up to 33% with the reimbursement to JOGMEC of a corresponding percentage of the costs incurred on the project. In conjunction with the PVA, the Company has incorporated a joint venture subsidiary in Madagascar named, "New River Stone Ltd".

10. SHAREHOLDERS' EQUITY

Authorized

Unlimited number of common shares without par value:

During the year ended February 28, 2017, the Company:

a) Completed a private placement offering on November 22, 2016, issuing 1,350,000 units at $0.40 per unit for gross proceeds of $540,000. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable for one common share until November 22, 2019 at a price of $0.55 per share.

b) Completed a private placement offering on November 10, 2016, issuing 13,290,988 units at $0.40 per unit for gross proceeds of $5,316,395. Each unit consists of one common share and one-half of a share purchase warrant. Each whole warrant is exercisable for one common share until November 10, 2019 at a price of $0.55 per share.

c) Completed a private placement offering on June 21, 2016, issuing 5,830,000 units at $0.14 per unit for gross proceeds of $816,200. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share until June 21, 2018 at an exercise price of $0.20 per share.

d) Issued 2,675,000 common shares for gross proceeds of $535,000 pursuant to the exercise of warrants at $0.20 per share. The Company reallocated the residual value of these warrants previously recorded in the amount of $50,100 from reserves to share capital.

e) Issued 66,666 common shares for gross proceeds of $9,333 pursuant to the exercise of stock options at $0.14 per share. The Company reallocated the fair value of these stock options previously recorded in the amount of $5,746 from reserves to share capital.

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd…)

During the period from incorporation on August 28, 2015 to February 29, 2016, the Company:

a) Issued one common share on incorporation and cancelled this one common share upon completion of the Arrangement.

b) Issued 5,372,752 common shares with a value of $2,011,993 pursuant to the Arrangement (Note 3).

c) Completed a private placement offering on February 4, 2016, issuing 3,255,000 units at $0.14 per unit for gross proceeds of $455,700 pursuant to a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share until February 4, 2018 at an exercise price of $0.20 per share.

Stock options

The Company, in accordance with its stock option plan, is authorized to grant options to directors, employees and consultants, to acquire up to 10% of its issued and outstanding common stock. The exercise price of each option shall not be less than the market price of the Company's stock on the date of grant. The options can be granted for a maximum term of ten years with vesting period determined by the board of directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Opening balance, August 28, 2015	-	$	-
Granted	475,000		0.14
Outstanding, February 29, 2016	475,000		0.14
Granted	1,330,000		0.41
Exercised	(66,666)		0.14
Outstanding, February 28, 2017	1,738,334	$	0.34

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd…)

Stock options (cont'd)

Stock options outstanding at February 28, 2017 are as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
408,334	250,000	$ 0.14	February 9, 2019
1,130,000	-	0.40	October 3, 2019
200,000	-	0.45	November 23, 2019
1,738,334	250,000		

Stock options outstanding at February 29, 2016 are as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
475,000	-	$ 0.14	February 9, 2019

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Opening balance, August 28, 2015	-	$ -
Issued as part of the Arrangement (Note 3)	376,958	0.30
Granted	3,255,000	0.20
Outstanding, February 29, 2016	3,631,958	0.21
Granted	13,150,494	0.39
Exercised	(2,675,000)	0.20
Outstanding, February 28, 2017	14,107,452	$ 0.38

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd…)

Warrants (cont'd)

Warrants outstanding at February 28, 2017 are as follows:

Number of Warrants	Exercise Price	Expiry Date
750,000	$ 0.20	February 4, 2018
376,958	0.30	February 5, 2018
5,660,000	0.20	June 21, 2018
6,645,494	0.55	November 10, 2019
675,000	0.55	November 22, 2019
14,107,452		

Warrants outstanding at February 29, 2016 are as follows:

Number of Warrants	Exercise Price	Expiry Date
3,255,000	$ 0.20	February 4, 2018
376,958	0.30	February 5, 2018
3,631,958		

Share-based compensation

The Company granted 1,330,000 (Period from incorporation on August 28, 2015 to February 29, 2016 – 475,000) stock options to employees, directors, officers and consultants. The estimated weighted average fair value of these options is $0.25 (period from incorporation on August 28, 2015 to February 29, 2016 - $0.08). The total amount of fair value of vested stock options amortized during the period is $190,643 (period from incorporation of August 28, 2015 to February 29, 2016 - $2,746). This amount has been expensed as share-based compensation in the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

10. SHAREHOLDERS' EQUITY (cont'd…)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	Year ended February 28, 2017	Period from Incorporation on August 28, 2015 to February 29, 2016
Risk-free interest rate	0.56%	0.34%
Expected life of options	3.0 years	3.0 years
Annualized volatility	100.00%	100.00%
Dividend rate	0.00%	0.00%
Forfeiture rate	0.00%	0.00%

11. RELATED PARTY TRANSACTIONS

	Year Ended February 28, 2017	Period from August 28, 2015 to February 29, 2016
Management fees	$ 128,430	$ 26,435
Consulting fees	39,183	16,225
Director fees	-	7,000
	$ 167,613	**$ 49,660**

a) Included in the management fees were fees for services provided by the President and Chief Executive Officer and Chief Financial Officer.

b) Included in consulting fees are amounts paid to independent directors for services other than their role as directors.

c) Included in office and miscellaneous is $21,266 (2016 - $5,815) paid for rent to a company of which a former director is the president.

d) During the current year 700,000 (period from incorporation on August 28, 2015 to February 29, 2016 - 425,000) stock options were granted to directors and officers. The total vested share-based compensation allocated to directors and officers is $116,251 (period from incorporation on August 28, 2015 to February 29, 2016 - $2,457).

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTION (cont'd…)

e) Included in consulting fees is $1,183 paid to a consultant who is a director of a subsidiary of the Company. The total amount paid is $14,094 less recoveries of $12,911 (2016 – Nil).

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

Other than disclosed above, there was no other compensation paid to key management during the year ended February 28, 2017 and the period from incorporation on August 28, 2015 to February 29, 2016.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the year ended February 28, 2017:

a) Included in accounts payable and accrued liabilities are $135,560 related to deferred exploration costs.

The significant non-cash transactions for the period ended February 29, 2016:

a) Included in accounts payable and accrued liabilities are $16,906 related to deferred exploration costs.

13. SEGMENTED INFORMATION

The Company has mineral properties and equipment located geographically as follows:

As at February 28, 2017	Equipment	Exploration and evaluation assets
Canada	$ 5,493	$ -
Africa	-	1,760,488
Japan	-	712,707
Total	$ 5,493	$ 2,473,195

As at February 29, 2016	Equipment	Exploration and evaluation assets
Canada	$ 7,026	$ -
Africa	-	1,580,598
Japan	-	-
Total	$ 7,026	$ 1,580,598

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at February 28, 2017, the Company's financial instruments are comprised of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximates their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of the fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 6,591,461	-	-	$ 6,591,461
Total	$ 6,591,461	$ -	$ -	$ 6,591,461

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash and receivables.

The Company's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada and amounts due from joint venture partner.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at February 28, 2017, the Company had cash of $6,591,461 to settle current liabilities of $174,451 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

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

i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its mineral properties and future profitability of the Company are directly related to the market price of rare earth elements and other non-gold minerals. The Company monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses by using US Dollars and Japanese Yen converted from its Canadian bank accounts. Management is aware of the possibility of foreign exchange risk derived from currency conversions. The Company has not entered into any agreements or purchased any instruments to hedge possible foreign exchange rate risk at this time.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be affected by credit risk, liquidity risk or market risk.

(Expressed in Canadian Dollars)

15. CAPITAL MANAGEMENT

The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's property exploration plans and to ensure the growth of activities.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is in the exploration stage; as such the Company will rely on the equity markets to fund its activities. The Company will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

16. COMMITMENTS

The Company has a two year office lease agreement expiring May 31, 2019. The lease payments will be as follows:

2018	$ 13,066
2019	17,422
2020	4,355
	$ 34,843

17. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss for the period	$ (748,170)	$ (170,426)
Expected income tax (recovery)	$ (195,000)	$ (44,000)
Change in statutory, foreign tax, foreign exchange rates and other	(13,000)	(1,000)
Permanent difference	50,000	1,000
Share issue cost	(7,000)	(2,000)
Change in unrecognized deductible temporary differences	165,000	46,000
Total income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

17. INCOME TAXES (cont'd…)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

		2017		2016
Deferred Tax Assets				
Property and equipment	$	2,000	$	-
Share issue costs		7,000		2,000
Non-capital losses available for future period		202,000		44,000
		211,000		46,000
Unrecognized deferred tax assets		(211,000)		(46,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2017	Expiry Dates		2016	Expiry Dates
Temporary Differences						
Property and equipment	$	8,000	No expiry date	$	-	No expiry date
Share issue costs		26,000	2018 – 2021		6,000	2017 - 2020
Non-capital losses available for future period		755,000	2018 – 2037		169,000	2017 - 2036
Canada		626,000	2018 – 2037		163,000	2017 - 2036
Malawi		6,000	2023		6,000	2022
Japan		123,000	2025		-	

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. SUBSEQUENT EVENTS

a) Subsequent to February 28, 2017, the Company applied for 25 mineral prospecting licenses totaling 86.53 sq km (865,301 hectares) covering a prospective area on Sado Island, a small island west of Honshu Island, Japan. In addition, the Company also announced it applied for 20 mineral prospecting licenses totaling 56.15 sq km (5,615 hectares) covering a prospective area approximately 20 km south of Sapporo, Hokkaido, Japan called the Eniwa Gold Project.

b) Subsequent to February 28, 2017, the Company entered into a long-term lease of surface rights covering an area of 86.90 sq. km by paying approximately JPY6,500,000 cash (CAD $79,000) for the initial five years with an automatic extension for up to three additional five-year periods.

c) Subsequent February 28, 2017, the Company purchased 29.08 sq km of surface rights for the purchase price of JPY6,000,000 (CAD$73,000).

d) Subsequent to February 28, 2017, 116,667 stock options were exercised for gross proceeds of $50,000.