PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian Dollars)

Nine months ended December 31, 2016 and 2015

(Unaudited)

PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)
Condensed Consolidated Interim Financial Statements
(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended December 31, 2016 and 2015

INDEX Page

PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	December 31, 2016	March 31, 2016
ASSETS		
Current		
Cash	$ 37,512	$ 1,166
GST receivable	542	997
	$ 38,054	$ 2,163
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current		
Accounts payable and accrued liabilities	$ 10,338	$ 142,474
Due to related parties (note 7)	62,600	55,000
	72,938	197,474
Shareholders' deficit		
Share capital (note 5)	6,230,903	6,011,148
Shares to be issued (note 5)	-	65,000
Share-based payment reserve	773,276	773,276
Warrant reserve	170,221	170,221
Deficit	(7,209,284)	(7,214,956)
	(34,884)	(195,311)
	$ 38,054	$ 2,163

Approved by the Board:

(signed)*"Jonathan Jackson"*
Jonathan Jackson, Director

(signed)*"Gordon Steblin"*
Gordon Steblin, Director

PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended December 31, 2016	Three months ended December 31, 2015	Nine months ended December 31, 2016	Nine months ended December 31, 2015
Expenses					
Listing and transfer agent		$ 2,413	$ 7,953	$ 6,543	$ 19,613
Management fees	7	-	60,667	-	60,667
Office	7	60	116	167	16,419
Professional fees	7	9,214	16,558	24,364	25,251
Rent	7	-	6,000	-	6,000
Shareholders' communications		-	-	-	46,746
Comprehensive loss for the period		(11,687)	(91,294)	(31,074)	(174,696)
Forgiveness of debt	6	7,972	-	36,746	-
Write-off of mineral property costs	4	-	-	-	(742,383)
		7,972	-	36,746	(742,383)
Net income (loss) and comprehensive income (loss) for the period		$ (3,715)	$ (91,294)	$ 5,672	$ (917,079)
Income (loss) per share – basic and diluted		$ 0.00	$ (0.01)	$ 0.00	$ (0.07)
Weighted average number of common shares outstanding – basic and diluted		16,614,386	12,264,386	16,145,113	12,264,386

PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Shares to be issued	Share-based Payment Reserve	Warrant Reserve	Deficit Accumulated During Exploration Stage	Total
Balance: March 31, 2015	12,264,386	$6,011,148	$-	$773,276	$ 170,221	$(5,607,637)	$1,347,008
Net loss for the period	-	-	-	-	-	(917,079)	(917,079)
Balance: December 31, 2015	12,264,386	6,011,148	-	773,276	170,221	(6,524,716)	429,929
Balance: March 31, 2016	12,264,386	6,011,148	65,000	773,276	170,221	(7,214,956)	(195,311)
Shares issued for cash	4,450,000	222,500	(65,000)	-	-	-	157,500
Share issue costs - cash	-	(2,745)	-	-	-	-	(2,745)
Net income for the period	-	-	-	-	-	5,672	5,672
Balance: December 31, 2016	16,614,386	$6,230,903	$-	$773,276	$170,221	$(7,209,284)	$(34,884)

PALISADES VENTURES INC.
(Formerly Uranium Standard Resources Ltd.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended December 31, 2016	Nine months ended December 31, 2015
Operating activities		
Net income (loss)	$ 5,672	$ (917,079)
Items not affecting cash:		
Write-off of mineral properties	-	742,383
Forgiveness of debt	(36,746)	-
Changes in non-cash working capital:		
GST receivable	455	(292)
Prepaid expenses	-	20,000
Accounts payable and accrued liabilities	(95,390)	58,359
Due to related parties	7,600	81,117
Cash used in operating activities	(118,409)	(15,512)
Financing activity		
Issuance of capital stock, net of share issue costs	154,755	-
Investing activity		
Exploration and evaluation expenditures	-	(1,500)
Increase (decrease) in cash	36,346	(17,012)
Cash, beginning of period	1,166	19,440
Cash, end of period	$ 37,512	$ 2,428

1. Nature of operations and going concern

Palisades Ventures Inc. (formerly Uranium Standard Resources Ltd.) (the "Company") was incorporated under the laws of British Columbia, Canada, on June 6, 2007. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange ("TSX-V") under the trading symbol "PSV".

The head office and records office of the Company are located at Suite 2300 - 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X2.

On December 28, 2016, the Company entered into a binding letter agreement (the "Agreement") with Intermont Exploration, LLC ("Intermont") and 1027344 B.C. Ltd. ("1027344 B.C."). The arm's length Agreement sets out the terms of the proposed transaction (the "Transaction") pursuant to which the Company will acquire all of the issued and outstanding common shares of Intermont and 1027344 B.C., which own the rights to certain mineral projects in Nevada (the "Properties"). Pursuant to the TSX-V policies, the Transaction will be a reverse takeover for the Company. On closing of the Transaction, the Company will be the resulting issuer and will remain a Tier 2 resource issuer.

After completing a 3:4 share consolidation, the Company will issue a total of 10 million common shares to the shareholders of 1027344 B.C. (3.5 million) and Intermont (6.5 million). Assuming completion of a private placement, no new control persons will be created as a result of the Transaction. 1027344 B.C. owns the Hurricane Project, a gold exploration project located in Lander County, Nevada. Intermont's principal asset is the Goldrun Project, a gold exploration project located in Humbolt County, Nevada. The Goldrun Project will be the material property of the Company upon completion of the Transaction. The Company's shares will remain halted until closing of the Transaction.

On November 27, 2015, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares held. The 24,528,771 pre-consolidated common shares issued and outstanding were adjusted to 12,264,386 post-consolidated common shares. As required by International Accounting Standards ("IAS") 33 *Earnings per Share*, all references to share capital, common shares outstanding and per share amounts in these condensed consolidated interim financial statements and the accompanying notes for time periods prior to the share consolidation have been restated to reflect the two for one share consolidation.

On October 2, 2014, the Company completed an acquisition of Canadian Uranium Corp. ("Canadian Uranium") and 1008394 B.C. Ltd., a wholly owned subsidiary of the Company. In connection with the acquisition, the Company changed its name to Uranium Standard Resources Ltd. from Central Resources Corp. and began trading under its new name and symbol "USR".

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at December 31, 2016 the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. These uncertainties cast significant doubt about the Company's ability to continue as a going concern. For the nine-month period ended December 31, 2016, the Company incurred comprehensive income of $5,672 (December 31, 2015 - comprehensive loss $917,079). Further, the Company has an accumulated deficit of $7,209,284 (March 31, 2016

1. Nature of operations and going concern (Continued)

- $7,214,956), a working capital deficiency of $34,884 (March 31, 2016 - $195,311), limited resources, no source of operating cash flow and no assurances that sufficient funding will continue to be available to finance operations or to conduct further exploration and development of its mineral property interests.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from there and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. Significant accounting policies and basis of presentation

a) Basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent 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"). These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Board of Directors approved these condensed consolidated interim financial statements on February 23, 2017.

b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Canadian Uranium, a British Columbia corporation up to March 31, 2016. Canadian Uranium was dissolved on June 28, 2016 and is no longer included in the accounts of the Company. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intercompany transactions, balances, revenues and expenses have been eliminated.

c) Critical accounting judgments

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

2. Significant accounting policies and basis of presentation (Continued)

c) Critical accounting judgments (Continued)

The following are critical judgments that management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements.

Going concern evaluation

As discussed in note 1, these condensed consolidated interim financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the condensed consolidated interim statement of financial position classifications used. Such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period. There were no material changes to the assessment as at December 31, 2016.

d) Significant Accounting Policies

The accounting policies applied in these condensed consolidated interim financial statements are based on IFRS effective for the period ended March 31, 2016, as issued and outstanding as of July 25, 2017, the date the Board of Directors approved the annual audited financial statements except for changes subsequent there to. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended March 31, 2016.

e) Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. All financial instruments must be recognized, initially, at fair value on the condensed consolidated interim statement of financial position. Subsequent measurement of the financial instruments is based on their respective classification.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

2. Significant accounting policies and basis of presentation (Continued)

e) Financial instruments (Continued)

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within twelve months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets.

The Company classifies its financial liabilities in the following categories: fair value through profit or loss and other financial liabilities.

Financial liabilities classified as fair value through profit or loss is comprised of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the condensed consolidated interim statements of financial position at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method. Other financial liabilities are classified as current or non-current based on their maturity date.

Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

The Company has made the following classification of its financial instruments:

Financial assets or liabilities

	Measurement category under IAS 39
Cash	Held-for-trading
Accounts payable and accrued liabilities	Other liabilities
Due to related parties	Financial liabilities

2. Significant accounting policies and basis of presentation (Continued)

e) Financial instruments (Continued)

Fair value
As at December 31 and March 31, 2016, the Company's financial instruments consisted of cash, trade payables and due to related parties. The fair values of cash, trade and other payables and due to related parties approximate their carrying values.

Financial instruments measured at fair value are classified into one of the three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

Cash, accounts payable and accrued liabilities and due to related parties are classified as Level 1 inputs. The Company does not have any derivative financial assets or liabilities.

3. Accounting standards issued but not yet effective

IFRS 9 *Financial Instruments* (2014)
The IASB replaces IAS 39 *Financial Instruments: Recognition and Measurement* in its entirety with IFRS 9. IFRS 9 deals with classification and measurement, impairment, hedge accounting and derecognition of financial assets and liabilities. In February 2014, the IASB decided to defer to January 1, 2018 the implementation of IFRS 9. The Company's management has yet to assess the impact of this new standard on the Company's condensed financial statements. Management does not expect to implement IFRS 9 until it has been issued and its overall impact can be assessed.

Applicable to annual periods beginning on or after January 1, 2018.

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 condensed financial statements.

Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows)
The amendments require entities to provide disclosures that enable users of the financial statements to evaluate change in liabilities arising from financing activities.

Applicable to annual periods beginning on or after January 1, 2017.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 *Income Taxes*)
The amendments clarify how to account for deferred taxes related to debt instruments measured at fair value.

Applicable to annual periods beginning on or after January 1, 2017.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

The Company incurred the following mineral property acquisition costs:

	Whitford Lake Property $	Bernick Lake Property $	Wheeler Lake Property $	Uranium Project Database $	Total $
Acquisition costs:					
Balance, March 31, 2015	623,420	170,333	243,500	290,000	1,327,253
Write-off	-	(170,333)	(243,500)	(290,000)	(703,833)
Balance, December 31, 2015	623,420	-	-	-	623,420
Write-off	(623,420)	-	-	-	(623,420)
Balance, March 31, 2016 and December 31, 2016	-	-	-	-	-
Exploration costs:					
Balance, March 31, 2015	-	27,550	9,500	-	37,050
Additions	-	-	1,500	-	1,500
Write-off	-	(27,550)	(11,000)	-	(38,550)
Balance, March 31, 2016 and December 31, 2016	-	-	-	-	-

a) Selwyn Creek Property, Yukon

On June 8, 2010, as amended on June 4, 2012, the Company entered into an option agreement to purchase a 100% interest in mineral claims located within the Dawson Range, White Gold District, Yukon.

During the year ended March 31, 2014, the Company wrote off the property, as no fieldwork has been completed since 2011.

During the year ended March 31, 2016, the Company sold its interest in the property for the return of 100,000 of the Company's shares valued at $Nil.

4. Exploration and evaluation assets (Continued)

a) Whitford Lake Property, Saskatchewan

As part of the acquisition of Canadian Uranium on October 1, 2014, the Company acquired the option to the Whitford Lake Property. The agreement dated September 9, 2013 and as amended on December 1, 2013 is to acquire a 100% interest in certain mineral claims, referred to as the “Whitford Lake Property”, which is located in the Province of Saskatchewan, Canada. As part of the acquisition, the Company recorded $623,420 to acquisition costs. Consideration for the acquisition consists of the following:

- The issuance of 2,250,000 common shares of Canadian Uranium (issued);
- Payment of $60,000 within 48 hours of the amendment (paid);
- Payment of $200,000 within 48 hours of the Company completing equity offerings, which generates net aggregate proceeds in excess of $600,000 (paid);
- Payment of $100,000 by December 31, 2014;
- Payment of $750,000 by November 2, 2015; and
- The assumption of any liabilities and responsibilities under the agreement and the addendum as of the Effective Date including payment of $100,000 on or before December 31, 2013 (paid).

During the three months ended March 31, 2016, the Company recognized an impairment of $623,420, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

b) Bernick Lake Property, Saskatchewan

As part of the acquisition of Canadian Uranium on October 1, 2014, the Company acquired the option to the Bernick Lake Property. The agreement was completed on December 15, 2013. The option agreement is to acquire a 100% interest in certain mineral claims referred to as the “Bernick Lake Property”, located in the Province of Saskatchewan, Canada. As part of the acquisition, the Company recorded $170,333 in acquisition costs. Consideration for the acquisition consists of the following:

- The issuance of 1,500,000 of the Company’s common shares of Canadian Uranium (issued); and
- The Company will have to complete $1,500,000 in exploration expenditures on the mineral claim within three years of signing the agreement.

During the nine months ended December 31, 2015, the Company incurred $Nil (2015 - $27,550) in exploration expenditures on the Bernick Lake Property.

During the nine months ended December 31, 2015, the Company recognized an impairment of $197,883, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

4. Exploration and evaluation assets (Continued)

c) Wheeler Lake Property, Saskatchewan

On October 23, 2014, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims referred to as the "Wheeler Lake Property", located in the Province of Saskatchewan, Canada. Consideration for the acquisition consists of the following:

- $25,000 upon signing the agreement (paid);
- 950,000 common shares upon TSX-V acceptance of the agreement (issued); and
- Incur $2,000,000 in cumulative exploration expenditures over a six-year period.

The optionor shall retain a 1% gross overriding royalty with a buyback provision to the Company of 0.5% for $1,000,000.

During the nine months ended December 31, 2015, the Company paid $25,000 and issued 950,000 shares of the Company with a fair value of $218,500 in acquisition costs, for total acquisition costs of $243,500.

During the nine months ended December 31, 2015, the Company incurred $1,500 (2015 - $9,500) in exploration expenditures on the property.

During the nine months ended December 31, 2015, the Company recognized an impairment of $254,500, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

d) Uranium Project Database

On November 30, 2014, the Company entered into an agreement to acquire a proprietary Uranium Project Database (the "Database") from Vico Uranium Corp. ("Vico"). The Database contains information on over 1,000 uranium projects globally. The Company plans to utilize this database to execute its strategy of acquiring a substantial portfolio of high-quality uranium resources at deeply discounted valuations. As consideration for this acquisition the Company has issued 1,000,000 common shares of the Company with a fair value of $290,000.

During the nine months ended December 31, 2015, the Company recognized an impairment of $290,000, determined in accordance with Level 3 of the fair value hierarchy, as management does not plan to further pursue the property.

e) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material, and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties. The Company conducts its exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current assets that may result in a material liability to the Company.

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

4. Exploration and evaluation assets (Continued)

e) Environmental (Continued)

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

f) Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mineral properties. Although the Company has taken steps to ensure title to the mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such assets, these procedures may not guarantee the Company's title. Asset title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

g) Realization of assets

Realization of the Company's investment in exploration and evaluation properties is dependent upon the establishment of legal ownership, the obtaining of permits, the satisfaction of governmental requirements, the attainment of successful production from the properties, or from the proceeds of their disposal. The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from the sale of the mineral properties. The carrying value of the Company's exploration and evaluation properties may not reflect present or future values.

5. Share capital

Authorized
Unlimited common voting shares without nominal or par value; and
Unlimited preferred voting shares without nominal or par value.

Escrow shares
Under the policies of the TSX-V, an aggregate of 1,666,666 common shares were held by escrow to be released over a 36-month period; 10% were released October 14, 2014 and 15% will be released every six months until October 14, 2017. The number of escrow common shares as at December 31, 2016 is 500,000.

Issued share capital

2017
On April 29, 2016, the Company completed a non-brokered private placement of $222,500. The private placement consisted of 4,450,000 units at a price of $0.05 per unit, with each unit comprised of one common share and one-half of one share purchase warrant, with each full warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until April 29, 2018. Using the residual value, no value was allocated to the warrants. In connection with the financing the Company incurred $2,745 in share issue costs.

(Expressed in Canadian Dollars)

5. Share capital (Continued)

Issued share capital (Continued)

2016
On November 27, 2015, the Company consolidated its common shares on the basis of one post-consolidated common share for every two pre-consolidated common shares held. The 24,528,771 pre-consolidated common shares issued and outstanding were adjusted to 12,264,386 post-consolidated common shares. All figures as to the numbers of common shares, stock options, warrants, and loss per share in these condensed consolidated interim financial statements have been retroactively restated to reflect the consolidation.

During the three months ended March 31, 2016, the Company received $65,000 for 1,300,000 common shares to be issued as part of the private placement in 2017.

Share purchase warrants

The Company's share purchase warrants outstanding as at December 31, 2016 are provided below:

Exercise Price	Expiry Date	March 31, 2016	Issued	Expired	December 31, 2016
$0.50	July 30, 2016	2,115,300	-	(2,115,300)	-
$0.10	April 29, 2018	-	2,225,000	-	2,225,000
Total		2,115,300	2,225,000	(2,115,300)	2,225,000
Weighted average exercise price		$0.50	$0.10	$0.50	$0.10
Weighted average contractual life remaining in years		0.33	-	-	1.33

(Expressed in Canadian Dollars)

5. Share capital (Continued)

Stock option plan, grants and share-based payments

The Company has adopted an incentive stock option plan (the "Plan") whereby it can grant non-transferable stock options to purchase common shares to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to any of the following:

- 10% of the issued common shares of the Company at any time and exercisable for a period of up to five years from the date of grant;
- The Company must not grant options to directors, employees, consultants or consultant company in any twelve-month period in excess of 5% of the issued common shares of the Company;
- The aggregate number of options granted to an investor relation service provider in any twelve-month period must not be in excess of 2% of the issued common shares of the Company; or
- The aggregate number of shares granted to any consultant in any twelve-month period must not be in excess of 2% of the issued common shares of the Company.

The exercise price of options granted under the Plan will not be less than the market price of the common shares. Vesting periods are determined by the Board of Directors, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

Exercise Price	Expiry Date	March 31, 2016	Granted	Expired/ Cancelled	December 31, 2016
$0.40	October 7, 2017	212,500	-	(25,000)	187,500
Weighted average exercise price		$0.40	-	-	$0.40
Weighted average contractual life remaining in years		1.52	-	-	0.77

During the nine months ended December 31, 2016, no stock options were granted to officers, directors, related employees and consultants.

6. Trade payables

During the nine months ended December 31, 2016, the Company settled trade payables which resulted in a $36,746 (2015 – $NIL) forgiveness of debt.

7. Related party transactions

The Company incurred the following transactions with officers and directors, or companies that are controlled by officers and directors of the Company:

	December 31, 2016	December 31, 2015
Geological consulting fees paid to a former director	$ -	$ 1,500
Office services paid to a company controlled by a former officer	-	14,342
Professional fees accrued to a company controlled by the CFO	18,000	9,000

(Expressed in Canadian Dollars)

Rent accrued to a company controlled by the former President		-		6,000
Management fees accrued to a company controlled by the former President		-		60,667
Total	$	18,000	$	91,509

The Company owes the following amounts to officers and directors, or companies that are controlled by officers and directors of the Company:

		December 31, 2016		March 31, 2016
Loan payable to the former President	$	-	$	5,000
Rent accrued to a company controlled by the former President		9,000		9,000
Management fees accrued to a company controlled by the former President		41,000		41,000
Professional fees accrued to a company controlled by the CFO		12,600		-
Total	$	62,600	$	55,000

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount established and agreed to by the related parties. The amounts payable are due on demand and without interest stated or stated terms of repayment.

8. Capital management

The Company manages its capital structure, which consists of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. 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.

8. Capital management (Continued)

The exploration and evaluation of assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for ongoing general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the period ended December 31, 2016.

9. Risk management

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 on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company only operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate due to changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The risk is minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet ongoing business requirements, taking into account its current cash position and potential funding sources.

At December 31, 2016, the Company had cash in the amount of $37,512 (March 31, 2016 - $1,166) and accounts payable, accrued liabilities and due to related parties of $72,938 (March 31, 2016 - $197,474). All of the liabilities presented as accounts payable, accrued liabilities and due to related parties are due within 90 days of December 31, 2016.

10. Comparative figures

Certain comparative figures have been adjusted to conform to the current period's presentation.

11. Subsequent event

On January 4, 2017, the Company announced that it entered into a binding letter agreement with Intermont and 1027344 B.C. to acquire certain mineral exploration projects in Nevada, which constitutes a reverse takeover. The shares of the Company will remain halted until closing of the transaction (see note 1 and January 4, 2017 news release).