CANADIANOREBODIES

Financial Statements

January 31, 2018 and 2017

(expressed in Canadian dollars)

Independent Auditors' Report

To the Shareholders of Canadian Orebodies Inc.:

We have audited the accompanying financial statements of Canadian Orebodies Inc., which comprise the statements of financial position as at January 31, 2018 and 2017, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Orebodies Inc. as at January 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

May 29, 2018 — Licensed Public Accountants

Canadian Orebodies Inc.
Statements of Financial Position
As at January 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
Assets		
Current assets		
Cash and cash equivalents *(note 5)*	$ 2,414,885	$ 4,939,989
Short term investments *(note 6)*	-	500,000
Marketable securities *(note 6)*	-	71,405
Accounts receivable	24,302	40,585
Prepaid expenses	4,523	35,956
Exploration advances	61,545	42,800
Total Assets	$ 2,505,255	$ 5,630,735
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(note 13)*	$ 55,859	$ 94,516
Shareholders' Equity		
Share capital *(note 8)*	27,405,524	26,677,763
Contributed surplus *(note 9)*	5,695,250	5,144,925
Warrants *(note 10)*	674,894	648,701
Accumulated other comprehensive income (loss)	-	6,400
Accumulated deficit	(31,326,272)	(26,941,570)
	2,449,396	5,536,219
Total Equity and Liabilities	$ 2,505,255	$ 5,630,735

Subsequent events *(note 15)*

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

Signed: *"Gordon McKinnon"*
Director

Signed: *"Michael Leskovec"*
Director

Canadian Orebodies Inc.
Statements of Operations and Comprehensive Loss
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
Expenses		
Exploration expenditures *(note 7)*	**$ 3,351,309**	**$ 695,995**
Share based compensation *(note 9 and 13)*	**550,325**	**246,715**
Management and administrative services *(note 13)*	**368,194**	**364,747**
Shareholder information	**203,165**	**80,506**
Office and administration	**84,127**	**70,100**
Professional and consulting fees	**68,669**	**139,949**
Travel	**6,389**	**1,185**
Interest income	**(37,798)**	**(19,569)**
Gain on sale of marketable securities *(note 6)*	**(59,678)**	**(2,000)**
Recovery on sale of mineral properties *(note 7)*	**(150,000)**	**(503,005)**
Net loss for the year	**(4,384,702)**	**(1,074,623)**
Other comprehensive loss		
Items that will subsequently be reclassified to profit or loss:		
Unrealized gain (loss) on available-for-sale marketable securities arising during the year	**-**	**6,400**
Items reclassified to profit or loss:		
Realized (gain)	**(6,400)**	**-**
	(6,400)	**6,400**
Total comprehensive loss for the year	**$ (4,391,102)**	**$ (1,068,223)**
Basic and diluted net loss per share *(note 11)*	**$ (0.09)**	**$ (0.03)**

The accompanying notes are an integral part of the financial statements.

Canadian Orebodies Inc.
Statements of Cash Flows
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	2018	2017
Operating Activities		
Net loss	$ (4,384,702)	$ (1,074,623)
Items not affecting cash and cash equivalents from operating activities:		
Interest income	(37,798)	(19,569)
Share based compensation	550,325	246,715
Gain on sale of marketable securities	(59,678)	(2,000)
Shares and warrants issued for mineral properties	721,525	60,000
Marketable securities received from sale of mineral property	-	(61,005)
Changes in non-cash working capital items		
Accounts receivable	16,283	(35,366)
Prepaids and deposits	31,433	(31,162)
Exploration advances	(18,745)	(42,800)
Accounts payable and accrued liabilities	(38,657)	69,707
	(3,220,014)	(890,103)
Financing Activities		
Issue of common shares	-	5,757,480
Share issue costs	-	(153,832)
Exercise of warrants	32,429	-
	32,429	5,603,648
Investing Activities		
Sale of marketable securities	124,683	4,000
Sale (purchase) of short term investments	500,000	(500,000)
Interest income	37,798	19,569
	662,481	(476,431)
Net change in cash and cash equivalents	(2,525,104)	4,237,114
Cash and cash equivalents, beginning of year	4,939,989	702,875
Cash and cash equivalents, end of year	$ 2,414,885	$ 4,939,989
Supplementary cash flow information		
Shares and warrants issued for mineral properties	$ 721,525	$ 60,000

The accompanying notes are an integral part of the financial statements.

Canadian Orebodies Inc.
Statements of Changes in Equity
For the years ended January 31, 2018 and 2017
(Expressed in Canadian dollars)

	Share Capital			Reserves			
	Number of shares	Amount	Contributed surplus	Warrants	Accumulated other comprehensive (loss) income	Accumulated Deficit	Total
Balance, January 31, 2016	**21,240,531**	**$ 21,662,816**	**$ 4,898,210**	**$ -**	**$ -**	**$(25,866,947)**	**$ 694,079**
Private placements *(note 8)*	23,989,500	5,176,933	-	-	-	-	5,176,933
Value of private placements attributed to warrants	-	-	-	580,546	-	-	580,546
Cost of issue of private placements	-	(221,986)	-	68,155	-	-	(153,831)
Issued for mineral properties *(note 7)*	328,125	60,000	-	-	-	-	60,000
Share-based compensation *(note 9)*	-	-	246,715	-	-	-	246,715
Comprehensive loss for the year	-	-	-	-	6,400	(1,074,623)	(1,068,223)
Balance, January 31, 2017	**45,558,156**	**$ 26,677,763**	**$ 5,144,925**	**$ 648,701**	**$ 6,400**	**$(26,941,570)**	**$ 5,536,219**
Issued for mineral properties *(note 7)*	1,450,000	681,500	-	40,025	-	-	721,525
Exercise of warrants *(note 8)*	135,120	32,429	-	-	-	-	32,429
Fair value of warrants exercised	-	13,832	-	(13,832)	-	-	-
Share-based compensation *(note 9)*	-	-	550,325	-	-	-	550,325
Comprehensive loss for the year	-	-	-	-	(6,400)	(4,384,702)	(4,391,102)
Balance, January 31, 2018	**47,143,276**	**$ 27,405,524**	**$ 5,695,250**	**$ 674,894**	**$ -**	**$(31,326,272)**	**$ 2,449,396**

The accompanying notes are an integral part of the financial statements.

1. Nature of Operations

Canadian Orebodies Inc. (the "Company") was incorporated pursuant to the provision of the Business Corporations Act (of Alberta) on January 28, 2008 ("Inception Date"). On July 21, 2008, the Company was authorized to continue its operations from the jurisdiction of Alberta to Ontario. Its principal business activity is the exploration of mineral properties. The address of the Company's registered office is 141 Adelaide Street West, Suite 301, Toronto, Ontario M5H 3L5. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of the cumulative expenditures on mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of such properties.

2. Basis of Presentation and Statement of Compliance

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

These financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business, and on a historical cost basis except for the revaluation of certain financial instruments. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. The financial statements were approved by the Board of Directors on May 29, 2018.

3. Significant Accounting Policies

(a) Future changes in accounting standards not yet adopted

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company intends to adopt those standards when they become effective.

IFRS 9 - Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was issued in its final form by the IASB in July 2014 and will replace *IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39")*. IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company has reviewed the standard in detail and determined that the impact on the Company's financial statements will not be material.

3. Significant Accounting Policies - continued

IFRS 16 - Leases

In January 2016, the IASB issued IFRS 16 Leases, which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019.

(b) Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Loans and receivables - These assets are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held to maturity investments - These assets are non derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Available for sale - These assets are non derivative financial assets not included in the above categories. They are carried at fair value with changes in fair value recognized in other comprehensive income. Where a decline in the fair value of an available for sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in profit or loss.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at the end of each reporting period. Financial assets are impaired when there is any objective evidence that the future cash flows associated with a financial asset or a group of financial assets have been negatively impacted. Different criteria to determine impairment are applied for each category of financial assets described above.

3. Significant Accounting Policies - continued

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the corresponding asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of being sold or repurchased in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of operations and comprehensive loss.

Other financial liabilities - This category includes all other financial liabilities, all of which are recognized at amortized cost.

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Cash and cash equivalents	Fair value through profit and loss
Short term investments	Fair value through profit and loss
Accounts receivable	Loans and receivables
Marketable securities - equity securities	Available for sale
Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities

Fair value hierarchy

The Company classifies its financial instruments according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

The Company's cash and cash equivalents, short term investments and equity securities held as marketable securities are classified within level 1 of the fair value hierarchy.

3. Significant Accounting Policies - continued

(c) Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

(d) Income taxes

Income tax on the profit or loss for the periods presented consists of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized either in profit or loss and comprehensive income or loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent their future recovery is probable. At the end of each reporting period, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

(e) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

3. Significant Accounting Policies - continued

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(f) Share issue costs

Costs incurred for the issue of common shares and warrants are deducted from share capital and warrants respectively.

(g) Share-based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized on a graded vesting basis over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(h) Asset retirement obligation

The operations of the Company are subject to regulations governing the environment, including future site restoration costs for mineral properties. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these financial statements.

(i) Earnings (loss) per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti dilutive.

(Expressed in Canadian dollars)

4. Critical Accounting Estimates and Significant Judgements

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

The preparation of these financial statements required the following critical accounting estimates and significant judgments:

(i) the calculation of the fair value of warrants and stock options requires the use of estimates of inputs in the Black-Scholes option pricing model (notes 9 and 10).

5. Cash and Cash Equivalents

Cash and cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days. The breakdown of cash and cash equivalents was:

	January 31, 2018	January 31, 2017
Cash	$ 198,563	$ 75,515
Money market instruments	2,216,322	4,864,474
	$ 2,414,885	**$ 4,939,989**

6. Short Term Investments and Marketable Securities

Short term investments include investment grade guaranteed investment certificates ("GIC") which mature in less than one year, but greater than three months. As at January 31, 2018, the Company held GICs issued by a Canadian Chartered bank in the amount of nil (January 31, 2017 - $ 500,000).

During the year ended January 31, 2018, the Company sold the remainder of its equity securities for gross proceeds of $124,683 and a realized gain of $ 59,678. The following is a summary of the Company's marketable securities:

	January 31, 2018	January 31, 2017
Equity securities	$ -	$ 71,405

(Expressed in Canadian dollars)

7. Mineral Properties and Exploration Expenditures

The total cumulative expenditures, net of recoveries, on each active property in the Company's mineral property portfolio are as follows:

	Hemlo North Limb	Wire Lake	Belcher Islands Iron	Other Properties	Total
January 31, 2016	**$ -**	**$ -**	**$ 14,197,416**	**$ 2,022,708**	**$ 16,220,124**
Expenditures	487,050	187,952	3,678	17,315	695,995
Recoveries	-	-	-	(503,005)	(503,005)
Disposals *	-	-	-	(654,984)	(654,984)
January 31, 2017	**$ 487,050**	**$ 187,952**	**$ 14,201,094**	**$ 882,034**	**$ 15,758,130**
Expenditures	442,552	2,905,009	3,748	-	3,351,309
Recoveries	-	-	-	(150,000)	(150,000)
Disposals *	-	-	-	(731,534)	(731,534)
January 31, 2018	**$ 929,602**	**$ 3,092,961**	**$ 14,204,842**	**$ 500**	**$ 18,227,905**

** Disposal indicates the Company no longer holds an interest in the respective property, excluding royalty interests, and as such the cumulative expenditure has been eliminated.*

Hemlo North Limb Project

On May 24, 2016, the Company purchased a 100% interest in 135 claim units comprising 2,160 hectares approximately 40 kilometers northeast of Marathon, Ontario. As consideration, the Company paid a total of $25,000 in cash and issued 125,000 common shares valued at $25,000. In addition, the vendors retain a 1% Net Smelter Return ("NSR") royalty on the purchased claims.

In addition to the purchased claims, the Company staked 303 claim units totaling 4,848 hectares.

Wire Lake Project

Wire Lake Property

On October 7, 2016, the Company entered into an option agreement with All-Terrain Track Sales & Services Ltd. ("ATTSS") to acquire a 100% interest in 251 claim units comprising 4,047 hectares approximately 15 kilometers northeast of Marathon, Ontario. On signing, the Company paid $40,000 in cash and issued 78,125 common shares valued at $25,000. The option agreement calls for the Company to make additional cash payments to ATTSS totaling $550,000 over the following five anniversary dates of the option agreement as detailed below:

(i) 2017 - $100,000; (paid)
(ii) 2018 - $100,000;
(iii) 2019 - $100,000;
(iv) 2020 - $150,000; and
(v) 2021 - $100,000.

7. Mineral Properties and Exploration Expenditures - continued

Wire Lake Property (continued)

ATTSS may elect to receive payment in common shares of the Company in lieu of cash at their discretion. Upon completion of the option agreement, the Company will grant ATTSS a 2% NSR royalty, one-half of which may be bought back for a lump sum payment of $1,000,000.

In addition to the optioned claims, the Company staked 455 claim units totaling 7,280 hectares.

Black Raven Property

On April 23, 2017, the Company entered into an acquisition agreement (the "Acquisition Agreement") with StrikePoint Gold Inc. ("StrikePoint") to acquire a 100% interest in 415 claim units (the "Black Raven Property") totaling 6,640 hectares located adjacent to the Company's Wire Lake Property. Pursuant to the Acquisition Agreement, the Company paid $15,000 cash on signing, and issued 1,250,000 common shares valued at $587,500. Additionally, the Company issued 250,000 share purchase warrants, valued at $40,025, entitling StrikePoint to acquire up to 250,000 common shares at a price of $0.63 per share for a period of 12 months.

In conjunction with the Acquisition Agreement, on April 23, 2017 the Company executed a termination and assumption agreement (the "Termination and Assumption Agreement") with the underlying optionors of the Black Raven Property in order to terminate the underlying option agreement, discharge a future milestone payment and assume the underlying royalty obligations. The Termination and Assumption Agreement called for the Company to issue 200,000 common shares on signing to the Optionors, valued at $94,000, and assume a 2.5% NSR royalty. The royalty agreement provides that 1.5% of the NSR royalty may be bought back by the Company at any time upon payment of $1,500,000, or in increments of 0.5% NSR royalty for $500,000 each.

In addition to the acquired claims, the Company staked 105 claim units totaling 1,680 hectares.

Belcher Islands Iron Project

On February 14, 2011 the Company entered into a non-arm's length Purchase Agreement (the "Agreement") to acquire up to a 100% legal and beneficial interest in the Inuit Owned Lands Mineral Exploration Agreement (the "NTI Agreement") with Nunavut Tunngavik Incorporated ("NTI") which covers the Haig Inlet Iron Project with an area of approximately 1,226 hectares, located on the Belcher Islands, Nunavut, Canada (the "Property"). The Company now holds a 100% interest in the NTI Agreement and the vendors retain a 3% gross overriding royalty, of which one-third can be purchased by the Company for a maximum of $3,000,000. In addition to the lands acquired under the Agreement, the Company staked 29 claims covering 21,816 hectares of Municipal Land.

7. Mineral Properties and Exploration Expenditures - continued

Lithium & Rare Metals

Falcon Lake & Zig Zag Properties

On November 20, 2009, the Company entered into an option agreement to acquire a 100% interest in various mining claims known as the Falcon Lake and Barbara Lake Properties. On March 3, 2010, the Company signed a property acquisition agreement with Ultra Lithium Inc. ("Ultra") and the underlying property owners (the "Owners") to acquire an 80% interest in the Zig Zag Property located approximately 60 kilometers northeast of Armstrong, Ontario. On October 15, 2013, the Company acquired Ultra's remaining 20% interest in the Zig Zag Property.

On March 4, 2016, and as amended on December 6, 2016, the Company signed an option agreement (the "Crescent Lake Option") to sell its 100% interest in the Zig Zag and Falcon Lake properties to Sunrise International Resources Ltd., a subsidiary of Argnonaut Resources NL, for payments totaling approximately $490,000 as follows:

- (i) $20,000 cash on signing (received);
- (ii) $50,000 cash on exercise of the option (received);
- (iii) $150,000 cash on or before July 8, 2016 (received);
- (iv) $50,000 cash on or before December 8, 2016 (received);
- (v) AUD$70,000 in Argonaut Resources NL shares within 15 business days of December 6, 2016 (received); and
- (vi) $150,000 cash on or before February 28, 2017 (received).

The Company can also receive the following milestone payments, subject to certain conditions:

- (i) $400,000 in cash or shares payable on the announcement of a maiden resource estimate; and
- (ii) $1,000,000 in cash or shares payable on a decision to mine.

Royalty Interests

Greenbush Property

The Company has a 2% NSR royalty on the Greenbush property, which consists of 47 claim units covering 752 hectares in Greenbush Lake Township and is 100% owned by Sunrise Canada Inc., a subsidiary of Argonaut Resources NL.

Hawkins Property

The Company has a 0.5% NSR royalty on the Hawkins property, which consists of 96 claim units covering 1,536 hectares located in the Hawkins and Walls Townships, approximately 200 kilometers east of Timmins. The Hawkins property is 100% owned by Pavey Ark Minerals Inc., and currently under option to Sunvest Minerals Corp.

8. Share Capital

Authorized share capital

On March 3, 2016, the Company issued 125,000 common shares valued at $10,000 as part of the Zig Zag property agreement (note 7).

On May 24, 2016, the Company issued 125,000 common shares valued at $25,000 to purchase 135 claim units forming part of the Hemlo North Limb Project (note 7).

On August 12, 2016, the Company closed a first tranche of a non-brokered private placement, raising gross proceeds of $2,405,200 through the sale of 10,021,667 units (each, a "Unit") of the Company at a price of $0.24 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant of the Company (each such whole common share purchase warrant, a "Warrant"). Each Warrant will be exercisable into one common share for a period of 18 months from closing at an exercise price of $0.56 per share. On August 18, 2016, the Company closed the final tranche of the private placement, raising gross proceeds of $3,352,280 through the sale of 13,967,833 Units at a price of $0.24 per Unit. In connection with the private placement, the Company paid finders' fees of $149,789 and issued a total of 615,120 broker warrants exercisable at $0.24 per common share for a period of 18 months.

On October 7, 2016, the Company issued 78,125 common shares valued at $25,000 as part of the Wire Lake option agreement (note 7).

On December 23, 2016, the Company completed a share consolidation on the basis of one postconsolidation common share for every four pre-consolidation common shares (the "Share Consolidation"). The exercise price of outstanding share options and warrants, and the number of such options and warrants, were also proportionately adjusted based upon the Share Consolidation. All historical information presented in the financial statements has been adjusted to reflect the Share Consolidation.

On April 23, 2017, the Company issued 1,450,000 common shares valued at $681,500 pursuant to the Black Raven Property acquisition (note 7).

At January 31, 2018, the authorized share capital consisted of an unlimited number of common shares and the issued share capital amounted to 47,143,276 common shares for $27,405,524. The common shares do not have a par value. All issued shares are fully paid.

Exercise of Warrants

During the year ended January 31, 2018, a total of 135,120 share purchase warrants (2017 - nil) with an exercise price of $0.24 were exercised for gross proceeds of $32,429. The fair value attributed to these warrants was $13,832.

(Expressed in Canadian dollars)

9. Share Options

The Company has a Share Option Plan (the "Plan") under which it is authorized to grant options to purchase common shares of the Company to directors, senior officers, employees and/or consultants of the Company. The aggregate number of shares of the Company which may be issued and sold under the Plan will not exceed 10% of the total number of common shares issued and outstanding from time to time. Share options are granted with a maximum term of five years with vesting requirements at the discretion of the Board of Directors.

The Company records a charge to the statements of operations and comprehensive loss using the Black-Scholes fair valuation option pricing model with respect to a share option grant. The valuation is dependent on a number of estimates, including the risk free interest rate, the level of share volatility, together with an estimate of the level of forfeiture. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable measure of the fair value of the Company's share purchase options.

The following table reflects the continuity of share options for the years ended January 31, 2018 and 2017:

	Options	**Weighted avg. exercise price**
Balance, January 31, 2016	-	$ -
Granted	1,662,500	0.20
Balance, January 31, 2017	1,662,500	$ 0.20
Granted	2,510,000	0.27
Balance, January 31, 2018	**4,172,500**	**$ 0.24**

On February 3, 2017, the Company granted 2,310,000 share options to Directors, Officers and consultants of the Company, vesting immediately, and exercisable at $0.25 per share for a period of five years from the date of issuance. The value ascribed to the 2,310,000 share options granted was estimated at $474,705 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: stock price - $0.24; expected dividend yield - 0%; weighted expected volatility - 130%; risk-free interest rate - 1.11% and an expected life of 5 years.

On April 11, 2017, the Company granted 200,000 share options to consultants of the Company, vesting immediately, and exercisable at $0.47 per share for a period of five years from the date of issuance. The value ascribed to the 200,000 share options granted was estimated at $75,620 using the Black-Scholes model for option pricing. The assumptions used to determine the value were: stock price - $0.47; expected dividend yield - 0%; weighted expected volatility - 117%; risk-free interest rate - 1.12% and an expected life of 5 years.

(Expressed in Canadian dollars)

9. Share Options - continued

The following table reflects the actual share options issued, exercisable, and outstanding as at January 31, 2018.

Expiry date	Options	Exercise price
June 1, 2021	1,662,500	$ 0.20
February 3, 2022	2,310,000	0.25
April 11, 2022	200,000	0.47
	4,172,500	**$ 0.24**

10. Warrants

The following table reflects the continuity of warrants for the years ended January 31, 2018 and 2017:

	Number of warrants	Allocated value
Balance, January 31, 2016	-	$ -
Issued	12,609,869	648,701
Balance, January 31, 2017	12,609,869	$ 648,701
Issued	250,000	40,025
Exercised	(135,120)	(13,832)
Balance, January 31, 2018	**12,724,749**	**$ 674,894**

The exercise price and expiry date of the warrants outstanding as at January 31, 2018 are as follows:

Expiry Date	Type	Warrants	Exercise Price
February 12, 2018	Finders' warrants	257,250	$ 0.24
February 12, 2018	Warrants	5,010,833	0.56
February 18, 2018	Finders' warrants	222,750	0.24
February 18, 2018	Warrants	6,983,916	0.56
April 23, 2018	Warrants	250,000	0.63
		12,724,749	**$ 0.55**

(Expressed in Canadian dollars)

11. Loss Per Common Share

The following table sets forth the computation of basic and diluted loss per share for the years ended January 31, 2018 and 2017:

	2018	2017
Loss attributable to common shareholders	$ (4,384,702)	$ (1,074,623)
Weighted-average common shares outstanding - basic and diluted	46,687,554	32,510,202
Basic and diluted loss per common share	**$ (0.09)**	**$ (0.03)**

Diluted loss per share does not include the effect of share options and warrants outstanding if their effect is anti-dilutive.

12. Income Taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

	2018	2017
Non-capital losses	$ 6,193,610	$ 5,449,400
Capital losses	40,370	111,840
Exploration expenditures	15,998,190	12,796,880
Mining tax credits	510,880	510,880
Share issue costs	147,260	198,550
Marketable securities	-	45,600
Property, plant, and equipment	2,460	2,460

The non-capital losses carried foward will expire between 2029 and 2038. The capital losses, exploration expenditures, and property, plant, and equipment may be carried forward indefinitely. The mining tax credits expire between 2032 and 2033. The share issue costs will be deducted for tax purposes over the next three years.

(Expressed in Canadian dollars)

13. Related Party Transactions and Balances

(a) Director and executive management compensation

Directors and executive management's compensation for the years ended January 31, 2018 and 2017 consisted of the following:

	2018	2017
Cash compensation	$ 363,309	$ 364,747
Employment benefits	4,884	-
Fair value of stock options	436,688	226,310
	$ 804,881	**$ 591,057**

Directors and executive management received the following stock options during the year ended January 31, 2018:

Expiry date	Number of options	Exercise price	Stock price at grant	Risk-free interest rate	Expected life	Volatility factor	Fair value
February 3, 2022	2,125,000	$ 0.25	$ 0.24	1.11 %	5.0	130 %	$ 0.206

(b) Director and executive management transactions

The aggregate value of transactions and outstanding balances relating to entities over which directors and executive management have control or significant influence were as follows:

Account	Note	Transaction value Years ended Jan. 31, 2018	2017	Balance outstanding as at Jan. 31, 2018	2017
Accounts payable and accrued liabilties	(i)	$ -	$ -	$ -	$ 2,109
		$ -	**$ -**	**$ -**	**$ 2,109**

(i) At January 31, 2017, the Company recognized an accrual of $2,109 due to Gordon McKinnon, the Chief Executive Officer and a Director, for expenses incurred on behalf of the Company during the year but reimbursed subsequent to year end.

14. Capital Risk Management

The Company's capital is composed of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended January 31, 2018. The Company is not subject to externally imposed capital requirements.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company's credit risk is primarily attributable to accounts receivable which consist primarily of Harmonized Sales Tax receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

(b) Liquidity risk

The Company is currently in the exploration stage and has not commenced commercial operations. As at the date of issue of these financial statements, the Company had an accumulated deficit of $31,326,272. As at January 31, 2018, the Company was not yet generating operating cash flows, but had working capital of $2,449,396. Within this amount, it had a cash balance of $2,414,885 (January 31, 2017: $4,939,989) to settle current liabilities of $ 55,859 (January 31, 2017: $ 94,516).

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to fund its liabilities as they become due. All of the Company's financial liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company may be required to obtain additional capital to continue its progress toward recovering the amount expended on its mineral properties, and although success in this regard is not assured, management is of the opinion that additional capital can be raised as required for the foreseeable future.

14. Capital Risk Management - continued

(c) Market risk

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. Interest rate risk is remote.

(ii) Price risk

The Company is indirectly exposed to price risk with respect to the price of both precious and base metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Fair Value

The fair values of the Company's cash and cash equivalents, accounts receivable and accounts payable approximate their carrying values because of the short term-nature of these instruments.

(e) Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes a 50% change in equity prices is "reasonably possible" over a twelve month period. As at January 31, 2018, the Company held no marketable securities and as such comprehensive income (loss) would not be impacted by such moves in equity prices.

15. Subsequent Events

(a) From February 1, 2018 to February 18, 2018, a total of 461,637 share purchase warrants with an exercise price of $0.24 were exercised for gross proceeds of $110,793.

(b) On February 20, 2018, the Company purchased the Goodchild Lake mining property (the "Goodchild Property") from the court-appointed receiver of Century Mining Corporation ("Century") for a cash payment of $40,000, the assumption of Century's three percent (3%) net smelter returns royalty obligations in respect of the Goodchild Property and the payment of a portion of the receiver's expenses associated with the transaction. In connection with the purchase, the Company also entered into an agreement with Teck Resources Limited ("Teck") to terminate certain rights Teck had in relation to the Goodchild Property in exchange for the granting to Teck of a one-half of one percent (0.5%) net smelter returns royalty in respect of the Goodchild Property. The Company also entered into an agreement with the existing net smelter returns royalty holders on the Goodchild Property to vary the terms on which the royalty may be bought down. In exchange for the issuance of 40,000 shares of the Company, the Company has obtained the right to purchase up to two-thirds of the royalty for $1,500,000.