OPAWICA EXPLORATIONS INC.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2016 AND 2015

UNAUDITED

NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

These unaudited condensed interim financial statements have been prepared by management of the Company and have not been reviewed by the Company's independent auditor.

OPAWICA EXPLORATIONS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
NOVEMBER 30, 2016 AND 2015
(UNAUDITED – SEE "NOTICE TO READER" BELOW)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim financial statements for the periods ended November 30, 2016 and 2015.

NOTICE TO READER OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The financial statements of Opawica Explorations Inc. and the accompanying condensed interim statements of financial positions as at November 30, 2016 and the condensed interim statements of comprehensive loss, statements of changes in equity and cash flows for the three months ended November 30, 2016 and 2015 are the responsibility of the Company's management. These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Manning Elliott LLP.

The financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards. The Audit Committee of the Board of Directors, consisting of three members, has reviewed the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

"Ferdynand (Fred) Kiernck̈i"	*"Sandra Wong"*
Ferdynand (Fred) Kiernicki Chief Executive Officer	Sandra Wong Chief Financial Officer
January 30, 2017	January 30, 2017

OPAWICA EXPLORATIONS INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(Expressed in Canadian Dollars)

	Note	November 30, 2016 $	August 31, 2016 $
Assets			
Current assets			
Cash and cash equivalents		661	2,778
Term deposits		171,000	280,000
Amounts and other receivable		25,561	23,279
Prepaid expenses		26,058	2,359
Total current assets		223,280	308,416
Non-current assets			
Exploration and evaluation assets	4	725,200	695,051
Equipment	5	2,870	3,067
Total non-current assets		728,070	698,118
Total assets		951,350	1,006,534
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables		25,965	37,142
Due to related parties	9	12,271	13,121
Total liabilities		38,236	50,263
Shareholders' equity			
Share capital	6	33,789,786	33,789,786
Contributed surplus	6	1,776,860	1,776,860
Accumulated deficit		(34,653,532)	(34,610,375)
Total shareholders' equity		913,114	956,271
Total liabilities and shareholders' equity		951,350	1,006,534

Nature of operations and going concern (Note 1)
Basis of preparation and summary of significant accounting policies (Note 2)

These financial statements were approved and authorized for issue by the Board of Directors on January 30, 2017 and are signed on its behalf by:

/s/"Ferdynand (Fred) Kiernicki" Director * /s/"Paul Antoniazzi"* Director

OPAWICA EXPLORATIONS INC.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2016 AND 2015
(Expressed in Canadian Dollars)

	Note	2016 $	2015 $
Expenses			
Depreciation	5	197	219
Employee costs	8	19,411	3,184
General and administrative	8	23,878	6,434
Total expenses before other items		(43,486)	(9,837)
Other items	8	329	-
Net loss and comprehensive loss for the period		(43,157)	(9,837)
Loss per common share, basic and diluted		(0.00)	(0.00)
Weighted average number of common shares outstanding		22,035,498	5,665,498

OPAWICA EXPLORATIONS INC.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

(Expressed in Canadian Dollars)

	Share Capital $	Contributed Surplus $	Accumulated Deficit $	Total $
Balance at August 31, 2015	32,680,431	1,566,735	(34,094,476)	152,690
Net loss for the period	-	-	(9,837)	(9,837)
Balance at November 30, 2015	32,680,431	1,566,735	(34,104,313)	142,853
Balance at August 31, 2016	32,789,786	1,776,860	(34,610,375)	956,271
Net loss for the period	-	-	(43,157)	(43,157)
Balance at November 30, 2016	33,789,786	1,776,860	(34,653,532)	913,114

OPAWICA EXPLORATIONS INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED NOVEMBER 30, 2016 AND 2015
(Expressed in Canadian Dollars)

	Note	2016 $	2015 $
Cash flows from operating activities			
Net loss for the period		(43,157)	(9,837)
Items not involving cash:			
Depreciation	5	197	219
Changes in non-cash working capital accounts			
Amounts and other receivables		(2,282)	84
Prepaid expenses		(23,699)	1,337
Trade and other payables		(14,497)	510
Total cash used in operating activities		(83,438)	(7,687)
Cash flows from investing activities			
Expenditures on exploration and evaluation assets		(22,331)	-
Redemption of term deposits		109,000	-
Total cash flows provided by investing activities		86,669	-
Cash flows from financing activities			
Advances from (repayments to) related parties		(5,348)	2,182
Total cash flows provided by (used in) financing activities		(5,348)	2,182
Total decrease in cash during the period		(2,117)	(5,505)
Cash and cash equivalents, beginning of period		2,778	6,844
Cash and cash equivalents, end of period		661	1,339
Supplemental Cash Flow Information			
Interest paid		-	-
Taxes paid		-	-

The accompanying notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Opawica Explorations Inc.'s business activity is the exploration and evaluation of mineral properties in Canada. Opawica Explorations Inc. (the "Company") was incorporated under the *Business Corporations Act* (Ontario) on September 17, 1975 and was continued into British Columbia by Certificate of Continuation issued under the *Business Corporations Act* (British Columbia) on September 29, 2006. The Company is listed on the TSX Venture Exchange, having the symbol OPW-V, as a Tier 2 mining issuer. The address of the Company's corporate office and principal place of business is 300 - 555 West Georgia Street, Vancouver, British Columbia, Canada.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements for the three month period ended November 30, 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the Company's 2016 annual financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The condensed interim financial statements have been prepared using accounting policies consistent with those used in the Company's 2016 annual financial statements except for new standards, interpretations and amendments mandatorily effective for the first time from January 1, 2016. Note 2b) sets out the impact of new standards, interpretations and amendments that have had a material effect on the financial statements.

The condensed interim financial statements were authorized for issue by the Board of Directors on January 30, 2017.

The preparation of condensed interim financial statements in compliance with IAS 34 requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

a) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of $43,157 during the three months ended November 30, 2016, has accumulated losses of $34,653,532 since inception and expects to incur further losses in the development of its business, all of which forms a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise financing and generate future profitable operations. As the Company is in the exploration stage, the recoverability of costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b) New Accounting Standards, Interpretations and Amendments to Existing Standards

The following new accounting standard is effective September 1, 2016:

IAS 1 – Presentation of Financial Statements

In December 2014, amendments to IAS 1 were issued to address perceived impediments to preparers exercising their judgement in presenting their financial statements. The amendments clarify the definition of materiality, the presentation of items on the statement of financial position and statement of profit or loss and other comprehensive income, and ordering of notes in the financial statements.

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended August 31, 2017, and have not been applied in preparing these financial statements.

The following new standards, amendments and interpretations that have not been early adopted in these financial statements, are not expected to have a material effect on the Company's future results and financial position:

New accounting standards effective September 1, 2017:

IAS 7 – Statement of Cash Flows

The objective of the amendments to IAS 7 is to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes. The amendments to IAS 7 respond to investors' requests for information that helps them better understand changes in an entity's debt, which is important to their analysis of financial statements.

New accounting standards effective September 1, 2018:

IFRS 9 – Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedging requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued and replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 – Revenue – Barter Transactions Involving Advertising Services.

IFRS 15 establishes a single five–step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

New accounting standards effective September 1, 2019:

IFRS 2 – Shared-Based Payments

In June 2016 the Board issued the final amendments to IFRS 2 which amended (a) the effects that vesting conditions have on the measurement of a cash-settled share-based payment; (b) the accounting for modification to the terms of a share-based payment that changes the classification of the transaction from cash-settled to equity settled; and (c) classification of share-based payment transactions with net settlement features.

IFRS 16 – Leases

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

There has been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's 2016 annual financial statements.

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

	TKL Teck $	Bro $	Arrowhead $	Bazooka $	McWatters $	Bazooka West $	Total $
Balance, August 31, 2015	52,561	113,361	-	-	-	-	165,922
Exploration Costs:							
Drilling	-	-	-	3,006	-	-	3,006
Geophysical Survey	-	-	35,000	-	-	-	35,000
Geological Survey	-	-	1,706	-	-	-	1,706
Property Examination	-	-	357	4,607	1,072	-	6,036
Technical Assessment	-	-	4,000	24,254	10,559	-	38,813
Subtotal	-	-	41,063	31,867	11,631	-	84,561
Acquisition Costs	247	420	51,170	381,448	32,563	92,500	558,348
Write off of unsuccessful exploration expenditure	-	(113,780)	-	-	-	-	(113,780)
Balance, August 31, 2016	52,808	1	92,233	413,315	44,194	92,500	695,051
Exploration Costs:							
Drilling	-	-	-	10,643	-	-	10,643
Property Examination	-	-	-	262	-	-	262
Technical Assessment	625	-	-	15,046	2,729	-	18,400
Subtotal	625	-	-	25,951	2,729	-	29,305
Acquisition Costs	-	-	-	844	-	-	844
Balance, November 30, 2016	53,433	1	92,233	440,110	46,923	92,500	725,200

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) TKL Teck Property (Kirkland Lake, Ontario)

Pursuant to an agreement dated October 17, 2012, the Company acquired an option to purchase a 100% interest in four patented mineral claims located near Kirkland Lake in northeastern Ontario, collectively known as the TKL Teck Property. The Company exercised the option by completing $50,000 in work expenditures on the property and title to the claims was transferred to the Company on April 21, 2015. The claims are subject to a 2% NSR and 2% Gross Overriding Receipts royalty in favor of the vendor, one-half of which can be purchased by the Company for $1,000,000 cash at any time. The Company shall have the right of first refusal to purchase the remaining one half (1%) royalty.

b) Bro Property (South Eastern Yukon Territory)

Pursuant to an agreement dated October 28, 2009, the Company acquired a 100% interest in four mineral claims known as the Bro Property located about 120 road kilometres southeast of Faro, Yukon Territory, Canada, for consideration of the issuance of 41,666 post-consolidation common shares of the Company (issued November 5, 2009). The property is subject to a 2% net smelter royalty, of which the Company may purchase one-half at any time for $1,000,000. A finder's fee of 3,125 common shares was paid in connection with the acquisition.

The Company does not plan any further exploration on the property, and accordingly $113,780 in exploration and acquisition costs were written off as an impairment loss during the year ended August 31, 2016.

c) Arrowhead, Bazooka and McWatters Properties (Joannes and Rouyn-Noranda, Quebec)

Pursuant to an agreement dated February 25, 2016, the Company acquired a 100% interest in the Arrowhead, Bazooka and McWatters claims located in northern Quebec, Canada, for consideration of the issuance of 3,870,000 common shares of the Company (issued June 27, 2016). The shares were subject to a hold period expiring October 28, 2016. The Arrowhead property is subject to a 2% net smelter royalty, of which the Company may purchase one half at any time for $1,000,000. The Bazooka property is subject to a 2% net smelter royalty, of which the Company may purchase one-half at any time for $1,000,000. The McWatters property is subject to a 1% net smelter royalty, which the Company may purchase at any time for $250,000.

d) Bazooka West Property (Beauchastel, Quebec)

Pursuant to an agreement dated July 27, 2016, the Company acquired an option to purchase a 100% interest in 24 mineral claims located in Beauchastel Township, Quebec, collectively known as the Bazooka West property. The initial consideration paid was $30,000 and the issuance of 500,000 common shares of the Company upon TSX Venture Exchange acceptance of the transaction that was received on August 25, 2016. The Company has the option to acquire 100% interest in the property by paying an additional $30,000 and issuing 500,000 common shares of the Company by January 31, 2017 or upon the issuance of a permit to drill, whichever occurs first. The Bazooka West property is subject to a 3% gross metal royalty, of which the Company may purchase 1% at any time before August 25, 2021 for $1,000,000.

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Office Furniture and Equipment $	Computer Equipment $	Computer Software $	Total $
Cost				
Balance at August 31, 2015	3,822	2,244	407	6,473
Additions	80	685	-	765
Disposals	(858)	-	(407)	(1265)
Balance at August 31, 2016	3,044	2,929	-	5,973
Additions	-	-	-	-
Disposals	-	-	-	-
Balance at November 30, 2016	3,044	2,929	-	5,973
Depreciation				
Balance at August 31, 2015	1,583	901	377	2,861
Depreciation for the year	426	411	7	844
Disposals	(414)	(1)	(384)	(799)
Balance at August 31, 2016	1,595	1,311	-	2,906
Depreciation for the period	72	125	-	197
Disposals	-	-	-	-
Balance at November 30, 2016	1,667	1,436	-	3,103
Carrying amounts				
At August 31, 2016	1,449	1,618	-	3,067
At November 30, 2016	1,377	1,493	-	2,870

During the year ended August 31, 2016, the Company disposed of obsolete office furniture and computer software with a net book value of $466 and recognized a loss of $466.

6. SHARE CAPITAL

a) Common Shares

The Company is authorized to issue an unlimited number of common shares.

The holders of common shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

On March 18, 2016, the Company consolidated its issued and outstanding common shares on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common shares then issued and outstanding (the "Share Consolidation").

As a result of the Share Consolidation, the number of shares, warrants and options presented in these financial statements and the calculated weighted average number of common shares issued and outstanding for the purpose of earnings per share calculation are based on the post-consolidation shares for all years presented.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

The following is a summary of share issuances during the period ended November 30, 2016 and year ended August 31, 2016:

i) On June 27, 2016, the Company raised gross proceeds of $600,000 by way of a non-brokered private placement. The Company raised $550,000 through the sale of 550 mixed flow-through and non flow-through units priced at $1,000 (the "FT/NFT Units") and $50,000 through the sale of 1,000,000 non flow-through units priced at $0.05 (the "NFT Units"). Each FT/NFT Unit consists of 11,667 flow-through common shares, 8,333 non flow-through common shares, and 20,000 share purchase warrants exercisable at a price of $0.06 for a term of five years. Each NFT Unit consists of one common share and one share purchase warrant exercisable at a price of $0.06 for a term of five years. All securities issued are subject to a hold period expiring October 28, 2016. In relation to the June 27, 2016 flow-through financing, the Company is required to incur $320,842 in Canadian exploration expenditures by December 31, 2017 under the look back rule. As at November 30, 2016, the Company incurred $159,245 in qualifying exploration expenditures and had a remaining commitment to spend $161,597.

ii) On June 27, 2016, the Company issued 3,870,000 common shares pursuant to the Arrowhead, Bazooka and McWatters property acquisition described in Note 4(c).

iii) On August 25, 2016, the Company issued 500,000 common shares pursuant to the Bazooka West property acquisition described in Note 4(d).

The following is a summary of changes in common share capital from August 31, 2015 to November 30, 2016:

	Number of Shares	Amount $
Balance at August 31, 2015	5,665,498	32,680,431
Shares issued via private placement	12,000,000	600,000
Issued for Arrowhead, Bazooka and McWatters property acquisition	3,870,000	464,400
Issued for Bazooka West property acquisition	500,000	62,500
Less share issue costs	-	(17,545)
Balance at November 30, 2016 and August 31, 2016	22,035,498	33,789,786

b) Preferred Shares

The Company is authorized to issue an unlimited number of preference shares. No preference shares have been issued since the Company's inception.

c) Contributed Surplus

	November 30, 2016 $	August 31, 2016 $
Warrants	205,980	205,980
Share Options	1,570,880	1,570,880
Contributed Surplus	1,776,860	1,776,860

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

d) Share Purchase Warrants

The following is a summary of changes in warrants from August 31, 2015 to November 30, 2016:

	Number of Warrants	**Weighted Average Exercise Price**
Balance at August 31, 2015	1,000,000	$0.24
Issue of warrants	12,000,000	$0.06
Exercise of warrants	-	-
Expiry of warrants	(500,000)	$0.24
Balance at November 30, 2016 and August 31, 2016	12,500,000	$0.07

As at November 30, 2016 and August 31, 2016, the Company had outstanding and exercisable warrants as follows:

Number of Warrants Outstanding and Exercisable			
November 30, 2016	August 31, 2016	Exercise Price per Share	Expiry Date
500,000	500,000	$0.24	December 27, 2018
12,000,000	12,000,000	$0.06	June 27, 2021
12,500,000	12,500,000		

7. SHARE-BASED PAYMENTS

a) Stock Options

On April 6, 2010, the Company's Board of Directors approved the Company's Share Option Plan (the "Plan"), which incorporates the TSX Venture option plan policies effective December 15, 2008. The Plan is a 10% rolling plan, meaning the aggregate number of Common Shares issuable as options under the Plan may be up to 10% of the Company's issued and outstanding Common Shares at the date options are granted, less Common Shares reserved for issuance on exercise of options then outstanding under the Plan. The Plan is administered by the Board and options are granted at the discretion of the Board to eligible optionees. The Plan was approved by the Company's shareholders on April 30, 2010, and became effective as of that date. All outstanding options are rolled into and deemed granted under the Plan. Options granted under the plan are subject to vesting terms determined by the Board of Directors of the Company.

A summary of the Company's stock options at November 30, 2016 and August 31, 2016 and the changes for the years then ended on those dates is presented below:

	November 30, 2016		**August 31, 2016**	
	Options Outstanding	Weighted Average Exercise Price	Options Outstanding	Weighted Average Exercise Price
Opening balance	2,153,000	$0.11	-	-
Granted	-	-	2,153,000	$0.11
Forfeited/cancelled	-	-	-	-
Ending balance	2,153,000	$0.11	2,153,000	$0.11

(Expressed in Canadian Dollars)

7. SHARE-BASED PAYMENTS (continued)

In May 2016, the Company granted 560,000 stock options with an exercise price of $0.07 per share expiring May 2, 2018 to directors, employees and consultants. All options vested immediately.

In July 2016, the Company granted 1,593,000 stock options with an exercise price of $0.12 per share expiring July 15, 2018 to directors and employees. All options vested immediately.

Details of stock options outstanding and exercisable as at November 30, 2016 and August 31, 2016 are as follow:

Expiry Date	Exercise Price	November 30, 2016	August 31, 2016
May 2, 2018	$0.07	560,000	560,000
July 15, 2018	$0.12	1,593,000	1,593,000
		2,153,000	2,153,000

The weighted average remaining contractual life of stock options outstanding at November 30, 2016 was 1.57 years.

b) Fair Value of Options Issued During the Year

The weighted average fair value at grant date of options granted during the year ended August 31, 2016 was $0.098 per option. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	November 30, 2016	August 31, 2016
Expected stock price volatility	-	215% - 248%
Risk-free interest rate	-	0.51% - 0.67%
Dividend yield	-	-
Expected life of options	-	2 years
Fair value price on date of grant	-	$0.07 - $0.12
Forfeiture rate	-	-

8. NATURE OF INCOME AND EXPENSES

	2016 $	2015 $
Other items include:		
Interest income	329	-
	329	-
Employee costs include:		
Consulting fees	2,900	-
Management fees	6,493	-
Salaries and benefits	10,018	3,184
	19,411	3,184
General and administrative expenses include:		
Accounting and legal fees	784	(433)
Business development	2,751	-
Filing fees	1,300	1,300
Insurance	-	38
Investor communications	3,968	652
Office expenses	5,969	2,731
Rent	900	900
Travel and automobile	8,206	1,246
	23,878	6,434

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions during the period:

a) Share Issuance

Pursuant to the Arrowhead, Bazooka and McWatters property acquisition described in Note 4(c), 1,000,000 of the consideration common shares were issued to RT Minerals Corp., a company with directors in common to the Company.

b) Office Expenses

Office expenses of $1,799 (2015 – $1,126) were recovered from a company with common directors that is co-tenant to the Company's office premises lease. At November 30, 2016, $1,889 (2015 – $1,313) was included in amounts and other receivable from this company. These transactions were in the normal course of operations and have been recorded at their exchange amounts.

c) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include directors, the chief executive officer and chief financial officer. Key management personnel compensation is comprised of the following:

	2016 **$**	**2015** **$**
Short term employee benefits and director fees	27,290	3,000
Share-based payments	-	-
	27,290	3,000

During the three months ended November 30, 2016, the Company paid $9,000 (2015 - $3,000) in salary to the Chief Financial Officer which is included in employee costs on the statement of comprehensive loss (Note 8).

During the three months ended November 30, 2016, the Company paid $18,290 (2015 - $nil) in consulting and project management fees to directors and officers of the Company as well as companies with common directors.

As at November 30, 2016, the Company has $12,271 (August 31, 2016 - $13,121) due to related parties which consists of amounts owed to directors and officers of the Company as well as companies with common directors for salaries, fees and expense reimbursements, which is due on demand, unsecured and is non-interest bearing.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair values

The Company's financial instruments includes cash and cash equivalents, term deposits, amounts and other receivable, trade and other payables and amounts due to related parties. The fair value of these financial instruments approximates their carrying values due to the relative short-term maturity of these instruments.

The following table summarizes information regarding the carrying and fair values of the Company's financial instruments:

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

	November 30, 2016		August 31, 2015	
	Fair Value $	Carrying Value $	Fair Value $	Carrying Value $
FVTPL assets (i)	171,661	171,661	282,778	282,778
Loans and receivables (ii)	2,320	2,320	1,602	1,602

(i) Cash and cash equivalents, term deposits
(ii) Amounts and other receivable

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

As at November 30, 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Cash	661	-	-	661
Term deposits	171,000	-	-	171,000

The Company believes the recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates.

Credit risk

Credit risk is the risk of an unexpected loss associated with a counterparty's inability to fulfill its contractual obligations. Management evaluates credit risk on an ongoing basis and monitors activities related to amounts and other receivable including the amounts of counterparty concentrations. The primary sources of credit risk for the Company arise from its financial assets consisting of cash and cash equivalents. The carrying value of these financial assets represents the Company's maximum exposure to credit risk. To minimize credit risk the Company only holds its cash and cash equivalents with high credit chartered Canadian financial institutions. As at November 30, 2016, the Company has no financial assets that are past due or impaired due to credit risk defaults.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities consist of its trade and other payable and amounts due to related parties. The Company handles its liquidity risk through the management of its capital structure as described in Note 11. All of the Company's financial liabilities are due on demand, do not generally bear interest and are subject to normal trade terms.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The following are the contractual maturities of financial liabilities as at November 30, 2016:

	Carrying Amount $	Contractual Cash Flows $	Within 1 year $	Within 2 years $	Within 3 years $	Over 3 years $
Trade and other payables	10,215	10,215	10,215	-	-	-
Due to related parties	12,271	12,271	12,271	-	-	-
Total	22,486	22,486	22,486	-	-	-

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading, available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, loans or receivables and other financial liabilities. The Company is not exposed to significant interest rate risk as the Company has no interest bearing debt. The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in gold and metal prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign currency exchange rates. The Company's functional currency is the Canadian dollar. All of the Company's financial instruments are denominated in Canadian dollars and all current exploration occurs within Canada. In management's opinion there is no significant foreign exchange risk to the Company.

11. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can support continued development of its exploration and evaluation assets, pursue the acquisition and exploration of other mineral interests, and to maintain a flexible capital structure for its projects for the benefit of its shareholders and other stakeholders. The Company is not exposed to externally imposed capital requirements.

The Company consider items included in shareholders' equity to be capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities, option its properties for cash from optionees, enter into joint venture arrangements, return capital to its shareholders or adjust the amount of cash and cash equivalents.

12. SUBSEQUENT EVENTS

a) Bazooka West Property Option Agreement

On January 26, 2017, the Company signed an agreement (the "Extension Agreement") to extend the final and optional payment due to acquire the Bazooka West property as described in Note 4(d), from January 31, 2017 to April 30, 2017. As consideration for the extension, the Company is to pay the Optionor $5,000 and issue 250,000 common shares of the Company upon receipt of TSX Venture Exchange acceptance of the Extension Agreement.

b) Warrant Exercises

In December 2016, 50,000 share purchase warrants priced at $0.06 per share were exercised for gross proceeds of $3,000.

In January 2017, 300,000 share purchase warrants priced at $0.06 per share were exercised for gross proceeds of $18,000.