MINNOVA CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

DECEMBER 31, 2017 AND 2016

(UNAUDITED)

(Expressed in Canadian Dollars)

NOTICE TO READER

The accompanying unaudited condensed interim financial statements of Minnova Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three and nine months ended December 31, 2017, have not been reviewed by the Company's auditors.

MINNOVA CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)
(Expressed in Canadian Dollars)

	December 31, 2017	March 31, 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 552,488	$ 873,535
Amounts receivable	172,534	161,946
Prepaid expenses	334,969	332,784
TOTAL CURRENT ASSETS	**1,059,991**	**1,368,265**
NON-CURRENT ASSETS		
Restricted cash equivalents (Note 3)	75,000	75,000
Equipment (Note 4)	323,920	348,506
Exploration properties and deferred exploration expenditures (Note 5)	17,299,731	16,158,857
TOTAL NON-CURRENT ASSETS	**17,698,651**	**16,582,363**
TOTAL ASSETS	**$ 18,758,642**	**$ 17,950,628**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 6 and 12)	$ 1,790,426	$ 1,501,106
Hydro contract accrual	277,533	277,533
Flow-through premium liability (Note 14)	12,882	216,736
TOTAL CURRENT LIABILITIES	**2,080,841**	**1,995,375**
NON-CURRENT LIABILITIES		
Provision for closure and reclamation (Note 7)	2,947,611	2,971,239
TOTAL LIABILITIES	**5,028,452**	**4,966,614**
EQUITY		
Share capital (Note 9(b))	20,406,831	19,072,798
Share-based payment reserves (Notes 8 and 10)	3,806,104	3,500,201
Deficit	(10,482,745)	(9,588,985)
TOTAL EQUITY	**13,730,190**	**12,984,014**
TOTAL LIABILITIES AND EQUITY	**$ 18,758,642**	**$ 17,950,628**

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 3, 5, 7,13 and 14)

APPROVED ON BEHALF OF THE BOARD:

Signed *"James White"*, Director
Signed *"Gorden Glenn"*, Director

See accompanying notes to unaudited condensed interim the financial statements

MINNOVA CORP.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(UNAUDITED)

(Expressed in Canadian Dollars)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Nine Months Ended December 31, 2016
EXPENSES				
(Gain) loss on debt settlement with shares	$ -	$ (131,472)	$ -	$ 1,033,654
Stock-based payments (Notes 8)	93,260	-	451,993	217,316
General and administrative (Note 11)	135,695	54,609	303,186	124,674
Management and directors' compensation (Note 12(b))	31,000	32,000	125,000	96,000
Professional and consulting fees (Note 12(a))	245,270	20,579	402,224	119,941
Amortization (Note 4)	8,195	3,239	24,586	9,716
LOSS BEFORE BELOW ITEMS	**(513,420)**	**21,045**	**(1,306,989)**	**(1,601,301)**
Reversal of flow-through premium liability	81,527	46,728	219,766	93,036
Debt settlement and other (Note 9(b)(iv)(v))	-	70,199	-	598,296
Finance cost (Note 7)	(14,817)	(22,981)	(43,442)	(77,958)
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**$ (446,710)**	**$ 114,991**	**$ (1,130,665)**	**$ (987,927)**
Net loss per common share - basic and diluted	$ 0.00	$ 0.00	$ (0.04)	$ (0.04)
Weighted average number of shares outstanding - basic and diluted	29,073,675	25,581,353	28,590,234	22,260,001

MINNOVA CORP.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Expressed in Canadian Dollars)

For the Nine Months Ended December 31,	2017	2016
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss for the period	$ (1,130,665)	$ (987,927)
Items not involving cash:		
Amortization	24,586	9,716
Accretion of provision for closure and reclamation	43,442	31,898
Loss on debt settlement with shares	-	1,033,654
Debt settlement and other	-	(598,296)
Reversal of flow-through premium liability	(219,766)	(93,036)
Interest expense	-	37,449
Stock-based payments	451,993	217,316
	(830,410)	(349,226)
Changes in non-cash working capital balances:		
Increase in amounts receivable	(10,588)	(473)
Increase in prepaid expenses	(2,185)	(827,800)
Increase in accounts payable and accrued liabilities	289,321	98,225
	276,548	(730,048)
Cash flows used in operating activities	**(553,862)**	**(1,079,274)**
CASH FLOWS USED IN INVESTING ACTIVITIES		
Increase in exploration properties and deferred exploration expenditures	(1,207,945)	(432,564)
Repayment of interest on debentures	-	(391,544)
Cash flows used in investing activities	**(1,207,945)**	**(824,108)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	1,346,300	4,471,125
Share issue costs	(64,390)	(329,476)
Proceeds from exercise of stock options	27,000	-
Proceeds from exercise of warrants and broker warrants	131,850	17,265
Cash flows from financing activities	**1,413,760**	**4,158,914**
Decrease in cash and cash equivalents	(348,047)	2,255,532
Cash and cash equivalents, beginning of period	873,535	316,939
Cash and cash equivalents, end of period	**$ 525,488**	**$ 2,572,471**
Supplemental Information:		
Cash, end of period	$ 552,488	$ 2,572,471
Cash equivalents, end of period	-	-
Cash and cash equivalents, end of period	**$ 552,488**	**$ 2,572,471**
Interest paid	$ -	$ (391,544)
Change in accrued property expenditures	$ -	$ (25,365)

MINNOVA CORP.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(UNAUDITED)
(Expressed in Canadian Dollars)

	Share Capital		Share-based Payment Reserves				
	Number	Amount	Stock options	Share purchase warrant reserve	DSU and RSU	Deficit	Total
Balance, March 31, 2016	**18,117,143**	**$ 14,782,747**	**$ 854,874**	**$ 412,417**	**-**	**$ (8,314,722)**	**$ 7,735,316**
Flow-through common shares and warrants issued in private placements (Note 9(b) (v)(vi))	3,309,700	2,204,289	-	608,956	-	-	2,813,245
Common shares and warrants issued in private placements (Note 9(b) (v)(vi))	2,550,585	1,301,642	-	356,238	-	-	1,657,880
Broker and finder warrants issued in private placements (Note 9(b) (v)(vi))	-	(176,989)	-	176,989	-	-	-
Premium liability for flow-through shares (Note 9(vii))	-	(661,940)	-	-	-	-	(661,940)
Common shares issued for settlement of debt (Note 9(b)(viii) and (ix))	4,326,264	2,794,253	-	-	-	-	2,794,253
Common shares issued upon exercise of broker warrants	43,500	17,265	-	-	-	-	17,265
Reclassification of fair value of broker warrants	-	11,836	-	(11,836)	-	-	-
Transaction costs	-	(330,226)	-	-	-	-	(330,226)
Stock-based payments	-	-	217,316	-	-	-	217,316
Loss for the period	-	-	-	-	-	(987,927)	(987,927)
Balance, December 31, 2016	**28,347,192**	**$ 19,942,877**	**$ 1,072,190**	**$ 1,542,764**	**-**	**$ (9,302,649)**	**$ 13,255,182**
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**	**$ 1,625,950**	**$ 920,280**	**953,971**	**$ (9,588,985)**	**$ 12,984,014**
Flow-through common shares and warrants issued in private placements (Note 9(b)(vi)(vii)(viii))	2,071,231	1,188,820	-	157,480	-	-	1,346,300
Broker and finder warrants issued in private placements (Note 9(b)(vi)(vii)(viii))	-	(21,718)	-	21,718	-	-	-
Share issue costs (Note 9(b)(vi)(vii)(viii))	-	(64,390)	-	-	-	-	-
Premium liability for flow-through shares Note 9(b)(ix)	-	(15,912)	-	-	-	-	(15,912)
Shares issued upon exercise of warrants and broker warrants	330,750	131,850	-	-	-	-	-
Reclassification of fair value of warrants and broker warrants exercised	-	61,581	-	(61,581)	-	-	-
Shares issued upon exercise of stock options	75,000	27,000	-	-	-	-	-
Reclassification of fair value of stock options exercised	-	26,802	(26,802)	-	-	-	-
Stock-based payments	-	-	451,993	-	-	-	451,993
Stock optionss expired	-	-	(236,905)	-	-	236,905	-
Loss for the period	-	-	-	-	-	(1,130,665)	(1,130,665)
Balance, December 31, 2017	**30,824,173**	**$ 20,406,831**	**$ 1,814,236**	**$ 1,037,897**	**953,971**	**$ (10,482,745)**	**$ 13,730,190**

See accompanying notes to the unaudited condensed interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Minnova Corp. (the "Company") was a public company incorporated on July 19, 1994 pursuant to the laws of the Companies Act of Barbados. Since the Company's management and the principal office of the Company are located in Toronto, Ontario, a continuance (the "Continuance") of the Company from the laws of Barbados to the laws of the Province of Ontario was filed on April 21, 2010. As a result of the Continuance, the corporate legislation that governs the Company ceased to be the Barbados Act and the Company is now governed by the Business Corporations Act (Ontario). The registered office of the Company is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1. On June 26, 2014, the Company changed its name to "Minnova Corp." and commenced trading on the Toronto Stock Venture Exchange ("TSX-V") on June 27, 2014 under the new symbol "MCI".

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its exploration activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that have been or will be applied for will be granted.

Major expenditures are required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. The recoverability of valuations assigned to exploration properties and deferred exploration expenditures is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition.

Although the Company has taken steps to verify title to exploration properties 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 other licensing requirements or regulations, social licensing requirements unregistered prior agreements, unregistered claims, aboriginal land claims and non-compliance with regulatory requirements.

In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. The Company has a working capital deficiency of $1,020,850 and a deficit of $10,482,745 as at December 31, 2017 and will require additional financing to fund its continuing exploration efforts. These conditions indicate the existence of a material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms acceptable to the Company. These financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge its liabilities in the normal course of business. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain its property interests. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Such adjustments could be material. Changes in future conditions could require material write downs of the carrying values of certain assets.

The unaudited condensed interim financial statements were approved by the Board of Directors on February 28, 2018.

2. BASIS OF PREPARATION

Statement of Compliance:

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Continued...

2. BASIS OF PREPARATION (Continued)

The accounting policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as at February 28, 2018, the date the Board of Directors approved these unaudited condensed interim financial statements for issue. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2017. Any subsequent changes to IFRS that are issued and effective as at March 31, 2018 could result in a restatement of these unaudited condensed interim financial statements.

Change in Accounting Policies

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. At April 1, 2017, the Company adopted this amendment and there was no material impact on the Company's unaudited condensed interim financial statements.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. At April 1, 2017, the Company adopted this amendment and there was no material impact on the Company's unaudited condensed interim financial statements.

Recent Accounting Pronouncements:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after April 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 ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. 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. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. 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. Earlier adoption is permitted.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

Continued...

(Expressed in Canadian Dollars)

3. RESTRICTED CASH EQUIVALENTS

The Company has guaranteed by pledge of a guaranteed investment certificate an irrevocable standby letter of credit for $75,000 to the Government of Manitoba as a financial assurance guarantee in connection with the PL Property closure plan (see Note 7).

4. EQUIPMENT

Cost

	Equipment	Buildings	Total
Balance, March 31, 2017 and December 31, 2017	**$ 105,000**	**$ 305,096**	**$ 410,096**

Accumulated Amortization

	Equipment	Buildings	Total
Balance, March 31, 2017	**$ 2,625**	**$ 58,965**	**$ 70,597**
Amortization for the period	15,356	9,230	24,586
Balance, December 31, 2017	**$ 17,981**	**$ 68,195**	**$ 70,597**

Carrying Amount

	Equipment	Buildings	Total
Balance, March 31, 2017	**$ 102,375**	**$ 2,461,311**	**$ 348,506**
Balance, December 31, 2017	**$ 87,019**	**$ 236,901**	**$ 323,920**

During the three and nine months ended December 31, 2017, the Company expensed $8,195 and $24,586, respectively, in amortization to the statement of operations (three and nine months ended December 31, 2016 - $3,239 and $9,716, respectively).

Continued...

(Expressed in Canadian Dollars)

5. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

As at December 31, 2017

	March 31, 2017	Additions	Changes for closure and reclamation	December 31, 2017
Exploration and Evaluation Properties				
Nokomis Property	$ 2,704,117	$ 55,155	$ -	$ 2,759,272
PL Property	13,454,740	1,030,564	(99,541)	14,540,459
	$ 16,158,857	**$ 1,085,719**	**$ -**	**$ 17,299,731**

As at March 31, 2017

	March 31, 2016	Additions	Changes for closure and reclamation	March 31, 2017
Exploration and Evaluation Properties				
Nokomis Property	$ 2,556,993	$ 147,124	$ -	$ 2,704,117
PL Property	11,740,152	2,161,567	(446,979)	13,454,740
	$ 14,297,145	**$ 2,308,691**	**$ (446,979)**	**$ 16,158,857**

Maverick Properties (Nokomis and PL)

The Company owns a 100% interest in the Nokomis and PL properties, located in Manitoba, subject to a 3% net smelter royalty (NSR) that reduces to 2.5% and 2% if gold is below US$1,000/oz and US$750/oz, respectively.

Continued...

(Expressed in Canadian Dollars)

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2017	March 31, 2017
Trade payables	$ 699,535	$ 879,217
Accrued and payroll liabilities	1,090,891	621,889
Total	**$ 1,790,426**	**$ 1,501,106**

The following is an aged analysis of the accounts payable and accrued liabilities:

	December 31, 2017	March 31, 2017
Less than 1 month	$ 865,209	$ 721,473
1 to 3 months	138,733	73,676
Over 3 months	786,484	705,957
Total	**$ 1,790,426**	**$ 1,501,106**

7. PROVISION FOR CLOSURE AND RECLAMATION

The Company has provided a letter of credit in the amount of $75,000 to the Government of Manitoba under the terms of the closure plan on the PL Property (see Note 3). The Company further provided all assets, goods and personal property involved in the operation of the PL Property, as a security of up to $5,000,000 for the performance of the closure plan and the rehabilitation program.

The Company's provision for closure and reclamation costs is based on management's estimates of costs to abandon and reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. The Company has estimated its total provision for closure and reclamation to be $2,947,611 at December 31, 2017, based on a total future liability of approximately $3,073,160 (March 31, 2017 - $3,073,160), an inflation rate of 1.6% (March 31, 2017 - 1.3%) and a discount rate of 2.04% (March 31, 2017 - 1.63%). Reclamation is expected to occur in approximately 10 years.

The following is an analysis of the provision for closure and reclamation:

Balance, March 31, 2017	**$ 2,971,239**
Effect of changes in the inflation and discount rate	(67,070)
Accretion incurred in the period	43,442
Balance, December 31, 2017	**$ 2,947,611**

During the three and nine months ended December 31, 2017, the Company expensed $14,817 and $43,442, respectively, as accretion which was recorded in finance cost on the statements of operations (three and nine months ended December 31, 2016 - $22,981 and $77,958, respectively).

Continued...

(Expressed in Canadian Dollars)

8. DEFERRED STOCK UNITS AND RESTRICTED STOCK UNITS

On January 12, 2017, the Company announced that it issued a total of 300,000 Deferred Stock Units ("DSUs") to non-executive directors as an annual award as outlined in the DSU Plan adopted in August 2016.

The Company also granted 1,500,000 Restricted Share Units ("RSUs") to executives and consultants. The RSUs were granted in accordance with the Company's Restricted Share Unit Plan and are subject to vesting provisions. More specifically, the grant consists of a base amount of 500,000 units with vesting subject to retention while the remaining bonus units are subject to performance conditions.

The DSUs vested immediately on the date of grant and the RSUs vest as to one-third on the date of grant, one-third in six months and one-third in twelve months.

As at December 31, 2017, the DSUs had fully vested and two-third of the RSUs had vested. For the three and nine and months ended December 31, 2017, stock-based compensation of $93,260 and $451,993, respectively, were recorded in the unaudited condensed interim statements of operations in relation to the RSUs based on the quoted market stock price of the Company's common shares of $0.85 on January 12, 2017, the grant date.

Under the DSU and RSU plan, the maximum number of common shares subject to issuance is 2,160,307.

9. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Common Shares Issued:

	Number of Shares	Amount
Balance, March 31, 2016	**18,117,153**	**$ 14,782,747**
Flow-through common shares issued in private placements (i)(ii)	2,071,231	1,188,820
Common shares issued in private placements (i)(ii)	2,550,585	1,301,642
Broker and finder warrants issued in private placements (i)(ii)	-	(21,718)
Premium liability for flow-through shares (iii)	-	(15,912)
Common shares issued for settlement of debt (iv)(v)	4,326,264	2,794,253
Common shares issued upon exercise of broker warrants	330,750	131,850
Reclassification of fair value of broker warrants	-	61,581
Transaction costs (i)(ii)	-	(64,390)
Balance, December 31, 2016	**27,395,983**	**$ 20,158,873**

Continued...

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

	Number of Shares	Amount
Balance, March 31, 2017	**28,347,192**	**$ 19,072,798**
Flow-through common shares issued in private placements (vi)(vii)(viii)	2,071,231	1,188,820
Broker warrants issued in private placements (vi)(vii)(viii)	-	(21,718)
Premium liability for flow-through shares (ix)	-	(15,912)
Common shares issued upon exercise of warrants and broker warrants	330,750	131,850
Reclassification of fair value of broker warrants	-	61,581
Transaction costs (vi)(vii)(viii)	-	(64,390)
Common shares issued upon exercise of stock options	75,000	27,000
Reclassification of fair value of stock options	-	26,802
Balance, December 31, 2017	**30,824,173**	**$ 20,406,831**

(i) On November 4, 2016, the Company closed the first tranche of its brokered (the "Brokered Offering") and non-brokered (the "Non-Brokered Offering") private placement raising gross proceeds of $3,334,750.

Pursuant to the Brokered Offering co-led by Mackie Research Capital Corporation and Industrial Alliance Securities Inc. (together, the "Agents"), the Company issued 71,000 flow-through units (each, a "Flow-Through Unit") at a price of $0.85 per Flow-Through Unit for gross proceeds of $60,350 and 966,200 units (each, a "Unit") at a price of $0.65 per Unit for gross proceeds of $628,030.

Each Flow-Through Unit consists of one common share of the Company (each, a "Common Share") issued on a flow-through basis and one-half of a Common Share purchase warrant (each, a "Warrant"). Each whole Warrant shall entitle the holder to purchase one Common Share at an exercise price of $0.85 until May 4, 2019. Each Unit consists of one Common Share and one-half of one Warrant.

Pursuant to the Non-Brokered Offering, the Company raised 2,612,200 Flow-Through Units at a price of $0.85 per Flow-Through Unit for gross proceeds of $2,220,370 and 655,385 Units at a price of $0.65 per Unit for gross proceeds of $426,000. The Brokered Offering and the Non-Brokered Offering are collectively referred to as the "Offering".

The Company incurred $250,244 transaction costs related to the first tranche of the Brokered and Non-brokered Offerings of which $198,381 was allocated to share capital and $51,863 was allocated to the Warrants.

The grant date fair value assigned to the Warrants issued in the first tranche of the Brokered and Non-Brokered Offering was estimated to be $528,046 including the transaction costs allocated to the Warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 111%, risk-free interest rate of 0.52% and an expected life of 2.5 years.

In consideration for their services in connection with the Brokered Offering, the Agents were issued 62,232 broker warrants (the "Brokered Warrants"). Each Brokered Warrants is exercisable for one Unit at a price of $0.65 per Unit until May 4, 2019.

In connection with the Non-Brokered Offering, certain eligible finders were issued an aggregate of 196,055 finder warrants (the "Finder Warrants"). Each Finder Warrant is exercisable for one Unit at a price of $0.65 per Unit until May 4, 2019.

Continued...

9. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(i) (continued) The grant date fair value assigned to the Brokered Warrants and Finder Warrants issued was estimated to be $104,279, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 111%, risk-free interest rate of 0.52% and an expected life of 2.5 years.

(ii) On December 2, 2016, the Company closed the second and final tranche of its Brokered Offering and Non-Brokered Offering private placement raising gross proceeds of $1,136,375.

Pursuant to the second tranche of the Brokered Offering co-led by the Agents, the Company issued 626,500 Flow-Through Unit at a price of $0.85 per Flow-Through Unit for gross proceeds of $532,525 and 774,000 Units at a price of $0.65 per Unit for gross proceeds of $503,100.

Each Flow-Through Unit consists of a Common Share issued on a flow-through basis and one-half of a Warrant. Each whole Warrant shall entitle the holder to purchase one Common Share at an exercise price of $0.85 until June 2, 2019. Each Unit consists of one Common Share and one-half of one Warrant.

Pursuant to the second tranche of the Non-Brokered Offering, the Company issued 155,000 Units at a price of $0.65 per Unit for gross proceeds of $100,750.

The Company incurred $79,230 transaction costs related to the second tranche of the Brokered and Non-brokered Offerings of which $62,861 was allocated to share capital and $16,369 was allocated to the Warrants.

The grant date fair value assigned to the Warrants issued in the second tranched of the Brokered and Non-Brokered Offering was estimated to be $192,518 including the transaction costs allocated to the Warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 110%, risk-free interest rate of 0.73% and an expected life of 2.5 years.

In consideration for their services in connection with the second tranche of the Brokered Offering, the Agents were issued 84,030 Brokered Warrants. Each Brokered Warrants is exercisable for one Unit at a price of $0.65 per Unit until June 2, 2019.

The grant date fair value assigned to the second tranche of the Brokered Warrants issued was estimated to be $33,856, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 110%, risk-free interest rate of 0.73% and an expected life of 2.5 years.

(iii) In connection with the issuances of Flow-Through shares, a flow-through premium of $661,940 was calculated. This amount has been presented as a current liability in the statements of financial position. During the year ended March 31, 2017, $445,204 of the flow-through premium was reversed as expenditure requirements were met and recognized in the statements of operations. During the nine months ended December 31, 2017, the remaining $216,736 flow-through premium from 2016 was recognized in the statement of operations.

Continued...

9. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(iv) On May 25, 2016, the Company settled with arm's-length and non-arm's length debt holders $1,230,086 of debt by issuing common shares. Of this amount, $1,150,000 relates to the principal amount of unsecured debentures by issuing an aggregate of 3,285,915 common shares and the balance of $80,086 of the indebtedness relates to the provision of director fees for an aggregate of 200,016 common shares. The common shares issued were recorded at $0.60 per share based on the stock price of the Company on May 25, 2016, the date the common shares were issued. This resulted a loss on settlement of debt of $861,473 which was recorded in the unaudited condensed interim statements of operations and comprehensive income (loss) for the nine months ended December 31, 2016.

On November 4, 2016, the Company settled with arm's-length and non-arm's length debt holders $238,529 of debt by issuing 165,549 common shares. The common shares issued were recorded at $0.78 per share based on the stock price of the Company on November 4, 2016, the date the common shares were issued. This resulted a gain on settlement of debt of $109,401 which was recorded in the unaudited condensed interim statements of operations and comprehensive income (loss) for the three and nine months ended December 31, 2016.

(v) On September 21, 2016, the Company settled $269,913 management consulting fees by issuing 674,784 common shares. The common shares issued were recorded at $0.85 per share based on the stock price of the Company on September 21, 2016, the date the common shares were issued. This resulted a loss on settlement of debt of $303,653 which was recorded in the unaudited condensed interim statements of operations and comprehensive income (loss) for the nine months ended December 31, 2016.

(vi) On December 1, 2017, the Company completed the first tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 612,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $397,800. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 1, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $42,713 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.50% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 34,800 broker warrants (the "Brokered Warrants"). Each Brokered Warrants is exercisable for one Unit at a price of $0.65 per Unit until June 1, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $5,872, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 75%, risk-free interest rate of 1.5% and an expected life of 1.5 years.

Continued...

9. SHARE CAPITAL (Continued)

(b) Common Shares Issued (Continued):

(vii) On December 6, 2017, the Company completed the second tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 450,000 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $292,500. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 6, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $27,610 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 12,000 broker warrants (the "Brokered Warrants"). Each Brokered Warrants is exercisable for one Unit at a price of $0.65 per Unit until June 6, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $2,532, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 76%, risk-free interest rate of 1.47% and an expected life of 1.5 years.

(viii) On December 11, 2017, the Company completed the third tranche of the non-brokered private placement (the "Offering"). The Company issued an aggregate of 1,009,231 flow-through units (the "FT Units") at a price of $0.65 per FT Unit for gross proceeds of $656,000. Each FT Unit consists of one common share of the Company and one-half of one common share purchase warrant with each warrant entitling the holder to purchase one common share at an exercise price of $0.75 until June 11, 2019.

The grant date fair value assigned to the warrants issued in the first tranche of the Offering was estimated to be $90,078 including the transaction costs allocated to the warrants, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

In consideration for their services in connection with the Offering, the Agents were issued 50,953 broker warrants (the "Brokered Warrants"). Each Brokered Warrants is exercisable for one Unit at a price of $0.65 per Unit until June 6, 2019.

The grant date fair value assigned to the Brokered Warrants issued was estimated to be $13,314, using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 77%, risk-free interest rate of 1.49% and an expected life of 1.5 years.

(ix) In connection with the issuances of Flow-Through shares, a flow-through premium of $15,912 was calculated. This amount has been presented as a current liability in the statements of financial position. During the three and nine months ended December 31, 2017, $3,030 of the flow-through premium was reversed as expenditure requirements were met and recognized in the statements of operations.

Continued...

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENT RESERVES

(a) Stock Options

The Company has granted options for the purchase of common shares to its directors, officers, employees and certain consultants. The purpose of the plan is to attract, retain and motivate these parties by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. These options are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The maximum number of options to be issued under the plan shall not exceed 10% of the total number of common shares issued and outstanding.

The following table shows the continuity of stock options for the periods ended December 31, 2017 and 2016:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2016	**1,780,000**	**$ 0.53**
Granted (i)	300,000	0.75
Balance, December 31, 2016	**2,080,000**	**$ 0.57**
Balance, March 31, 2017	**2,805,000**	**$ 0.64**
Expired	(155,000)	2.10
Exercised	(75,000)	0.36
Balance, December 31, 2017	**2,575,000**	**$ 0.56**

The following are the stock options outstanding at December 31, 2017:

Number of Options Issued	Grant Date Fair Value ($)	Number of Options Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
600,000	223,154	600,000	0.38	1.08	January 27, 2019
725,000	287,608	725,000	0.40	1.74	September 26, 2019
225,000	80,405	225,000	0.36	3.17	March 1, 2021
300,000	217,316	300,000	0.75	3.57	July 25, 2021
725,000	553,760	725,000	0.85	4.06	January 22, 2022
2,575,000	**1,362,243**	**2,575,000**	**0.56**	**2.58**	

Continued...

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENT RESERVES (Continued)

(b) Share Purchase Warrants

The following table shows the continuity of share purchase warrants for the periods ended December 31, 2017 and 2016:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2016	**391,950**	**$ 4.07**
Granted (Notes 9(b)(i)(ii))	2,930,143	0.85
Balance, December 31, 2016	**3,322,093**	**$ 1.23**
Balance, March 31, 2017	**3,172,093**	**$ 0.82**
Granted	1,035,614	0.75
Exercised	(241,950)	0.40
Balance, December 31, 2017	**3,965,757**	**$ 0.82**

The following are the share purchase warrants outstanding at December 31, 2017:

Number of Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
2,152,393	528,046	0.85	1.34	May 4, 2019
777,750	192,518	0.85	1.42	June 2, 2019
306,000	42,044	0.75	1.42	June 1, 2019
224,999	27,283	0.75	1.43	June 6, 2019
504,615	88,153	0.75	1.44	June 11, 2019
3,965,757	**878,044**	**0.82**	**1.38**	

Continued...

(Expressed in Canadian Dollars)

10. SHARE-BASED PAYMENT RESERVES (Continued)

(c) Broker Warrants

The following table shows the continuity of broker warrants for the periods ended December 31, 2017 and 2016:

	Number of Broker Warrants	Weighted Average Exercise Price
Balance, March 31, 2016	**132,300**	**$ 0.40**
Exercised	(43,500)	0.40
Granted (Notes 9(b)(i)(ii))	342,317	0.65
Balance, December 31, 2016	**431,117**	**$ 0.60**
Balance, March 31, 2017	**431,117**	**$ 0.60**
Granted (Notes 9(b)(i)(ii))	97,753	0.65
Exercised(Notes 9(b)(vi)(vii)(viii))	(88,800)	0.39
Balance, December 31, 2017	**440,070**	**$ 0.65**

The following are the broker warrants outstanding at December 31, 2017:

Number of Broker Warrants Issued	Grant Date Fair Value ($)	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Expiry Date
258,287	104,279	0.65	1.34	May 4, 2019
84,030	33,856	0.65	1.42	June 2, 2019
34,800	5,872	0.65	1.42	June 1, 2019
12,000	2,532	0.65	1.43	June 6, 2019
50,953	13,314	0.65	1.44	June 11, 2019
440,070	**159,853**	**0.65**	**1.38**	

Continued...

(Expressed in Canadian Dollars)

11. GENERAL AND ADMINISTRATIVE

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Nine Months Ended December 31, 2016
Office and general	$ 205	$ 1,761	$ 4,824	$ 9,429
Salaries and benefits	-	(11,905)	4,591	22,406
Travel	28,767	-	28,767	-
Business development	86,216	32,597	230,333	32,597
Stock exchange and transfer agent fees	15,452	29,937	22,847	51,436
Shareholder information	5,055	2,219	11,824	8,806
General and administrative	**$ 135,695**	**$ 54,609**	**$ 303,186**	**$ 124,674**

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

(a) The Company entered into the following transactions with related parties recorded as professional and consulting fees and share issue costs:

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Nine Months Ended December 31, 2016
Irwin Lowy LLP (i) - professional and consulting fees	$ 38,299	$ -	$ 76,490	$ 25,712

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and the fees relate to professional services provided by the firm. As at December 31, 2017, the Company owed $15,479 (March 31, 2017 - $55,299) to this firm and this amount is included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(ii) As at December 31, 2017, the Company owed $420,687 (March 31, 2017 - $462,800) to a corporation controlled by the Chief Executive Officer ("CEO") of the Company and this amount is included in accounts payable and accrued liabilities. During the three and nine months ended December 31, 2017, $22,500 and $82,500, respectively, (three and nine months ended December 31, 2016 - $45,000 and $120,000, respectively) of these fees were recorded as capitalized exploration and evaluation costs and $15,000 and $75,000, respectively, (three and nine months ended December 31, 2016 - $15,000 and $60,000, respectively) were recorded in management and directors' compensation on the unaudited condensed interim statements of operations and comprehensive loss.

(iii) As at December 31, 2017, the Company had prepaid balance with the CEO of the Company in the amount of $nil (March 31, 2017 - $45,921) and $19,247 (March 31, 2017 - $7,405) receivable from Geodex Minerals Ltd, a company with which the Company shares the common management team.

Continued...

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS (Continued)

(b) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Nine Months Ended December 31, 2017	Nine Months Ended December 31, 2016
Directors fees	$ 16,000	$ 17,000	$ 50,000	$ 51,000
Amounts paid or accrued to CEO for salaries, consulting and benefits	$ 37,500	$ 60,000	$ 157,500	$ 180,000
Stock-based payments	$ 29,532	$ -	$ 143,131	$ 144,877

Director fees - the Board of Directors do not have employment or service contracts with the Company. Directors are entitled to director fees and stock options for their services. As at December 31, 2017, the Company owed $241,914 (March 31, 2017 - $191,914) to the directors and $nil (March 31, 2017 - $18,789) to the CEO of the Company which was included in the accounts payable and accrued liabilities.

Salaries and benefits - officers are entitled to stock options, consulting fees or salaries and benefits where employment or service contracts are in place with the Company for their services.

475,000 RSU were awarded to the officers and directors of the Company during the year ended March 31, 2017 and during the three and nine months ended December 31, 2017, stock-based compensation of $29,532 and $141,131, respectively, were recorded in the unaudited condensed interim statement of operations and comprehensive loss.

As at December 31, 2017, $63,927 (March 31, 2017 - $849,898) of cash was held in the Irwin Lowy LLP trust account, a law firm, where the interim CFO is a partner.

13. ENVIRONMENTAL CONTINGENCIES

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and 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.

14. COMMITMENTS AND CONTINGENCIES

Pursuant to the terms of the flow-through share agreements, the Company needs to comply with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada). The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments. As at December 31, 2017, the Company is committed to incurring approximately $1,090,000 in qualifying exploration expenditures in Canada by December 31, 2018.

The Company is party to a management contract. This contract contains clauses requiring additional payments of up to $480,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not occurred, the contingent payments have not been reflected in these financial statements. Additional minimum management contractual commitments remaining under the agreement are approximately $480,000, of which $240,000 is due within one year.