Canadian Mining Corp.

(Formerly Canadian Zeolite Corp.)

Consolidated Financial Statements
(Expressed in Canadian Dollars)

September 30, 2017

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim financial statements for the three months ended September 30, 2017.

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2017	June 30, 2017
Assets		
Cash	**$ 2,433,825**	**$ 1,016,593**
Accounts receivable	**16,365**	**-**
Deposits	**25,000**	**-**
Prepaid expenses	**389**	**389**
Due from related party (Note 7)	**7,000**	-
Total current assets	**2,482,579**	**1,016,982**
Non-current		
Exploration and evaluation assets (Note 6)	**83,354**	**16,243**
Total assets	**$ 2,565,933**	**$ 1,033,225**
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 90,501**	**$ 246,059**
Related party advances (Note 7)	-	**108,308**
Total liabilities	**$ 90,501**	**$ 354,367**
Shareholders' equity		
Share capital (Note 8)	**3,012,489**	**1,019,927**
Contributed surplus	**1,441,996**	**410,854**
Deficit	**(1,979,053)**	**(751,923)**
Total shareholders' equity	**$ 2,475,432**	**$ 678,858**
Total liabilities and shareholders' equity	**$ 2,565,933**	**$ 1,033,225**

Nature of operations and going concern (Note 1)

Subsequent events (Note 13)

These consolidated financial statements were authorized for issue by the Board of Directors on November 29, 2017. They are signed on behalf of the Board of Directors by:

(Signed) "*Brian Thurston*", Director

(Signed) "*Aman Parmar*", Director

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

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

	For the three months ended September 30, 2017	For the three months ended September 30, 2016
Expenses (income)		
Office & administrative	$ 4,203	$ -
Exploration costs	24,407	
Professional fees	17,166	-
Consulting fees	71,543	-
Exchange and filing fees	18,462	-
Advertising and promotion	177,603	-
Travel	954	-
Share-based payments	922,246	-
Total expenses	1,236,584	-
Net loss before other income (expense)	(1,236,584)	-
Other income (expense)		
Plan of arrangement costs (Note 5)	10,941	-
Gain on foreign exchange	(1,487)	-
Total other income (expense)	9,454	
Net loss and comprehensive loss	$ (1,227,130)	$ -
Loss per share – basic and diluted	$ (0.05)	$ -
Weighted average number of common shares outstanding	22,533,413	100

Canadian Mining Corp.
(formerly Canadian Zeolite Corp.)

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the three months ended September 30, 2017	For the three months ended September 30, 2016
Cash provided by (used for):		
Operating activities		
Net loss	$ (1,227,130)	$ -
Add items not affecting cash:		
Share-based payments	922,246	-
Changes in non-cash working capital items		
Accounts payable and accrued liabilities	(155,557)	-
Accounts receivable	(16,365)	-
Prepaid expenses	(389)	-
Net cash used in operating activities	(477,195)	-
Investing activities		
Exploration properties	(42,112)	(4,647)
Net cash used in investing activities	(42,112)	(4,647)
Financing activities		
Proceeds from the issuance of shares, net of issuance costs	2,051,847	-
Related party advances	(115,308)	4,647
Net cash provided by financing activities	1,936,539	4,647
Increase in cash	1,417,232	-
Cash, beginning of year	1,016,593	-
Cash, end of year	$ 2,433,825	$ -

Supplemental disclosure of non-cash flow information:

	2017	2016
Exploration and evaluation assets acquired pursuant to the plan of arrangement (Note 5)	-	-
Fair value assigned to warrants on private placement unit offerings	108,896	-

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Shares number	Share capital $	Contributed surplus $	Deficit $	Total $
Balance, June 30, 2016 & September 30, 2016	100	100	-	-	100
Shares issued pursuant to private placement	11,004,967	990,447	-	-	990,447
Share issuance costs	-	(59)	-	-	(59)
Shares issued pursuant to plan of arrangement	5,653,676	16,243	-	-	16,243
Shares cancelled pursuant to the plan of arrangement	(100)	(100)	-	-	(100)
Fair value of warrants issued pursuant to private placement	-	(11,004)	11,004		-
Shares issued pursuant to warrants exercised	270,000	24,300	-	-	24,300
Fair value of stock options granted	-	-	399,850	-	399,850
Net loss and comprehensive loss for the year	-	-	-	(751,923)	(751,923)
Balance, June 30, 2017	16,928,643	1,019,927	410,854	(751,923)	678,858
Shares issued pursuant to private placement	8,798,944	2,199,736	-	-	2,199,736
Share issuance costs	-	(159,789)	-	-	(159,789)
Shares issued pursuant to warrants exercised	127,900	11,511	-	-	11,511
Shares issued pursuant to options exercised	200,000	50,000			50,000
Fair value of stock options granted	-	-	922,246	-	922,246
Fair value of warrants issued as finders' fee		(108,896)	108,896	-	-
Net loss and comprehensive loss for the year	-	-	-	(1,227,130)	(1,227,130)
Balance, September 30, 2017	26,055,487	3,012,489	1,441,996	(1,979,053)	2,475,432

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 was a wholly-owned subsidiary of Canadian Zeolite Corp. (formerly Canadian Mining Company Inc.), a reporting issuer in British Columbia and Alberta. During fiscal 2017, the Company and its wholly-owned subsidiary, Canadian Mining Company of Arizona, Inc., were spun out from the parent corporation pursuant to a Plan of Arrangement as disclosed in Note 5. On June 5, 2017, the Company began trading on the TSX Venture Exchange under the symbol CNG. 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 1212 Austin Avenue, Coquitlam, British Columbia, Canada V3K 3P5.

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.

The Company is in the exploration and development stage and has not generated revenues 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 favorable 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 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").

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 September 30, 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.

3. Significant accounting policies (continued)

Financial instruments (continued)

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 cash as fair value through profit or loss using Level 1 inputs.

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

The Company's financial instruments at September 30, 2017 are as follows:

	Loans and receivables	Available for sale	Fair value through profit or loss	Other financial liabilities
Financial assets				
Cash	$ -	$ -	$ 2,433,825	$ -
Receivables	$ 16,365	$ -	$ -	$ -
Related party receivables	$ -	$ -	$ -	$ 7,000
Financial liabilities				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 90,501

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

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

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

3. Significant accounting policies (continued)

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.

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.

3. Significant accounting policies (continued)

Impairment (continued)
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.

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

3. Significant accounting policies (continued)

Income taxes (continued)
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.

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.

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 loss and comprehensive loss.

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 income (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.

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

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 operations and comprehensive income (loss) 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)

New accounting standards

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 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 IFRS 7 Financial Instruments
The 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 34 Interim Financial Reporting
These amendments clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and require a cross reference.

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. These amendments are 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 Unrealised 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.

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.

3. Significant accounting policies (continued)

Standards and interpretations issued but not yet effective (continued)

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 amortised cost or fair value. To be classified and measured at amortised 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 recognised 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.

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 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.

The Company has not early adopted these new or revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

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.

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 assumptions 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 10.

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 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

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

Key sources of estimation uncertainty (continued)

Exploration and Evaluation Expenditure (continued)
new information becomes available. If, after the expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures are unlikely, the amount capitalized is written off in the statement of operations and comprehensive 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. Plan of arrangement

On February 17, 2017, the Company's then parent company, Canadian Zeolite Corp. ("CNZ"), a publicly traded entity entered into Vend-In and Arrangement Agreements with Canadian Mining Corp. Pursuant to the Vend-In agreement, CNZ transferred all of the issued and outstanding shares of Canadian Mining Company of Arizona, Inc. ("CMCA"), which holds the claims to the Bullard Pass Property, to the Company. Pursuant to the Arrangement Agreement, the Company and its wholly-owned subsidiary, CMCA, were spun out of CNZ whereby the existing shareholders of CNZ received one share of the Company for every five shares of CNZ held at the record date. CNZ's shareholders also received one warrant of the Company for every five warrants of CNZ held at the record date. As a result, the Company issued CNZ shareholders 5,653,676 common shares at a deemed value of $0.0032 per share and 455,000 share purchase warrants having a fair value of $nil.

The fair value of the consideration given for the identifiable assets of CMCA that were acquired has been allocated as follows:

		September 30, 2017
Assets		
Exploration and evaluation asset	$	16,243
Related party loans and advances		115,308
Net assets acquired		-99,065
Fair value of common shares issued		18,092
Fair value of warrants issued		10,751
Expenses incurred by the Company		67,676
Cost of plan of arrangement	$	-195,584

The Company incurred $195,584 in costs relating to the plan of arrangement which have been expensed in the consolidated statements of operations and comprehensive loss.

6. Exploration and evaluation assets

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

A summary of the capitalized acquisition and exploration expenditures and accumulated totals for the years ending September 30, 2017 and 2016 are as follows:

	Amount ($)
Balance at June 30, 2016 & September 30, 2016	11,533
Additions during the period:	
Claim fees	4,710
Balance at June 30, 2017	16,243
Additions during the period:	
Claim fees	42,111
Claim evaluation deposit	25,000
Balance at September 30, 2017	**83,354**

Bullard Pass Gold Property, Arizona, United States

The Company has 171 mineral claims in the vicinity of the Harcuvar and Harquahala Mountains, Yavapai County, Arizona, United States.

7. Related party transactions and balances

During the period ending September 30, 2017, the Company entered into various transactions with related parties. The related parties consist of officers, directors and shareholders or companies controlled directly or indirectly by them. Details of the transactions and balances owing or receivable are as follows:

(a) The Company incurred consulting fees of $29,000 (2016 - $nil) from a company that is controlled, directly or indirectly by an officer, director and shareholder.

(b) The Company incurred consulting fees of $4,500 (2016 - $nil) from a company that is controlled, directly or indirectly by an officer, director and shareholder.

(c) The Company incurred consulting fees of $14,250 (2016 - $nil) from a company that is controlled, directly or indirectly by a former officer, director and shareholder.

(d) As at September 30, 2017, the Company had amounts receivable of $7,000 (2016 - $nil) from Canadian Zeolite Corp. The amounts are receivable.

7. Related party transactions and balances (continued)

The above transactions were in the normal course of operations and were recorded at the exchange value which was the amount of consideration established and agreed to by the related parties.

Compensation paid to key management personnel and non-executive directors is as follows:

		2017		2016
Senior management compensation	**$**	**47,750**	$	-
Share-based compensation	**$**	**461,123**	$	-

8. Share capital

Authorized: unlimited number of common shares without par value.

Issued and outstanding**:**

Share transactions for the period ended September 30, 2017:

(a) The Company issued 8,798,944 units at $0.25 per unit for gross proceeds of $2,199,736. Each unit was comprised of one common share and one common share purchase warrant exercisable at $1.00 per common share for a period of two years from the date of closing.

(b) The Company issued 127,900 common shares pursuant to the exercise of warrants.

(c) The Company issued 200,000 common shares pursuant to the exercise of options.

Share transactions for the year ended June 30, 2017:

(d) The Company issued 11,004,967 units at $0.09 per unit for gross proceeds of $990,447. Each unit was comprised of one common share and one common share purchase warrant exercisable at $0.25 per common share for a period of one year from the date of closing. The shares and warrants have an escrow provision whereby 25% are released every four months from the date of issuance.

(e) The Company issued 5,653,676 common shares having a deemed value of $16,243 pursuant to the plan of arrangement with Canadian Zeolite Corp.

(f) The Company issued 270,000 common shares pursuant to the exercise of warrants.

(g) The Company has 1,057,288 common shares held in escrow subject to a 36 month staged release escrow agreement.

9. Share purchase warrants

The following table summarizes the continuity of share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, June 30, 2016 & September 30, 2016	–	–
Issued on private placement	11,004,967	0.25
Issued on plan of arrangement	450,998	0.09
Exercised	(270,000)	0.09
Balance, June 30, 2017	11,185,965	0.25
Issued on private placement	8,798,944	1.00
Exercised	(127,900)	0.09
Expired	(53,098)	0.09
Balance, September 30, 2017	**19,803,911**	**0.58**

The weighted average life of warrants outstanding is 1.48 (2016 – nil) years.

Agent's warrants

	Number of agents' options	Weighted average exercise price $
Outstanding, June 30, 2016, September 30, 2016 & June 30, 2017	–	–
Issued	365,820	1.00
Outstanding, December 31, 2017	365,820	1.00

On August 3, 2017, the Company granted 365,820 agent's warrants exercisable at $1.00 into one common share expiring on August 3, 2019. The fair value of $108,896 was calculated using the Black-Scholes option pricing model with the following assumptions: expected volatility of 126%, expected life of 2 years, risk-free rate of 1.11%, and no expected dividends.

10. Stock Options

The Company has adopted 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. 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. Stock options granted to any person engaged in investor relations activities will vest over a period of not less than 12 months with no more than 25% of the stock options vesting in any three month period. The exercise price of any stock options granted under the plan shall be determined by the Board, but may not be less than the market price of the common shares on the Exchange on the date of grant (less any discount permissible under Exchange rules). The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed ten years.

10. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Balance, June 30, 2016 & September 30, 2016	–	–
Issued	1,200,000	0.25
Balance, June 30, 2017	1,200,000	0.25
Issued	1,600,000	0.55
Exercised	(200,000)	0.25
Balance, September 30, 2017	**2,600,000**	**0.43**

Additional information regarding stock options outstanding as at September 30, 2017 is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.25	1,000,000	4.6	0.25
0.55	1,600,000	4.9	0.55
	2,600,000	4.8	0.43

The fair value of stock options granted during the period ended September 30, 2017 was $922,246 (2016 - $nil) which was charged to the statement of operations and comprehensive loss.

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted-average assumptions:

	2017	2016
Risk-free interest rate	**1.11%**	N/A
Expected life (in years)	**5.0**	N/A
Expected forfeitures	**0%**	N/A
Expected volatility	**126%**	N/A

The weighted-average value per stock option granted during the period ended September 30, 2017 was $0.57 (2016 - $nil) per stock option.

11. 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 and evaluation assets and activities are carried out in the United States.

12. Subsequent events

There are no subsequent events to report.

13. 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 September 30, 2017. The Company is not subject to externally imposed capital requirements.

14. 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 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. As all bank deposits are held with a single chartered bank in Canada, there is a concentration of credit risk. This risk is managed by using a financial institution that has a high credit rating as determined by domestic and international rating agencies.

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.

14. Financial instruments and risk management (continued)

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 as it does not have any interest bearing instruments.

b. *Currency risk*
The Company is not subject to material foreign currency risk as all of its monetary assets and liabilities are denominated in Canadian dollars.

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.