WASECO RESOURCES INC.

(an exploration stage company)

Unaudited Interim Consolidated Financial Statements

(Expressed in Canadian dollars)

As at and for the nine months ended November 30, 2017 and November 30, 2016

(an exploration stage company)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim consolidated condensed financial statements of Waseco Resources Inc. [the "Company"] are the responsibility of the management and have been approved by the Board of Directors of the Company.

The consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies as disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared fairly, in all material respects and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P") and/or ICFR, as defined in NI 52-109.

"Richard Williams"	"James (Jay) Richardson"
President	Chief Financial Officer

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the unaudited interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated condensed financial statements of the Company have been prepared by and are the responsibility of management.

The Statements for the nine months ended November 30, 2017 and November 30, 2016 have not been reviewed by the Company's auditors.

(an exploration stage company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Periods ended		November 30, 2017	February 28, 2017
		$	$
Assets			
Current assets			
	Cash (Note 5)	**16,200**	66,852
	Sales taxes recoverable (Note 6)	**1,550**	14,004
	Prepaid expenses	**2,843**	-
		20,594	80,856
Other assets			
	BLM Exploration Bond (Note 7)	**22,660**	23,340
Total Assets		**43,254**	104,196
Liabilities			
Current liabilities			
	Trade payables and accruals (Note 8)	**48,657**	60,532
	Due to Directors (Note 9)	**190,761**	139,259
	Exploration deposits received, net (Note 8)	**367,529**	367,695
		606,948	567,487
Long-term liabilities			
	Provision for property restoration (Note 8)	**22,660**	23,340
Shareholders' Equity (Deficiency in Asset)			
Share capital		**6,308,719**	6,308,719
Share payment reserves		**184,002**	184,002
Warrants reserve		**85,020**	85,020
Deficit		**(7,164,095)**	(7,064,372)
Total Shareholders' Equity (Deficiency in Assets)		**(586,354)**	(486,631)
Total Liabilities and Shareholders' Equity		**43,254**	104,196

Nature of Operations and Going Concern (Note 1)

Commitments and Contingencies (Note 14)

Approved by the Board:

("Signed") James (Jay) Richardson
CFO & Director

("Signed") Richard Williams
CEO & Director

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

(an exploration stage company)

	Nine-month period ended November 30,		Three-month period ended November 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Expenses				
General and administrative	**33,520**	54,999	**11,131**	32,040
Shareholder relations and regulatory fees	**15,351**	32,961	**2,165**	20,164
Professional fees	**21,895**	14,409	**7,375**	9,409
Exploration and evaluation expenditures	**28,972**	254,321	**4,415**	151,101
	99,738	356,690	**25,086**	212,714
Loss before other income	**(99,738)**	(356,690)	**(25,086)**	(212,714)
Other income:				
Management fee income	**15**	2,075	**15**	413
	15	2,075	**15**	413
Comprehensive loss	**(99,723)**	(354,615)	**(25,071)**	(212,301)
Loss per share -basic and diluted	**(0.002)**	(0.010)	**(0.001)**	(0.005)
Weighted average number of shares outstanding - basic and diluted	**40,271,390**	37,003,482	**40,271,390**	40,007,654

The accompanying notes are an integral part of these interim financial statements

WASECO RESOURCES INC.

(an exploration stage company)

Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Capital Stock		Reserves			
	Number of shares	**Amount**	**Share based payments**	**Warrants**	**(Deficit)**	**Total**
		$	**$**	**$**	**$**	**$**
Balance at March 1, 2016	33,796,390	5,942,514	184,002	4,000	(6,587,863)	(457,347)
August 31, 2016:						
Shares issued on exercise of warrants	975,000	75,935	-	(2,810)	-	73,125
Debt settlement with common shares	1,500,000	75,000	-	-	-	75,000
Issue of warrants	-	-		15,900	-	15,900
Expiry of warrants 2016 financing	-	1,190	-	(1,190)	-	-
November 7, 2016:						
Issuance of shares	4,000,000	300,000	-	-	-	300,000
Issue of warrants	-	(69,120)	-	69,120	-	-
Share issuance costs	-	(16,800)	-	-	-	(16,800)
Comprehensive loss for the year-ended February 28, 2017	-	-	-	-	(476,509)	(476,509)
Balance at March 1, 2017	40,271,390	6,308,719	184,002	85,020	(7,064,372)	(486,631)
Comprehensive loss for the nine-months ended November 30, 2017					**(99,723)**	**(99,723)**
Balance at November 30, 2017	**40,271,390**	**6,308,719**	**184,002**	**85,020**	**(7,164,095)**	**(586,354)**

	Capital Stock		Reserves			
	Number of shares	**Amount**	**Share based payments**	**Warrants**	**(Deficit)**	**Total**
					$	**$**
Balance at March 1, 2016	33,796,390	5,942,514	184,002	4,000	(6,587,863)	(457,347)
Issue of shares	6,475,000	448,125	-	-	-	448,125
Issue and exercise of warrants	-	30,720	-	(30,720)	-	-
Share issuance costs	-	(16,800)	-	16,800	-	-
Comprehensive loss for nine-months ended November 30, 2016	-	-	-	-	(354,615)	(354,615)
Balance at November 30, 2016	40,271,390	6,404,559	184,002	(9,920)	(6,942,478)	(363,837)

Note: The values attributable to shares issued and warrants for the nine-months to November 30, 2016 were restated at the year-end to correctly record the adjusted values.

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Cash Flow

(Expressed in Canadian Dollars)

WASECO RESOURCES INC.

(an exploration stage company)

	Nine-month period ended November 30, 2017	Nine-month period ended November 30, 2016	Three-month period ended November 30, 2017	Three-month period ended November 30, 2016
Operating activities				
Net comprehensive (loss)/gain for the period	**(99,723)**	(354,615)	**(25,071)**	(212,302)
Adjustments to reconcile net income to cash flow from operating activities:				
Impact on cash flow of net changes in non-cash working capital items:				
Sales taxes recoverable	**12,453**	(3,499)	**13,155**	(1,268)
Exploration deposits receivable	**(166)**	(14,510)	**(166)**	(4,537)
Prepaid expenses	**(2,843)**	-	**(2,843)**	-
Subscriptions receivable	**-**	-	**-**	4,875
Exploration bond	**(680)**	173	**(300)**	(560)
Accounts payable and accruals	**(11,875)**	(18,833)	**2,287**	21,254
	(102,834)	(391,284)	**(12,938)**	(192,538)
Financing				
Due to directors	**51,502**	132,564	**27,130**	24,279
Issue of shares	**-**	448,125	**-**	300,000
	51,502	580,689	**27,130**	324,279
Investing				
BLM exploration bond	**680**	(173)	**300**	560
	680	(173)	**300**	560
Increase (decrease) in cash and cash equivalents	**(50,652)**	189,232	**14,492**	132,301
Cash and cash equivalents, beginning of period	**66,852**	4,536	**1,708**	61,467
Cash and Cash Equivalents at End of Period	**16,200**	193,768	**16,200**	193,768

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Waseco Resources Inc. ("Waseco" or the "Company") is continued under the laws of Ontario. Its shares trade on the TSX Venture Exchange under the symbol WRI and on the Frankfurt Exchange under the symbol WSE. The Company's registered office is Suite 1500, 2 Queen Street East, Toronto, Ontario, M5C 3G5.

The Company is an exploration stage company whose current focus is on a gold prospect in Nevada, USA. The Company also has interests in exploration prospects in Ontario and Quebec, Canada and a Positive Bankable Feasibility Study ("intellectual Property") relating to a gold prospect in Indonesia. Substantially all the Company's efforts are devoted to developing the properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

As at November 30, 2017, the Company had working capital deficiency of $586,354 (February 28, 2017 - $486,631), had not yet achieved profitable operations, had accumulated losses in the development of its business of $7,164,095 (February 28, 2017 - $7,064,372) and expects to incur future losses in the development of its business, all of which casts significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims, unregistered claims, and non-compliance with regulatory and environmental requirements, but no such defects are known to the Company.

Management plans to secure necessary financing, as and when needed, through a combination of the issue of new equity or debt instruments and the entering of joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

For further comments on the Company's liquidity risk refer to Note 4 (ii) below.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited consolidated interim condensed financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited consolidated interim condensed financial statements were authorized for issuance by the Board of Directors of the Company on January 29, 2018.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation and functional and presentation currency

These unaudited consolidated interim condensed financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value and have been prepared using the accrual basis of accounting except for cash flow information based on accounting policies and methods of computation consistent with those adopted in the Company's February 28, 2017 annual audited financial statements.

The consolidated interim condensed financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

2.3 Basis of consolidation

These unaudited consolidated interim condensed financial statements include the financial statements of the Company and its wholly owned subsidiary: Waseco Resources US Inc., a Nevada corporation based in the United States. Control is achieved when the Company has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

All inter-company transactions, balances, revenues and expenses are eliminated on consolidation.

2.4 Adoption of new and revised standards and interpretations

No new relevant standards were applied for the first time during the period ended November 30, 2017.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- IFRS 9, 'Financial instruments', effective for annual periods beginning on or after January 1, 2018, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. The Company is yet to assess

2.4 Adoption of new and revised standards and interpretations (continued)

IFRS 9's full impact. The Company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board. Early adoption is permitted.

3. CAPITAL MANAGEMENT

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

All the properties in which the Company currently has an interest are in the exploration stage with no operating revenues; as such the Company may be dependent on external financing to fund its activities. If, however, the joint venture decides to continue the exploration in Quebec then the Company would have a source of revenue. To carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Over the past few years, mineral exploration has been curtailed as senior producers looked to reduce discretionary spending to lower overall costs. With the ongoing depletion of reserves, we are anticipating that exploration will resume at all levels of the industry. Majors will be seeking to acquire reserves to replenish their inventories of resources for future exploitation and juniors will resume their search for new orebodies. In the interim, financing, particularly for juniors without sources of revenues, has remained challenging. The Company has historically relied, beyond revenue amounts generated, on equity financing to raise capital and expects to be able to continue to do so, but its ability to do so may be impacted by the current global situation and economic uncertainties. Management has considered how these conditions have impacted the Company's viability given its current capital structure and considers that until the outcome of future financing activities is known there is considerable uncertainty about the appropriateness of the use of the going concern basis of accounting.

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

The Company is not subject to any capital requirements imposed by any regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months. As of November 30, 2017, the Company is not compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

There were no changes in the Company's approach to capital management during the nine months ended November 30, 2017. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair value

The Company has designated its cash as Fair Value Through Profit and Loss ("FVTPL"), which is measured at fair value. Trade and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair value. Trade and other payables and due to related parties are classified for accounting purposes as other financial liabilities, which are measured at amortized cost, which also equals fair value. Fair values of trade and other receivables, trade and other payables and due to related parties are determined from transaction values which were derived from observable market inputs.

As at November 30, 2017, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to the relatively short periods to maturity of these instruments.

Fair value estimates are made at a specific point in time, based on relevant market information and information about financial instruments. These estimates are subject to and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

A summary of the Company's risk exposures as it relates to financial instruments is reflected below:

i) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The credit risk is attributable to various financial instruments, as noted below. The credit risk is limited to the carrying value amount carried on the balance sheet.

Cash– Cash balances are held with a major Canadian bank and therefore the risk of loss is minimal.

ii) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. At November 30, 2017, the Company had a working capital deficiency of $586,354 (February 28, 2017 – $486,631). To meet its longer-term working capital and property exploration expenditures, the Company would, if necessary, attempt to secure further financing to ensure that those obligations were properly discharged. There can be no assurance that Waseco will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. In the meantime, Mr. Williams, The Chief Executive Officer and a Director of the Company, has been supporting the Company's operations by extending shareholder loans to the Company with nil interest or other consideration therefor. If additional financing is raised by the issuance of shares from the treasury of the Company, control of Waseco may change and shareholders may suffer additional dilution.

iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity prices and/or stock market movements (price risk).

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (continued)

iv) Interest rate risk

The Company is not exposed to significant interest rate price risk due to the short-term nature of its monetary assets and liabilities. Cash not required in the short term, is invested in short-term guaranteed investment certificates, as appropriate.

5. CASH

The balance at November 30, 2017, consists of $16,200 (February 28, 2017 - $66,852) on deposit with a major Canadian bank.

6. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from the following sources:

	As at	
	November 30, 2017	February 28, 2017
Sales taxes recoverable	**1,550**	14,004
Prepaid explorarion expenses	**2,843**	-
	$ 4,393	$ 14,004

At November 30, 2017, the Company anticipates full recovery of this amount and therefore no impairment has been recorded against this receivable. The Company holds no collateral at November 30, 2017 against this receivable.

7. BLM EXPLORATION BOND

The lease covering 29 claims on the Battle Mountain Gold Trend, in Larder County, Nevada, has been transferred to Waseco Resources US Inc., a wholly owned subsidiary of the Company. There was an initial US$10,200 exploration bond on the leased property and this was subsequently increased to US$17,740 to cover the follow up drill program. The Bond has been transferred to Waseco Resources US Inc.

8. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities of the Company are principally amounts owing for operating activities, advances from a director as detailed below and a deposit received re the Labrador Trough AREVA joint venture and amounts owing to professional advisors in the normal course of business. The deposit referred to in the previous sentence is gradually being reduced by the Company's payment of the 50% of the ongoing costs attributable to AREVA.

(Expressed in Canadian Dollars)

8. TRADE PAYABLES AND OTHER LIABILITIES (continued)

	As at	
	November 30, 2017	February 28, 2017
Trade payables and accruals	**48,657**	60,533
Due to director	**190,761**	139,259
Exploration deposits received, net	**367,529**	367,695
	$ 606,948	$ 567,487

9. RELATED PARTY TRANSACTIONS AND DUE TO A DIRECTOR

Except for the amounts advanced to or on behalf of the Company by Mr. Williams noted below, the financial statements include no balances and transactions with directors and/or officers of the Company other than management fee payments and reimbursements of out of pocket amounts paid by them on behalf of the Company. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

During the nine-month period ended November 30, 2017, the Company expensed $33,000 (2017 - $33,000) to officers of the Company of which $27,000 was deferred and remains an accrued payable to them.

$190,761 has been lent to the Company by Richard Williams, refer to Notes 4 and 8 above.

The Company's related parties consist of the following officers and directors,

Officers and directors	Title
Richard Williams	President, Chief Executive Officer and Director
James Richardson	Chief Financial Officer and Director
Derek Bartlett	Director
Michael Ellingson	Director

10. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenses for the Company are broken down as follows:

Property	(CANADA) James Bay Lowland Ontario	(CANADA) Labrador Trough Quebec	(FOREIGN) Battle Mountain Nevada
Balance, March 1, 2016	170,324	81,175	980,837
Property expenditures	-	12,435	370,863
Balance, March 1, 2017	170,324	93,610	1,351,700
Property expenditures	-	151	28,821
Balance, November 30, 2017	**$ 170,324**	**$ 93,761**	**$ 1,380,521**

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

All such amounts have been written off as expensed by the Company with none being carried as assets on its Statement of Financial Position.

The Company has interests in the following properties:

1. Quebec-Labrador Trough – The Company controls these uranium (and other mineral) prospects which consist of multiple blocks. The Company has a joint venture agreement with AREVA and to date the Company's monetary contribution has been $93,761 in addition to the underlying properties.

2. James Bay Lowlands – The Company acquired a 5% interest in 2003 in a 2,440-acre claim block adjacent to the DeBeers Victor mine in the Attawapisakat Region in Northern Ontario. The property is subject to a 2% net smelter return ("NSR"), with the Company and its joint venture partners having a right of first refusal to buy out 1%.

3. Battle Mountain Ridge Nevada –The property is subject to a 5% NSR royalty, of which 2.5% NSR, can be acquired at any time for US$1.5 Million. (Refer to Note 8 above.). The NSR Agreement calls for advance royalty payments of US$75,000 per year; to date, a total of US$750,000 has been paid.

   The Annual Advance Royalty has been reduced by negotiation from US $75,000 annually in 2016 to US $50,000, starting in 2018/2019 with a one-year reduction to $20,000 for 2017. The Annual Advance Royalty and the outstanding lease obligation for fiscal 2016 have been settled by way of a shares for debt issuance of 1.5 million common shares at Cdn $0.05 per share, plus 750,000 share purchase warrants, exercisable at $0.075 for 2 years. The Advance Royalty for 2017 of US$20,000 was paid. In addition, quarterly lease payments of US$5,000 are due.

11. CAPITAL STOCK

Share Capital

Waseco is authorized to issue an unlimited number of common shares. The issued and outstanding share capital consists of common shares.

In fiscal 2017, 975,000 warrants, which were part of a unit offering issued last year, were exercised for proceeds of $73,125. The exercise resulted in the issuance from treasury of 975,000 shares at $0.075 per share.

Also in fiscal 2017, a non-brokered private placement was made for 4,000,000 common shares at $0.075 per share raising $300,000 with 2,000,000 share purchase warrants being issued with an exercise price of $0.10 for a one-year period.

An analysis of movements in Capital Stock is set out in the Equity analysis (Page 5) above.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (continued)

Share-Based Payment Plan

Waseco has established a stock option plan to provide additional incentive to its directors, officers, employees, service providers, or consultants in their efforts on behalf of the Company in the conduct of its affairs. The total number of shares which may be issued thereunder shall not exceed 10% of the then issued and outstanding shares of the Company. Under the terms of the plan, options shall vest immediately except those options granted to consultants or persons employed in investor relations activities, which are to vest over a twelve-month period. All options expire on the fifth anniversary from the grant date, unless specified otherwise in a Director's Resolution.

The exercise price of each option issued shall not be less than the closing market price of the Company's stock on the day immediately preceding the date of grant.

On March 26, 2015, The Company issued 200,000 stock options exercisable at $0.10 per share for three years, to each of four members of the Board. The options expire on March 26, 2018.

The following table summarizes stock options issued and outstanding:

Nine-months ended	**November 30, 2017**		February 28, 2017	
	Weighted Average Exercise Price	**No. of Options**	Weighted Average Exercise Price	No. of Options
Outstanding at beginning of year	**$0.10**	**800,000**	$0.10	1,000,000
Transactions during the year				
Granted	**-**	**-**	-	-
Exercised	**-**	**-**	-	**-**
Expired	**$0.10**	**-**	$ 0.10	(200,000)
Outstanding at end of the period	**$0.10**	**800,000**	$0.10	800,000
Exercisable at end of the period	**$0.10**	**800,000**	$0.10	800,000

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (continued)

Share-Based Payment Plan

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the stock options granted during the year ended February 29, 2016.

	March 26, 2015
Number of options granted	800,000
Weighted average information	
Exercise Price	$0.10
Risk-free interest rate	1.00%
Expected life	3 years
Expected volatility	100%
Vesting	100%
Expected dividends	-

12. RESERVE FOR SHARE BASED PAYMENTS

An analysis of movements in Share-Based Payments is set out in the Equity analysis (Page 5) above.

13. INCOME TAXES – Year-end balances

At February 28, 2017, the Company has $739,000 (2016 - $639,691) in non-capital losses carried forward for which no benefit has been recognized in the accounts. If these losses are not utilized, they will expire between 2028 and 2037.

At February 28, 2017, the Company has $5,684,600 (2016 - $5,581,000) of unused CCEE, CCDE, FEDE and CFRE expenses and capital losses of $312,400 (2016 - $312,400). The tax benefits pertaining to these expenses are available to be carried forward indefinitely and similarly no benefit has been recognized in the accounts.

The tax effect of temporary differences that gave rise to the deferred tax assets and liabilities are:

	2017	2016
Deferred Tax Assets		
Loss carry-forwards	237,000	211,000
Temporary differences	1,506,000	1,479,000
Less: valuation allowance	(1,743,000)	(1,690,000)
Net Deferred Tax Assets	-	-

14. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations. Certain commitments pertaining to the Nevada property are detailed in Note 7 above.