Financial statements of

Fiore Exploration Ltd.

Years ended January 31, 2017 and 2016
(Expressed in Canadian dollars)

Independent auditors' report

To the Shareholders of
Fiore Exploration Ltd.

We have audited the accompanying financial statements of **Fiore Exploration Ltd.**, which comprise the statement of financial position as at January 31, 2017, and the statements of loss and comprehensive loss, equity and cash flows for the year 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit 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 auditors consider 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 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 **Fiore Exploration Ltd.** as at January 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The financial statements of **Fiore Exploration Ltd.** for the year ended January 31, 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on May 27, 2016.

Ernst & Young LLP

Chartered Professional Accountants

Vancouver, Canada
May 26, 2017

Fiore Exploration Ltd.
Statements of Financial Position
As at January 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	**$ 11,758,934**	$ 553
Amounts receivable (Note 4)	**125,693**	440
Prepaids and deposits	**110,538**	6,900
	11,995,165	7,893
Exploration and evaluation assets (Note 5)	**12,452,462**	284,341
Equipment	**-**	621
Total assets	**$ 24,447,627**	$ 292,855
Liabilities		
Current liabilities		
Trade and other payables	**$ 319,086**	$ 18,973
Loan payable (Note 6)	**-**	39,676
Related party payables (Note 7)	**-**	290,304
	319,086	348,953
Equity (deficiency)		
Share capital (Note 8)	**29,655,687**	3,953,590
Equity reserve (Note 8)	**2,739,368**	53,357
Deficit	**(8,266,514)**	(4,063,045)
Total equity (deficiency)	**24,128,541**	(56,098)
Total liabilities and equity	**$ 24,447,627**	$ 292,855

Nature of operations (Note 1)
Commitments (Note 12)
Subsequent events (Notes 5,14)

Approved by the Board of Directors and authorized for issue on May 26, 2017

"Robert Pirooz" Director

"Harry Pokrandt" Director

The accompanying notes are an integral part of these financial statements

Fiore Exploration Ltd.

Statements of Loss and Comprehensive Loss

For the years ended January 31, 2017 and 2016

(Expressed in Canadian dollars)

	2017	2016
Expenses		
Share-based compensation (Notes 7, 8)	**$ 2,762,829**	$ -
Consulting services	**438,862**	250
Marketing	**220,059**	-
Salaries and benefits (Note 7)	**197,891**	60,000
Professional fees	**160,760**	24,198
Office and rent	**134,695**	38,478
Travel	**119,155**	15,637
Regulatory and transfer agent fees	**74,074**	16,003
Amortization	**621**	267
	(4,108,946)	154,833
Forgiveness of debt (Notes 6, 7)	**62,750**	-
Finance income	**43,008**	55
Foreign exchange gain	**30,703**	-
Impairment of exploration and evaluation assets (Note 5)	**(284,341)**	-
Loss and comprehensive loss for the year	**$ (4,256,826)**	$ (154,778)
Basic and diluted loss per share for the year	**$ (0.06)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**69,954,911**	44,633,171

The accompanying notes are an integral part of these financial statements

Fiore Exploration Ltd.
Statements of Equity
(Expressed in Canadian dollars)

	Share Capital		Equity		
	Number	Amount	Reserve	Deficit	Total
Balance at January 31, 2015	44,633,171	$ 3,953,590	$ 53,357	$ (3,908,267)	$ 98,680
Loss and comprehensive loss	-	-	-	(154,778)	(154,778)
Balance at January 31, 2016	44,633,171	3,953,590	53,357	(4,063,045)	(56,098)
Private placements	40,000,000	16,200,000	-	-	16,200,000
Share issuance costs	71,500	(815,364)	-	-	(815,364)
Share-based compensation	-	-	2,762,829	-	2,762,829
Exercise of stock options	870,000	66,961	(23,461)	-	43,500
Shares issued for the acquisition of exploration and evaluation assets	15,770,000	10,250,500	-	-	10,250,500
Reclassification of equity reserve (Note 8)	-	-	(53,357)	53,357	-
Loss and comprehensive loss	-	-	-	(4,256,826)	(4,256,826)
Balance at January 31, 2017	101,344,671	$ 29,655,687	$ 2,739,368	$ (8,266,514)	$ 24,128,541

Fiore Exploration Ltd.
Statements of Cash Flows
For the years ended January 31, 2017 and 2016
(Expressed in Canadian dollars)

	2017	2016
Operating activities		
Loss for the year	**$ (4,256,826)**	$ (154,778)
Adjust for:		
Amortization	**621**	267
Forgiveness of debt	**(62,750)**	-
Impairment of exploration and evaluation assets	**284,341**	-
Share-based compensation	**2,762,829**	-
Changes in non-cash working capital items:		
Amounts receivable	**(125,253)**	309
Prepaids and deposits	**(103,638)**	-
Trade and other payables	**136,560**	(8,335)
Cash used in operating activities	**(1,364,116)**	(162,537)
Investing activities		
Exploration and evalulation expenditures	**(2,038,409)**	(7,000)
Cash used in investing activities	**(2,038,409)**	(7,000)
Financing activities		
Proceeds on issuance of common shares net of share issuance costs	**15,384,636**	-
Proceeds from exercise of stock options	**43,500**	-
Advances (repayments) of related party payables	**(267,230)**	169,819
Cash provided by financing activities	**15,160,906**	169,819
Increase in cash and cash equivalents	**11,758,381**	282
Cash and cash equivalents, beginning of year	**553**	271
Cash and cash equivalents, end of year	**$ 11,758,934**	$ 553
Supplemental cash flow information		
Non-cash share issuance costs	**$ 27,725**	$ -
Non-cash acquisition costs	**10,250,500**	$ -
Exploration and evaluation expenditures incurred through trade and other payables	**163,553**	-
	$ 10,441,778	$ -
Cash and cash equivalents is comprised of:		
Cash	**$ 158,934**	$ 553
Term deposits	**11,600,000**	-
	$ 11,758,934	$ 553

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

The Company was incorporated on March 31, 1988, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company's shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "F" and on the OTCQB in the United States under the symbol "FIORF". The Company's registered and records office is located at 25th Floor, 700 West Georgia Street, Vancouver BC, V7Y 1B3.

As at January 31, 2017, the Company had a working capital of $11,679,079, which is expected to be sufficient to cover expected budgeted expenses for the next twelve months.

A subsidiary of the Company, Fiore Atacama SpA, was incorporated in January 2017. As this subsidiary had no transactions in the year ended January 31, 2017, these financial statements are not presented on a consolidated basis.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements as at and for the year ended January 31, 2017, including comparatives, are prepared in accordance with International Financial Reporting Standings ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such 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 may affect both the period of revision and future periods.

Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgements and assumptions about its projects. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, the ability to maintain ownership, its future plans and the overall economic viability of the project.

Share-based payments

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant, the valuation assumptions are disclosed.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in the preparation of these financial statements are described below:

(a) Cash and cash equivalents

Cash includes deposits held with banks that are available on demand. Cash equivalents include short-term investments that have maturity dates of three months or less from the date of purchase, or are redeemable prior to maturity without significant costs or penalties.

(b) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the period. For this purpose, it is assumed that proceeds upon the exercise of share options and warrants are used to purchase common shares at the average market price during the period. Share options and warrants outstanding as at January 31, 2017, are anti-dilutive and, therefore, have not been taken into account in the diluted per share calculations.

(c) Share-based payments

The Company's share option plan allows Company directors, officers, employees, certain charitable organizations and consultants to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method 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 each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(d) Exploration and evaluation assets

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring, maintaining its interest in, exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not amortized during the exploration and evaluation stage. At each reporting date the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. Each of the Company's properties is considered to be a separate cash generating unit. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the Company's functional currency at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

(f) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(g) Financial instruments

All financial instruments are classified as one of the following: loans and receivables, fair value through profit or loss ("FVTPL"), available-for-sale, held-to-maturity, or other financial liabilities. Financial assets and liabilities FVTPL are measured at fair value with gains and losses recognized in net income. Held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as, loans and receivables, or other financial liabilities are included in the initial carrying value of such instruments and amortized using the effective interest method. Transaction costs classified as FVTPL are expensed when incurred, while those classified as available for sale are included in the initial carrying value.

Cash and cash equivalents and amounts receivable are classified as loans and receivables, and trade and other payables, loan payable and related party payables are classified as other financial liabilities.

(h) New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC. The following have not yet been adopted by the Company and are being evaluated to determine their impact:

- IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *New standards and interpretations not yet adopted*

- IFRS 16: In January 2016, the IASB issued IFRS 16, Leases which introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. The mandatory effective date of IFRS 16 for the Company is for the annual period beginning after February 1, 2018.

4. AMOUNTS RECEIVABLE

		January 31, 2017		January 31, 2016
Input tax credits	$	74,023	$	440
Interest receivable		35,096		-
Other		16,574		-
Total amounts receivable	$	125,693	$	440

5. EXPLORATION AND EVALUATION ASSETS

Chile

Pampas El Peñon project

In July 2016, the Company entered into an agreement for the rights to acquire the Pampas El Peñon project in Chile from Arena Minerals Inc and its wholly owned subsidiary, Arena Chile SpA, (together, “Arena”). Arena held an underlying option agreement with Sociedad Quimica Y Minera de Chile SA (“SQM”), which they agreed to sell to the Company. Consideration for the purchase of the underlying option agreement from Arena consisted of 9,550,000 shares of the Company issued to Arena and 5,350,000 common shares issued to SQM, with a value of $9,685,000. In order to exercise the option, the Company has assumed Arena’s commitments to SQM, which include cash payments of US$750,000 ($298,125 paid (US$225,000)) and an expenditure commitment on the project of $1,830,000 USD by July 2017. As at January 31, 2017, $1,710,403 has been spent on the Pampas El Peñon project. The Company issued 870,000 common shares as transaction and advisory fees in relation to this agreement with a value of $565,500 and incurred cash transaction costs of $66,960.

Cerro Tostado project

In January 2017, the Company signed an option agreement with SQM to acquire a 100% interest in the Cerro Tostado exploration project in Chile. As part of the transaction, the Company will also acquire certain new concession blocks near the Company’s existing Pampas El Peñon project.

The Company can earn a 100% interest in the Cerro Tostado project by:

- Spending a total of US$2,247,700 in exploration expenditures over a five-year period, including a US$400,900 exploration commitment in the first year;
- Making total cash payments to SQM of US$1,259,700 over a five-year period, including US$19,000 in the first year;
- Issuing 500,000 common shares of the Company to SQM;
- Granting SQM a sliding-scale royalty on precious metal production, to a with a maximum royalty of 5.0% when gold prices exceed US$2,000 per ounce.

Upon regulatory approval in February 2017, the Company issued 500,000 common shares and paid US$19,000 to SQM (Note 8). In connection with this acquisition, the Company issued 10,000 common shares as an advisory fee and incurred cash transaction costs of $79,068.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets:

	Pampas El Peñon	Cerro Tostado
	$	$
Acquisition costs:		
Balance, January 31, 2016	-	-
Cash	66,960	104,329
Shares issued on acquisition	10,250,500	-
Option payment	298,125	-
Balance, January 31, 2017	10,615,585	104,329
Exploration costs:		
Balance, January 31, 2016	-	-
Assays	163,553	-
Camp supplies	2,870	614
Consulting	514,751	19,445
Drilling	945,786	-
Transport	38,311	-
Travel and meals	45,128	2,090
Balance, January 31, 2017	1,710,399	22,149
Total costs:		
Balance, January 31, 2017	12,325,984	126,478

North Central Ontario

The Company held a 100% interest in certain claims in the Thunder Bay Mining District of North Central Ontario area, known as the Dotted Lake Property. During the year ended January 31, 2017, the Company determined expenditures on further exploration and evaluation of the claims was not budgeted, nor planned, in the foreseeable future and as such recognized an impairment for the full value of $284,341 in the statement of loss and comprehensive loss.

6. LOAN PAYABLE

The loan payable relating to a former professional advisor was fully settled by a forgiveness of debt during the year ended January 31, 2017. The loan was an unsecured and non-interest bearing with no fixed term of repayment.

7. RELATED PARTY PAYABLES AND TRANSACTIONS

During the year ended January 31, 2017, related party payables increased to $381,074 (year ended January 31, 2016: $290,304). This amount included shareholder loans and expense reimbursement of $57,035 (2016: $200,304). In fiscal 2017, the Company fully settled outstanding balances owed to previous directors and companies controlled by its previous directors through cash payment of $358,000 and forgiveness of amounts accrued of $23,074.

During the year ended January 31, 2017, the Company incurred management fees, director's fees, rent and legal fees to its previous directors or companies controlled by its previous directors of $33,735 (2016 - $77,086).

7. RELATED PARTY PAYABLES AND TRANSACTIONS (continued)

During the year ended January 31, 2017, the Company incurred management salary expense of $130,520 to the Chief Executive Officer of the Company (2016 - $nil).

As at January 31, 2017, $10,198 (2016 - $nil) included in trade and other payables was due to related parties.. Amounts are non-interest bearing and due on demand.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole, subsequent to the change in management in May 2016. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the year ended January 31, 2017, including share-based compensation, was $2,124,078 (2016 - $72,344).

8. EQUITY

(a) Authorized

Unlimited common shares with no par value

(b) Issued and fully paid common shares

During the year ended January 31, 2017, the Company closed two private placements of 20,000,000 common shares at a price of $0.26 per share for gross proceeds of $5,200,000 and 20,000,000 common shares at a price of $0.55 per share, for gross proceeds of $11,000,000. The Company issued 71,500 common shares as a finder's fee valued at $27,725 and incurred cash share issue costs of $815,364 in relation to the non-brokered private placements.

In August 2016, the Company issued 15,770,000 common shares pursuant to the close of the acquisition of the Pampas El Peñon acquisition (Note 5).

As at January 31, 2017, 101,344,671 common shares were issued and outstanding.

Subsequent to January 31, 2017, the Company issued 500,000 common shares pursuant to the Cerro Tostado concession (Note 5) and 10,000 common shares as an advisory fee related to the acquisition of Cerro Tostado.

(c) Stock options

The Company has adopted an incentive stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with the TSX-V requirements, grant to directors, officers, employees, certain charitable organizations and consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant generally at a price not less than the closing price of the Company's shares.

During the year ended January 31, 2017, 2,500,000 stock options were granted to directors, officers, charitable organizations and consultants of the Company with an exercise price of $0.05, exercisable until May 10, 2026. Using the Black-Scholes option pricing model, the grant date fair value was $97,752.

During the year ended January 31, 2017, 3,250,000 stock options were granted to directors, officers and consultants of the Company with an exercise price of $0.35, exercisable until June 15, 2026. Using the Black-Scholes option pricing model, the grant date fair value was $887,386.

(Expressed in Canadian dollars)

8. EQUITY (continued)

***(c) Stock options** (continued)*

During the year ended January 31, 2017, 2,270,000 stock options were granted to directors, officers, charitable organizations and consultants of the Company with an exercise price of $0.51, exercisable until July 12, 2026. Using the Black-Scholes option pricing model, the grant date fair value was $902,498.

During the year ended January 31, 2017, 650,000 stock options were granted to officers and consultants of the Company with an exercise price of $0.63, exercisable until September 20, 2026. Using the Black-Scholes option pricing model, the grant date fair value was $317,638.

During the year ended January 31, 2017, 200,000 stock options were granted to a consultant of the Company with an exercise price of $0.64, exercisable until September 27, 2026. Using the Black-Scholes option pricing model, the grant date fair value was $99,008.

During the year ended January 31, 2017, 1,350,000 stock options were granted to directors, officers, charitable organizations and consultants of the Company with an exercise price of $0.43, exercisable until January 19, 2027. Using the Black-Scholes option pricing model, the grant date fair value was $458,547.

During the year ended January 31, 2017, 350,000 stock options were granted to a consultant with an exercise price of $0.45, exercisable until November 17, 2019 and vesting 25% every three months after grant over the first year. In January 2017, the options were forfeited and unexercisable; therefore no expense has been recognized as no options ultimately vested.

The following assumptions were used for the Black-Scholes valuation of the stock options granted during the year ended January 31, 2017.

Risk-free interest rate	0.98%
Expected life	10 years
Annualized volatility	75.00%
Dividend rate	0.00%

During the year ended January 31, 2017, share based compensation of $2,762,826 was recorded.

During the year ended January 31, 2017, 870,000 stock options were exercised at an exercise price of $0.05 for proceeds of $43,500.

The following table summarizes information about stock options outstanding at January 31, 2017:

Outstanding and exercisable	Exercise price	Expiry date
1,630,000	$ 0.05	May 10, 2026
3,250,000	0.35	June 15, 2026
2,270,000	0.51	July 12, 2026
650,000	0.63	September 20, 2026
200,000	0.64	September 27, 2026
1,350,000	0.43	January 19, 2027
9,350,000		

(Expressed in Canadian dollars)

8. EQUITY (continued)

***(c) Stock options** (continued)*

The following tables summarizes the movement of stock options:

	Number of options		Weighted average exercise price
Balance, January 31, 2015 and 2016	-	$	-
Granted	10,220,000		0.35
Exercised	(870,000)		0.05
Balance, January 31, 2017	9,350,000	$	0.37

(d) Reclassification of equity reserve

During the year ended January 31, 2017, $53,354 was reclassified from equity reserve to retained earnings as it represented the equity component of a convertible promissory note that was repaid in a prior year.

9. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2017		**2016**
Loss for the year	$	(4,256,826)	$	(154,778)
Expected income tax recovery	$	(1,107,000)	$	(40,000)
Permanent difference		721,000		23,000
Share issue cost		(219,000)		-
Change in unrecognized deductible temporary differences		605,000		17,000
Total income tax recovery	**$**	**-**	**$**	**-**

The Canadian income tax rate remained consistent for the year ended January 31, 2017 at 26%.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included in the statement of financial position are as follows:

		2017	**Expiry Date Range**		**2016**
Temporary Differences					
Exploration and evaluation assets	$	516,000	No expiry date	$	232,000
Equipment		2,000	No expiry date		2,000
Share issue costs		674,000	2037 to 2042		35,000
Non-capital losses available for future period		3,562,000	2017 to 2037		2,161,000

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets.

Liquidity Risk

The Company's cash is invested in bank accounts which are available on demand. Management has concluded that the Company has adequate financial resources to settle obligations as at January 31, 2017.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and equity prices.

Interest Rate Risk

The only significant market risk to which the Company is exposed is interest rate risk. The Company's cash earns interest at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates as a result of the short-term nature of these instruments. The Company's future earned interest is exposed to short-term rates.

Foreign Currency Risk

The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars. The Company maintains Canadian and US dollar bank accounts in Canada. The Company is subject to gains and losses from fluctuations in the US dollar against the Canadian dollar.

Fair value

None of the Company's financial instruments are held at fair value, classification into fair value hierarchy has not been provided. Cash, amounts receivable and trade and other payables are held at amortized cost which approximates fair value due to the short term nature of these instruments.

11. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions, business opportunity and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or return capital to its shareholders. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis. During the year ended January 31, 2017, there has been no change in the Company's management of capital policies.

(Expressed in Canadian dollars)

12. COMMITMENTS

Operating Lease Commitment

The Company leases office premises with a remaining lease term expiring November 30, 2019. The Company's commitment for future minimum payments in respect of the operating lease commitment is as follows:

	January 31, 2017
Short-term portion of the lease (<1 Year)	$ 77,662
Long-term portion of the lease (>1 Year)	142,380
	$ 220,042

13. COMPARATIVE FIGURES

Certain comparative data have been reclassified to conform with the presentation of the current year. The Company has grouped together the comparative balances for certain items on the statement of financial position and expenses on the statement of loss and comprehensive loss. There is no net impact on the financial position, net loss, cash flows or loss per share in fiscal 2016 as a result of these reclassifications.

14. SUBSEQUENT EVENT

Subsequent to January 31, 2017, the Company announced the acquisition of the Rio Loa project ("Rio Loa") located in northern Chile.

The Company can earn a 100% interest in Rio Loa by:

- Making cash payments of US$35,000 upon signing of the definitive agreement, US$30,000 one year from signing, US$50,000 two years from signing, US$80,000 three years from signing, and US$820,000 four years from signing;

- Completing US$500,000 of exploration work, including best efforts to complete 2,500 metres of drilling within the first 15 months of the agreement;

- Assigning the Vendors a 2.0% Net Smelter Royalty ("NSR") on the Property. The Company will have the right to repurchase 50% of the Royalty (1.00% NSR) for a payment of US$3.0 million;

- Making discovery payments ranging from US$2/oz to $5/oz of Measured and Indicated, NI 43-101 compliant gold resources, to a maximum of US$5 million.