METALLIC MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTH PERIOD ENDED APRIL 30, 2017

(Unaudited)

NOTICE OF AUDITOR REVIEW

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company’s independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditors.

METALLIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian dollars)

	April 30, 2017	July 31, 2016
ASSETS	**$**	$
Current		
Cash	**2,015,214**	710,009
Receivables	**65,582**	4,778
Prepaid expenses and deposits (Note 4)	**218,658**	12,000
	2,299,454	726,787
Non-Current		
Exploration and evaluation assets (Notes 3 and 5)	**299,937**	33,850
	2,599,391	760,637
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	**319,914**	43,590
Loans payable	**22,000**	32,000
Flow-through share premium liability (Note 6)	**96,560**	-
	438,474	75,590
EQUITY		
Share capital (Note 7)	**9,515,830**	5,977,739
Share subscriptions (Note 7(b)(i))	**-**	1,022,400
Share-based payment reserve (Note 7(d))	**691,845**	-
Accumulated deficit	**(8,046,758)**	(6,315,092)
	2,160,917	685,047
	2,599,391	760,637

Approved on behalf of the Board:
*"Stephen Pearce"* , Director
*"Greg Johnson"* , Director

METALLIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED APRIL 30
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended April 30,		Nine months ended April 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Expenses				
Consulting fees (Note 11)	**169,171**	-	**510,788**	-
Bonuses (Note 11)	**-**	-	**147,500**	-
Directors' fees (Note 11)	**-**	-	**40,000**	-
Depreciation	**-**	391	**-**	1,215
Exploration expenditures (Notes 5 and 11)	**73,863**	1,215	**98,301**	9,694
Investor relations and corporate development	**80,187**	120	**136,645**	480
Office and administration	**16,604**	98	**40,044**	3,015
Professional fees	**19,870**	500	**67,962**	5,396
Property evaluation	**21,077**	-	**79,438**	-
Share-based payment expense (Notes 7(d) and 11)	**190,096**	-	**572,597**	-
Transfer agent, regulatory and filing fees	**14,546**	8,904	**40,634**	13,214
Travel and accomodation	**1,163**	-	**14,343**	-
	586,577	11,228	**1,748,252**	33,014
Other Items				
Other income (Note 6)	**(10,146)**	-	**(15,940)**	-
Interest income	**(646)**	-	**(646)**	-
Gain on debt forgiveness	**-**	-	**-**	(1,200)
	(10,792)	-	**(16,586)**	(1,200)
Total loss and comprehensive loss for the period	**(575,785)**	(11,228)	**(1,731,666)**	(31,814)
Basic and diluted loss per share	**$ (0.01)**	$ (0.00)	**$ (0.05)**	$ (0.01)
Basic and diluted weighted average number of shares outstanding	**39,258,309**	3,181,752	**36,493,725**	3,181,752

See accompanying notes to the condensed interim financial statements.

METALLIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Share subscriptions	Share-based payments reserve	Accumulated deficit	Total
		$	$	$	$	$
Balance, July 31, 2015	**3,181,753**	**5,739,239**	**-**	**-**	**(6,196,536)**	**(457,297)**
Net loss for the period	-	-	-	-	(31,814)	(31,814)
Balance, April 30, 2016	**3,181,753**	**5,739,239**	**-**	**-**	**(6,228,350)**	**(489,111)**
Net loss for the period	-	-	-	-	(86,742)	(86,742)
Shares issued pursuant to private placement	4,770,000	238,500	-	-	-	238,500
Subscriptions to purchase shares	-	-	1,022,400	-	-	1,022,400
Balance, July 31, 2016	**7,951,753**	**5,977,739**	**1,022,400**	**-**	**(6,315,092)**	**685,047**
Net loss for the period	-	-	-	-	(1,731,666)	(1,731,666)
Private placements, net of share issue costs (Notes 7(b) and 7(e))	30,016,666	2,996,376	(1,022,400)	111,830	-	2,085,806
Shares issued pursuant to exploration and evaluation asset acquisitions (Notes 3(a), 3(b) and 8)	387,000	160,815	-	-	-	160,815
Warrants issued pursuant to exploration and evaluation asset acquisitions (Notes 3(b), 7(e) and 8)	-	-	-	7,418	-	7,418
Shares issued pursuant to exercise of warrants (Note 7(e))	4,934,000	493,400	-	-	-	493,400
Flow-through share premium (Note 6)	-	(112,500)	-	-	-	(112,500)
Share-based payment expense (Note 7(d))	-	-	-	572,597	-	572,597
Balance, April 30, 2017	**43,289,419**	**9,515,830**	**-**	**691,845**	**(8,046,758)**	**2,160,917**

METALLIC MINERALS CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED APRIL 30
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended April 30,		Nine months ended April 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Operating Activities				
Net loss for the period	**(575,785)**	(11,239)	**(1,731,666)**	(31,825)
Items not involving cash:				
Depreciation	**-**	391	**-**	1,215
Gain on debt forgiveness	**-**	-	**-**	(1,200)
Exploration expenditures	**-**	1,215	**-**	9,694
Other income (Note 6)	**(10,146)**	-	**(15,940)**	-
Share-based payment expense	**190,096**	-	**572,597**	-
	(395,835)	(9,633)	**(1,175,009)**	(22,116)
Net change in non-cash working capital (Note 8)	**(87,988)**	488	**(15,684)**	2,423
Cash used in operating activities	**(483,823)**	(9,145)	**(1,190,693)**	(19,693)
Investing Activity				
Acquisition of exploration and evaluation assets (Notes 3(a), 3(b) and 5)	**(4,612)**	-	**(83,308)**	-
Cash used in investing activity	**(4,612)**	-	**(83,308)**	-
Financing Activities				
Receipt of proceeds pursuant to private placements (Note 7(b))	**750,000**	-	**2,157,600**	-
Share issue costs (Note 7(b))	**(26,259)**	-	**(71,794)**	-
Proceeds pursuant to exercise of warrants	**415,900**	-	**493,400**	-
Advances payable	**-**	6,000	**-**	19,000
Cash provided by financing activities	**1,139,641**	6,000	**2,579,206**	19,000
Net increase (decrease) in cash	**651,206**	(3,145)	**1,305,205**	(693)
Cash, beginning of period	**1,364,008**	5,218	**710,009**	2,766
Cash, end of period	**2,015,214**	2,073	**2,015,214**	2,073

Supplemental cash flow information (Note 8)

See accompanying notes to the condensed interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Metallic Minerals Corp. (the "**Company**") is a publicly listed company on the TSX Venture Exchange, incorporated under the laws of British Columbia on May 3, 2007. The Company was registered as an extra-territorial corporation under the Business Corporations Act (Yukon) on July 10, 2009. The Company is involved in activities that include the acquisition and exploration of mineral properties.

The Company's head office is located at 904 - 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

These condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of $1,731,666 for the nine month period ended April 30, 2017. As at April 30, 2017, the Company had an accumulated deficit of $8,046,758 (July 31, 2016: $6,315,092). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in these condensed interim financial statements.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB.

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2016 which include the accounting policies used in the preparation of these condensed interim financial statements.

These condensed interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

The Board of Directors (the "**Board**") approved these financial statements on June 27, 2017.

(Expressed in Canadian dollars)

3. MINERAL PROPERTY ACQUISITIONS

In January 2017, the Company acquired three new properties in the Keno Hill District in Canada's Yukon Territory, which are included as part of its Keno silver project.

a) ***Silver Queen Property*** – The Company entered into an option to acquire 22 claims from an arm's length private party (the "**Option Agreement**"). In consideration, the Company can acquire a 100% interest in the Silver Queen Property by making cash payments totaling $75,000 and issuing 100,000 common shares of the Company to the seller.

As at April 30, 2017, the Company had paid $30,000 and issued the 100,000 common shares (see Note 8). The remaining $45,000 payment is to be made on or before the date which is six months from regulatory approval.

The property is subject to a 2% Net Smelter Royalty ("**NSR**") and the Company has the option to buy back the full NSR.

b) ***Keno Summit and Gram Properties*** – The Company acquired 21 claims on the Keno Hill Property and an 8.7 square kilometre ("**km^2**") area on the east side of the Keno-Lighting Property from Strategic Metals Ltd. ("**Strategic**"). In consideration, the Company agreed to issue units to Strategic, in two tranches.

In January 2017 the first tranche was completed with the Company issuing 50,000 units which were comprised of one common share and one non-transferable common share purchase warrant, with each warrant entitling Strategic to acquire one common share of the Company at a price of $0.65 for a period of two years.

In February 2017 the Company completed the acquisition by issuing 187,500 units comprised of one common share and one non-transferable common share purchase warrant, with each warrant entitling Strategic to acquire one common share of the Company at a price of $0.52 for a period of two years.

The Keno Summit and Gram Properties are subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

c) ***Duncan Creek Property -*** In January 2017, the Company staked 30.2 km^2 of new claims in the Keno Hill District, including an area called Duncan Creek. Total staking costs were $36,254 which were capitalized as exploration and evaluation assets.

4. PREPAID EXPENSES AND DEPOSITS

	April 30, 2017	July 31, 2016
	$	$
Prepaid expenses	134,638	12,000
Deposits	84,020	-
	218,658	12,000

Prepaid expenses included an amount of $50,000 related to the Company's summer 2017 exploration program and $30,000 remaining on a one year agreement the Company executed in November 2016 with a third party that provides annual strategic and corporate advisory services.

(Expressed in Canadian dollars)

4. PREPAID EXPENSES AND DEPOSITS (continued)

Deposits included an amount of $80,000 in connection with the purchase of exploration and evaluation assets. As at April 30, 2017 the negotiations to purchase the properties were still ongoing.

5. EXPLORATION AND EVALUATION ASSETS

A summary of the changes in exploration and evaluation assets is presented below:

	Keno Project	McKay Hill	Total
	$	$	$
Balance, July 31, 2016	27,850	6,000	33,850
Acquisition costs			
Option payments	40,000	-	40,000
Licensing costs	2,442	-	2,442
Shares issued	160,815	-	160,815
Staking costs	55,412	-	55,412
Warrants issued	7,418	-	7,418
	266,087	-	266,087
Balance, April 30, 2017	293,937	6,000	299,937

In previous periods, the Company kept Cobalt Hill Property expenditures in its own column. The Company is now including Cobalt Hill Property expenditures with those of the Keno Project.

A summary of the exploration and evaluation expenditures incurred for the nine months ended April 30, 2017 is presented below:

	Keno Project	McKay Hill	Total
	$	$	$
Overhead and administration	2,519	-	2,519
Camp costs	14,170	1,320	15,490
Community consultation and permitting	930	-	930
Geological consulting	67,970	2,145	70,115
Prospecting and mapping	3,826	-	3,826
Transportation and travel	5,421	-	5,421
	94,836	3,465	98,301

KENO SILVER PROJECT

The Company's Keno silver project ("**Keno**") covers 112.5 km^2 within the Keno Hill Silver District located in Canada's Yukon Territory. Keno is a brownfields exploration project located near the communities of Mayo and Keno City.

Keno is made up of five main properties comprised of Keno-Lighting, Silver Queen, Keno Summit & Gram, Duncan Creek and Cobalt Hill.

5. EXPLORATION AND EVALUATION ASSETS (continued)

KENO SILVER PROJECT (continued)

a) Keno Lightning Property

The 100% owned Keno-Lightning Property is the largest property and is subject to a 3% NSR with the Company having an option to buy back up to 2% of this NSR.

b) Silver Queen Property

The Company has an option to acquire a 100% interest in the Silver Queen Property by making a final payment of $45,000 prior to July 10, 2017. The Silver Queen Property is subject to a 2% NSR and the Company has the option to buy back the full NSR.

c) Keno Summit and Gram Properties

The 100% owned Keno Summit and Gram Properties are subject to a 2% NSR for precious metals and a 1% NSR for base metals and the Company has the option to buy back the full NSR.

d) Duncan Creek Property

The 100% owned Duncan Creek Property was staked by the Company in January 2017 along with other claims totalling approximately 30.2 km^2. The Duncan Creek claims are not subject to any underlying royalties.

e) Cobalt Hill Property

The Company has an option to acquire a 100% interest in the Cobalt Hill property ("**Cobalt Hill**") covering 4.2 km^2 that are contiguous with the eastern end of the Keno-Lightning property in the Keno Hill Silver District.

Metallic will earn a 100% undivided interest in Cobalt Hill under an agreement dated March 28, 2012 and amended July 26, 2016 by making a final payment of $10,000 on or before August 31, 2017. Cobalt Hill is subject to a 3% NSR and the Company has the option to buy back up to 1.5% of this NSR.

MCKAY HILL PROJECT

The Company owns a 100% interest in the McKay Hill property ("**McKay Hill**"), which covers 30 km^2 of claims located approximately 50 kms north of the Keno Hill Silver District in the Yukon Territory. The property is subject to a 3% NSR and the Company has the option to buy back up to 2% of this NSR.

6. FLOW-THROUGH SHARE PREMIUM LIABILITY

On issuance, the Company allocates flow-through shares 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 expenses 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.

(Expressed in Canadian dollars)

6. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)

A summary of the changes in the Company's flow-through share premium liability was as follows:

	$
Balance, July 31, 2015, April 30, 2016 and July 31, 2016	-
Flow-through share premium liability on the issuance of flow-through common shares	112,500
Settlement of flow-through share premium liability pursuant to incurring qualified expenditures	(15,940)
Balance, April 30, 2017	96,560

7. SHARE CAPITAL

a) Authorized

An unlimited number of no par value common shares, issuable in series

b) Share issuance details

(i) In August 2016, the Company completed the second tranche of a private placement for gross proceeds of $1,305,000 pursuant to the issuance of 26,100,000 units. Each unit consisted of one common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at $0.10 per share expiring July 30, 2019. The first tranche closed in July 2016 for gross proceeds of $238,500 on the issuance of 4,770,000 Units.

In connection with this tranche of the private placement, the Company paid $2,500 in finder's fees. The Company had received $1,022,400 of the private placement proceeds in July 2016, and consequently recorded them as share subscriptions in the statement of financial position at July 31, 2016.

(ii) On October 31, 2016, the Company completed a brokered private placement of 2,250,000 flow-through common shares ("**FT Shares**") of the Company at a price of $0.50 per FT Share for gross proceeds of $1,125,000.

In connection with this private placement, the Company paid finders' fees totaling $37,500, paid $5,000 to cover the finder's due diligence fees related to this private placement and issued 75,000 finder warrants, with each finder warrant entitling the holder to purchase one common share of the Company at a price of $0.60, with an expiry of October 31, 2018. The fair value of the finder warrants was $11,830 which was recorded as share issue costs.

(iii) On January 11, 2017, the Company issued 100,000 common shares valued at $45,000 pursuant to the Silver Queen Option Agreement.

(iv) On January 11, 2017 and February 15, 2017, the Company issued 50,000 common shares and 187,500 common shares as part of a unit (see Note 3(b)), valued at $22,500 and $75,000, respectively, to Strategic pursuant to the acquisition of the Keno Summit and Gram Properties disclosed in Note 3(b).

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

b) Share issuance details (continued)

(v) On March 23, 2017, the Company completed a private placement of 1,666,666 units of the Company at a price of $0.45 per unit for gross proceeds of $750,000. Each unit consisted of one flow-through common share of the Company and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at $0.60 per share expiring March 23, 2020. In connection with this private placement, the Company incurred share issue costs totaling $26,259.

The Company's share price was $0.39 per share on the date of completion and as a result, the Company allocated $650,000 of the gross proceeds to share capital and $100,000 of the gross proceeds to the warrants as share-based payment reserve.

(vi) On April 11, 2017, the Company issued 49,500 common shares valued at $18,315 pursuant to the Cobalt Hill Property option agreement.

(vii) During the nine months ended April 30, 2017, the Company issued 4,934,000 common shares pursuant to the exercise of 4,934,000 share purchase warrants with a weighted average exercise price of $0.10 per share.

There were no share issuances during the nine months ended April 30, 2016.

c) Stock options

The Company has a fixed Long-Term Performance Incentive Plan (the "**Plan**") whereby the Company may grant certain awards to directors, officers, employees and consultants, including stock options, to a maximum of 7,000,000 common shares. The exercise price, term and vesting period of each award are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		$
Balance, July 31, 2016	-	-
Granted	3,400,000	0.44
Balance, April 30, 2017	3,400,000	0.44

The following stock options were outstanding as at April 30, 2017:

Outstanding	Exercisable	Weighted average Exercise Price	Expiry Date	Weighted average remaining life (in years)
		$		
3,400,000	1,133,333	0.44	September 19, 2021	4.39

The stock option vesting schedule is 33.3% at each of six, twelve and eighteen months from the date of grant.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

d) Share-based payment expense and reserve

The fair value at grant date of options granted during the nine months ended April 30, 2017 was $851,670, or $0.25 per option. Pursuant to vesting schedules, a portion of the fair value will be expensed in future periods. The share-based payment expense for the nine months ended April 30, 2017 was $572,597 and was recorded in the condensed interim statement of loss and comprehensive loss. The fair value of the stock options that vested during the nine months ended April 30, 2017 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.54%
Expected stock price volatility	78%
Expected dividend yield	0.0%
Expected option life in years	4.0

e) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		$
Balance, July 31, 2016	4,770,000	0.10
Issued pursuant to private placements	27,766,666	0.13
Issued as a finder's fee (Note 7(b)(ii))	75,000	0.60
Issued pursuant to mineral property acquisitions (Note 3(b))	237,500	0.55
Exercised	(4,934,000)	0.10
Balance, April 30, 2017	27,915,166	0.14

The fair value of the 75,000 warrants issued to the finder (Note 7(b)(ii)) was calculated using the following weighted average assumptions:

Risk-free interest rate	0.56%
Expected stock price volatility	80%
Expected dividend yield	0.0%
Expected option life in years	2.0

The fair value of the 50,000 warrants issued to Strategic (Note 3(b)) was calculated using the following weighted average assumptions:

Risk-free interest rate	75.00%
Expected stock price volatility	80%
Expected dividend yield	0.0%
Expected option life in years	2.0

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

e) Share purchase warrants (continued)

The following warrants were outstanding as at April 30, 2017:

Outstanding	Exercisable	Exercise Price	Expiry Date
		$	
75,000	75,000	0.60	October 31, 2018
50,000	50,000	0.65	January 17, 2019
187,500	187,500	0.52	February 15, 2019
25,936,000	25,936,000	0.10	July 30, 2019
1,666,666	1,666,666	0.60	March 23, 2020
27,915,166	27,915,166	0.14	

8. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the three and nine months ended April 30 consisted of the following:

	Three months ended April 30,		Nine months ended April 30,	
	2017	2016	2017	2016
	$	$	$	$
Accounts receivable	(34,512)	509	(60,804)	1,281
Prepaid expenses	(92,638)	-	(206,658)	15,000
Accounts payable and accrued liabilities	39,162	(21)	251,778	(13,858)
	(87,988)	488	(15,684)	2,423

The non-cash financing and investing transactions for the nine months ended April 30, 2017 consisted of the Company issuing:

- 75,000 share purchase warrants as a finder's fee valued at $11,830 pursuant to a private placement;
- 100,000 common shares of the Company valued at $45,000 pursuant to the Silver Queen Option Agreement;
- A total of 237,500 common shares of the Company valued at $97,500 and a total of 237,500 share purchase warrants valued at $7,418 to Strategic pursuant to the Keno Summit and Gram Properties option agreement; and
- 49,500 common shares of the Company valued at $18,315 pursuant to the Cobalt Hill Property option agreement.

As at April 30, 2017, accounts payable and accrued liabilities included $14,546 (July 31, 2016: $Nil) of expenditures for exploration and evaluation assets.

9. FINANCIAL INSTRUMENTS

The Company is exposed in varying degrees to a variety of financial instrument related risks. The fair value of the Company's financial assets and liabilities approximates the carrying amount.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to short-term interest rates through the interest earned on cash and cash equivalents. A 1% change in short-term rates would not have a material impact on profit or loss.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash balance, the balance of which at April 30, 2017 was $2,015,214. Cash is held at a chartered Canadian financial institution.

c) Liquidity risk

Liquidity risk arises from the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. As at April 30, 2017, the Company had $2,015,214 in cash, working capital of $1,860,980 and no long-term debt. The Company's working capital is expected to meet its obligations for at least twelve months from the end of the reporting period. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, there is no assurance it will be able to raise funds in this manner in the future and there remain material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern. The Company's trade and other payables are due in the short term.

10. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended July 31, 2016.

The Company considers the items included in shareholders' equity as 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 the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

11. RELATED PARTY TRANSACTIONS

The following is a summary of charges incurred by the Company with related parties and compensation paid to key management personnel. Key management personnel at the Company are the Directors and Officers of the Company.

(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS (continued)

The remuneration of key management personnel for the three and nine months ended April 30 was as follows:

		Three months ended April 30,		Nine months ended April 30,	
		2017	2016	2017	2016
		$	$	$	$
Consulting fees	1	120,263	500	332,738	1,500
Directors' fees		-	-	40,000	-
Exploration expenditures		-	-	4,050	5,700
Share-based payment expense	2	167,732	-	477,108	-
Signing bonuses	3	-	-	120,000	-
		287,995	500	973,896	7,200

1 Consulting fees consisted of fees earned by key management personnel including CEO, CFO, Executive VP, VP Exploration and Corporate Secretarial fees and fees earned by Midnight Mining Services Ltd., a private company controlled by Bill Harris, a director of the Company, which are included in consulting fees, exploration expenditures and property evaluation expenses.

2 Share-based payment expense is a non-cash item that consisted of the fair value of stock options that were granted to key management personnel.

3 Signing bonuses consisted of amounts paid to the CEO, CFO, Executive VP, VP Exploration and Corporate Secretary.

Included in deposits at April 30, 2017 was an amount of $25,000 (July 31, 2016: $Nil) paid to Bill Harris, a director of the Company, in connection with the purchase of an exploration and evaluation asset, as disclosed in Note 4.

Included in accounts payable and accrued liabilities at April 30, 2017 was an amount of $135,561 (July 31, 2016: $Nil) for CEO, CFO, Executive VP, VP Exploration and Corporate Secretarial fees.

Included in accounts payable and accrued liabilities at April 30, 2017 was $Nil (July 31, 2016: $5,250) due to directors and former directors and companies controlled by former directors for various expenses, exploration and evaluation assets and geological exploration expenditures.

These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

12. COMMITMENT

As a result of the issuance of FT Shares on October 31, 2016 and March 23, 2017, the Company has a commitment to incur $1,125,000 in qualifying Canadian exploration expenditures on or before December 31, 2017 and $750,000 on or before December 31, 2018. As at April 30, 2017, the Company had approximately $1,715,000 remaining to be expended.

13. EVENTS AFTER THE REPORTING DATE

a) On June 26, 2017, the Company completed a private placement of 1,375,000 FT Shares of the Company at a price of $0.40 per FT Share for gross proceeds of $550,000.

   In connection with this private placement, the Company paid finders' fees totaling $33,000, paid $5,000 to cover the finder's due diligence fees related to this private placement and issued 82,500 finder warrants, with each finder warrant entitling the holder to purchase one common share of the Company at a price of $0.50, with an expiry of June 26, 2019.

b) Subsequent to April 30, 2017, 650,000 warrants with an exercise price of $0.10 per share were exercised for proceeds of $65,000.