Canadian Mining Corp.

(Formerly Canadian Zeolite Corp.)

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the nine months ending March 31, 2017 and 2016

MANAGEMENT`S RESPONSIBILITY FOR FINANCIAL REPORTING AND NOTICE TO READER

The accompanying condensed consolidated interim financial statements (unaudited) of Canadian Mining Company Inc. (the "Company") for the nine months ended March 31, 2017 (the "Interim Financial Statements") are the responsibility of the Company's management and have been prepared by Management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these Interim Financial Statements in accordance with International Financial Reporting Standards for Interim Financial Statements.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Interim Financial Statements, they must be accompanied by a notice indicating that the Interim Financial Statements have not been reviewed by an auditor.

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

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

Three and nine months ending March 31, 2017 and 2016

	Three months ended Mar 31, 2017	Three months ended Mar 31, 2016	**Nine months ended Mar 31, 2017**	Nine months ended Mar 31, 2016
Expenses (income)				
Administrative	**$ 9,538**	$ -	**$ 12,038**	$ -
Legal fees	**23,218**	-	**28,033**	-
Audit fees	**18,000**	-	**18,000**	-
Accounting fees	**7,500**	-	**7,500**	-
Secretarial fees	**15,000**	-	**15,000**	-
Net loss and comprehensive loss	**$ 73,256**	$ -	**$ 80,571**	$ -
Loss per share - basic and diluted	**$ 732.56**	$ 0.00	**$ 805.71**	$ 0.00
Weighted average number of common shares outstanding	**100**	100	**100**	100

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

		Mar 31, 2017		June 30, 2016
Assets				
Non-current				
Exploration and evaluation assets (note 5)		**35,289**		11,533
	$	**35,289**	$	11,533
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**40,500**	$	-
Related party loans and advances (note 6)		**75,260**		11,433
	$	**115,760**	$	11,433
Shareholders Equity				
Share capital (note 7)		**100**		100
Deficit		**(80,571)**		-
	$	**(80,471)**	$	100
	$	**35,289**	$	11,533

Nature of operations and going concern (note 1)
Commitments (note 10)
Subsequent events (note 9)

These consolidated financial statements were authorized for issue by the Board of Directors on June 12, 2017. They are signed on behalf of the Board of Directors by:

(Signed) "*Brian Thurston*", Director

(Signed) "*Ray Paquette*", Director

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine months Mar 31, 2017	Nine months Mar 31, 2016
Cash provided by (used for):		
Operating activities		
Net loss	**$ (80,571)**	$ -
Add items not affecting cash:		
Accrued professional fee expenses	**40,500**	-
	(40,071)	-
Changes in non-cash working capital items		
Receivables	**-**	-
Accounts payable and accrued liabilities	**-**	-
Prepaid expenses	**-**	-
	(40,071)	-
Financing activities		
Related party loans and advances	**63,827**	-
	63,827	-
Investing activities		
Exploration and evaluation expenditures paid	**(23,756)**	-
	(23,756)	-
Increase (decrease) in cash and cash equivalents	**-**	-
Cash and cash equivalents, beginning of year	**-**	-
Cash and cash equivalents, end of year	**$ -**	$ -

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

For the six months ending March 31, 2017 and 2016

	Shares number	**Share capital $**	**Contributed surplus $**	**Deficit $**	**Total $**
Balance June 30, 2015	100	100	-	-	100
Net loss and comprehensive loss for the period	-	-	-	-	-
Balance March 31, 2016	100	100	-	-	100

Balance June 30, 2016	**100**	**100**	**-**	**-**	**100**
Net loss and comprehensive loss for the period	-	-	-	**(80,571)**	**(80,571)**
Balance March 31, 2017	**100**	**100**	**-**	**(80,571)**	**(80,471)**

1. Nature of operations and going concern

Canadian Mining Corp. (formerly Canadian Zeolite Corp.) (the "Company" or "Canadian Mining") was incorporated on April 26, 2013 and is a wholly owned subsidiary of Canadian Zeolite Corp., a reporting issuer in British Columbia and Alberta which trades on the TSX Venture Exchange under the symbol CNZ. The Company is an exploration stage public company whose principal business activities are the acquisition, exploration and evaluation of mineral properties.

The head office and the registered and records office of the Company is located at Suite 1400, 1111 West Georgia Street, Vancouver, British Columbia, Canada V6E 4M3.

The consolidated financial statements of the Company have been prepared based on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of the going concern assumption. The Company has not generated revenue from operations. These circumstances lend substantial doubt as to the ability of the Company to meet its ongoing obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments, the continued support of certain shareholders and trade creditors and on achieving profitable commercial operations.

The recoverability of the amounts reported for exploration and evaluation assets is dependent upon the quantity of economically recoverable resources, the ability of the Company to obtain financing to complete exploration and development of the properties, the timing of legislative or regulatory developments relating to environmental protection and achieving future profitable operations or receiving favourable proceeds from the disposition thereon.

The consolidated financial statements do not reflect adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to continue as a going concern and achieve profitable mining operations or obtain adequate financing and support from its shareholders and trade creditors.

If the going concern assumption was not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying values of assets and liabilities, net loss and comprehensive loss, and statements of financial position classifications used.

2. Basis of presentation

Statement of compliance

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

Approval of consolidated financial statements

The consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on June 12, 2017.

Basis of consolidation

These consolidated financial statements include the accounts of the Canadian Mining Corp. and its wholly-owned inactive subsidiary, Canadian Mining Company of Arizona Inc. All significant inter-company transactions and balances have been eliminated upon consolidation.

Basis of measurement

The accounting policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS issued and outstanding as of June 12, 2017. These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Significant accounting estimates and judgments

The preparation of financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

3. Significant accounting policies

Financial instruments

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss (“FVTPL”), (2) loans and receivables, (3) financial assets available-for-sale, (4) financial assets held-to-maturity, and (5) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in net earnings. Financial assets “available-for-sale” are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets “held-to-maturity”, “loans and receivables”, and “other financial liabilities” are subsequently measured at amortized cost using the effective interest method.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

(i) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

(ii) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

(iii) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The Company has classified its related party loans and advances as other financial liabilities, which are measured at amortized cost.

3. Significant accounting policies (continued)

Financial instruments (continued)

The Company's financial instruments at March 31, 2017 are as follows:

	Loans and receivables	Available for sale	Fair value through profit or loss	Other financial liabilities
Financial liabilities				
Related party loans and advances	$ -	$ -	$ -	$ 75,260

The Company's financial instruments at June 30, 2016 are as follows:

	Loans and receivables	Available for sale	Fair value through profit or loss	Other financial liabilities
Financial liabilities				
Related party loans and advances	$ -	$ -	$ -	$ 11,433

Unless otherwise disclosed their carrying values approximate their fair values due to the short-term nature of these instruments.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Exploration and evaluation assets

Pre-exploration costs

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

Exploration and evaluation assets and expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials 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 and share based payments to employees and consultants, are expensed in the period in which they occur.

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

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

3. Significant accounting policies (continued)

Exploration and evaluation assets and expenditures (continued)
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 "mines under construction". Exploration and evaluation 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.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Impairment
An impairment loss is recognized when the carrying amount of an asset, or its cash generating unit ("CGU"), exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

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 rehabilitation activities include restoration, reclamation and re-vegetation of the affected exploration sites.

3. Significant accounting policies (continued)

Rehabilitation provision (continued)

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 costs 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 in 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.

Income taxes

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

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

3. Significant accounting policies (continued)

Loss per share

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/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Comprehensive loss

Comprehensive loss consists of net loss and other comprehensive income (loss) and represents the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. For the periods presented, the Company did not have any transactions or events from sources other than the Company's shareholders.

Foreign currency transactions

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Significant accounting policies (continued)

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of operations and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of operations and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. Significant accounting policies (continued)

Future Accounting Changes

The Company has adopted these accounting standards effective July 1, 2016. The adoption of the standards and amendments had no material impact on the consolidated financial statements.

Amendments to IFRS 5 Non current Assets Held for Sale and Discontinued Operations
These amendments clarify circumstances in which an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa), and in circumstances which an entity no longer meets the criteria for held for distribution.

Amendments to IFRS 7 Financial Instruments
These amendments clarify the applicability of the amendments to IFRS 7 Disclosure-Offsetting Financial Assets and Financial Liabilities to condensed interim financial statements.

Amendments to IAS 19 Employee Benefits
These amendments clarify the application of the requirements of IAS 19 Employee Benefits (2011) on determination of the discount rate to a regional market consisting of multiple countries sharing the same currency.

Amendments to IAS 34 Interim Financial Reporting
These amendments clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and require a cross reference.

Amendments to IFRS 11 Joint Arrangements
These amendments require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3) to: (a) apply all of the business combinations accounting principles in IFRS 3 and other IFRS standards, except for those principles that conflict with the guidance in IFRS 11; and (b) disclose the information required by IFRS 3 and other IFRS standards for business combinations. The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not re-measured).

Amendments to IAS 27 Separate Financial Statements
These amendments permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

3. Significant accounting policies (continued)

Amendments to IAS 1 Presentation of Financial Statements
These amendments clarify existing IAS 1 requirements resulting from the Disclosure Initiative. It is designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements.

Amendments to IAS 16 Property, Plant and Equipment
These amendments clarify the acceptable methods of depreciation and amortization.

Amendments to IFRS 10, IFRS 12, and IAS 28
These amendments (Investment Entities: Applying the Consolidation Exception) clarify and confirm that: (1) the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value; (2) a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity; (3) when applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries; and (4) an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

Amendments to IAS 38 Intangible Assets
These amendments clarify the acceptable methods of depreciation and amortization.

Standards and interpretations issued but not yet effective
The following accounting standards and amendments are effective for future periods.

Amendments to IAS 7 Statement of Cash Flows
These amendments (Disclosure Initiative) require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. This standard is effective for reporting periods beginning on or after January 1, 2017.

Amendments to IAS 12 Income Taxes
These amendments, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12), clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments are effective for reporting periods beginning on or after January 1, 2017.

Amendments to IFRS 12 Disclosure of Interests in Other Entities
These amendments clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10 - B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These amendments are effective for reporting periods beginning on or after January 1, 2017.

3. Significant accounting policies (continued)

Amendments to IFRS 2 Share-based Payment
These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRS 9 Financial Instruments
This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortized cost or fair value. To be classified and measured at amortized cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognized in profit or loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any 'recycling' of gains or losses through profit or loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with IAS 39, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers
The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

Amendments to IAS 40 Investment Property
These amendments specify that a transfer into, or out of investment property should be made only when there has been a change in use of the property; and such a change in use would involve an assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. These amendments are effective for reporting periods beginning on or after January 1, 2018.

3. Significant accounting policies (continued)

Amendments to IAS 28 Investments in Associates and Joint Ventures
These amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. These amendments are effective for reporting periods beginning on or after January 1, 2018.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

This interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. It covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. This interpretation is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

4. Significant accounting judgments, estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amount of expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Critical judgments

The preparation of our consolidated financial statements requires us to make judgments regarding the going concern of the Company as discussed in Note 1.

4. Significant accounting judgments, estimates and assumptions (continued)

Key sources of estimation uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting our consolidated financial statements include:

Share-based payments
We measure our share-based payment expense by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options 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 option, volatility, dividend yield, and rate of forfeitures and making assumption about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share based compensation transactions are disclosed in note 7.

Financial Instruments
The fair values of financial instruments are estimated based upon market and third party inputs. These estimates are subject to change with fluctuations in commodity prices, interest rates, foreign currency exchange rates and estimates of non-performance risk.

Deferred Tax Assets and Liabilities
The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities.

Exploration and Evaluation Expenditure
The application of the Company’s accounting policy for exploration and evaluation expenditure 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 expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

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.

5. Exploration and evaluation assets

The Company has interests in a precious metal property located in the Arizona Bullard Pass area in Arizona, United States.

A summary of the capitalized acquisition and exploration expenditures on the Company's exploration and evaluation assets for the years ending June 30, 2016, 2015 and the nine months ending March 31, 2017 are as follows:

	(US) Bullard Pass ($)
Balance at June 30, 2015	**6,886**
Additions during the year:	
Claim fees - 2016	4,647
Balance at June 30, 2016	**11,533**
Additions during the year:	
Claim fees – nine months to March 2017	4,710
Geology assessment – nine months to March 2017	19,046
Balance at March 31, 2017	**35,289**

Bullard Pass Gold Property, Arizona, United States

In 2007, the Company staked the DB 1 to 176 mineral claims totaling 3,420 acres and acquired 476.52 acres of Arizona State land under mineral exploration permit #08-111861, for total land holdings of 3,896.52 acres located in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona (the "Bullard Pass Property").

The Company has subsequently reduced its ownership interest in the Bullard Pass Property to 22 claims.

6. Related party transactions

Loans from related party

	Mar 31, 2017	**June 30, 2016**
Canadian Zeolite Corp.	**$ 75,260**	**$ 11,433**

The amounts are unsecured, non-interest bearing
and have no fixed terms of repayment.

7. Share capital

(i) Authorized

An unlimited number of common shares.

(ii) Issued and outstanding

At March 31, 2017 and June 30, 2016 the Company had 100 common shares issued and outstanding for $100.

(iii) Stock option plan

The Company has adopted, and its shareholders have approved, a stock option plan whereby up to 10% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors and consultants. Under the plan, the exercise price of an option may not be set at less than the minimum price permitted by the TSX Venture Exchange, and the options may be exercisable for a period of up to five years. The aggregate number of options granted to any one individual during any 12-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives. The stock option plan provides for full vesting of the stock options on the date of approval of the options by the appropriate regulatory authority.

8. Segmented information

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's principal operations are carried out in Canada. Exploration activities are carried out in the United States.

9. Subsequent events

On May 26, 2017, the Company closed a private placement of 11,004,967 Units at $0.09 per Unit for gross proceeds of $990,447. Each Unit consists of one common share and one common share purchase warrant. Each common share purchase warrant is exercisable at $0.25 per share for a one year period. The shares and warrants are subject to a voluntary pooling agreement for a period of 18 months.

An additional 5,653,176 common shares were issued to Canadian Zeolite Corp. pursuant to a Vend-In Agreement and an Arrangement Agreement. These common shares are to be distributed to Canadian Zeolite Corp. shareholders on the basis of one Canadian Mining Share for every five common shares held in Canadian Zeolite Corp. Of these common shares, 1,194,763 are subject to escrow for a period of 36 months.

The Company announced that all the required conditions precedent had been fulfilled, and trading of the Company's shares on the TSX Venture Exchange would commence on June 5, 2017.

10. Commitments

The Company has no off balance sheet commitments.

11. Capital management

The Company manages its capital structure and makes adjustments based on the funds available in order to support continued operation and future business opportunities. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to be equity.

The Company's operations are currently not generating positive cash flow; as such, the Company is dependent on external financing to fund its activities. In order to carry out potential expansion and to continue operations, and pay for administrative costs, the Company will spend its existing working capital, and raise additional amounts as needed. Companies in this stage typically rely upon equity and debt financing or joint venture partnerships to fund their operations. The current financial markets are very difficult and there is no certainty with respect to the Company's ability to raise capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ending March 31, 2017. The Company is not subject to externally imposed capital requirements.

12. Financial instruments and risk management

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of related party loans and advances approximate their fair value because of the short-term nature of these instruments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is $Nil.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company will be required to raise additional capital in the future to fund its operations.

Financial instruments and risk management (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant and the Company, as all other companies in its industry, has exposure to these risks.

a. Interest rate risk
The Company is not subject to material interest rate risk.

b. Currency risk
The Company is not subject to material foreign currency risk.

c. Price risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to such risk.