Red Pine Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine-Month Period Ended April 30, 2017

(Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statements

As per National Instrument 51-102 *Continuous Disclosure Obligations* Part 4.3 *Disclosure of Auditor Review,* the auditors of Red Pine Exploration Inc. have not performed a review of these condensed interim consolidated financial statements.

Red Pine Exploration Inc.
Condensed Interim Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	April 30, 2017	July 31, 2016
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 4,790,207	$ 1,644,354
Marketable Securities	2,500	2,500
Amounts Receivable (note 6)	383,511	108,927
Amounts Receivable from Joint Venture Partners (notes 3, 5, 6)	600,877	230,073
Prepaid Expenses	47,591	33,798
Total Current Assets	5,824,686	2,019,652
Equipment (note 4)	216,337	14,873
Perpetual Software Licenses (note 4)	36,429	-
Leasehold Improvements (note 4)	129,444	-
Long-Term Rent Deposit (note 13)	41,579	-
Total Assets	**$ 6,248,475**	**$ 2,034,525**
Liabilities		
Current Liabilities:		
Accounts Payable and Accrued Liabilities (notes 6)	$ 830,492	$ 352,908
Deferred Flow-Through Premium (note 7)	889,672	394,600
Flow-Through Provision (note 8)	264,000	264,000
Lease Inducements (note 9)	15,922	15,922
Total Current Liabilities	2,000,086	1,027,430
Lease Inducements (note 9)	19,903	31,845
Rental Deposit (note 13)	17,281	17,281
Total Liabilities	2,037,270	1,076,556
Shareholder's Equity (Deficiency)		
Share Capital (note 10)	40,671,522	22,949,805
Contributed Surplus (note 11)	7,642,199	6,318,813
Warrant Reserve (note 12)	11,199,555	2,564,822
Accumulated Deficit	(55,302,071)	(30,875,471)
Total Shareholders' Equity (Deficiency)	4,211,205	957,969
Total Liabilities and Shareholders' Equity	**$ 6,248,475**	**$ 2,034,525**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Nature of operations and going concern *(note 1)*
Commitments and contingencies *(note 13)*
Subsequent Events *(note 16)*

Red Pine Exploration Inc.
Condensed Interim Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Three-month period ended		Nine-month period ended	
	April 30, 2017	**April 30, 2016**	**April 30, 2017**	**April 30, 2016**
Revenues				
Exploration Services	$ -	$ -	$ -	$ 46,130
Sale of Mineral Property (note 5)	-	-	-	30,000
Total Revenues	-	-	-	76,130
Expenses				
Exploration Expenditures (note 3, 5)	22,879,364	152,325	24,695,235	748,833
Recovery of Exploration Expenditures (note 5)	(467,763)	(87,250)	(1,828,771)	(430,915)
Joint-Venture Management Fees (note 5)	-	-	-	(4,154)
Payroll & Professional Fees (notes 6, 13)	167,003	39,240	458,917	260,615
General and Administrative (notes 9, 13)	377,615	82,223	709,161	261,495
Share-Based Compensation (note 11)	354,159	59,850	354,159	158,760
Finance Expenses	-	-	-	13,333
Depreciation and Amortization (note 4)	22,788	2,398	37,996	7,194
Interest Income	(10)	8	(476)	(55)
Foreign Exchange Loss	378	-	378	-
Total Expenses	23,333,534	248,794	24,426,599	1,015,106
Loss and Comprehensive Loss for the Period	(23,333,534)	$ (248,794)	$ (24,426,599)	$ (938,976)
Loss per share – basic and diluted	$ (0.10)	$ (0.00)	$ (0.16)	$ (0.01)
Weighted average shares outstanding	243,531,168	69,237,343	151,989,823	69,237,343

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Red Pine Exploration Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Expressed in Canadian Dollars)

	Nine-Month Period Ended April 30, 2017	Nine-Month Period Ended April 30, 2016
Operating Activities		
Loss for the Period	$ (24,426,599)	$ (938,976)
Adjustments for non-cash items:		
Non-cash exploration expenditures (note 3)	21,203,645	-
Amortization of lease inducements	(11,942)	(11,942)
Amortization and depreciation	37,996	7,194
Stock-based compensation	354,159	158,760
Change in working capital items:		
Amounts receivable	(274,584)	(132,280)
Amounts receivable from joint-venture partners	(370,804)	310,000
Prepaid expenses	(13,793)	(6,480)
Accounts payable and accrued liabilities	276,282	(88,257)
Rent deposit	(41,579)	-
Tenant deposit	-	19,528
Net cash used in operating activities	(3,267,217)	(682,453)
Investing Activities		
Vehicular purchases, net of disposals	(77,743)	-
Exploration equipment purchases	(133,003)	(10,497)
Office equipment purchases	(19,870)	-
Perpetual software licenses	(40,479)	-
Leasehold improvements	(134,238)	-
Net cash provided by investing activities	(405,333)	(10,497)
Financing Activities		
Cash acquired from acquisition of Augustine	33,328	745,819
Proceeds from private placement, net of costs	5,924,395	(73,106)
Proceeds from warrant and option exercise	860,681	-
Short-term loan	-	93,333
Net cash provided by financing activities	6,818,404	766,046
Cash and Cash Equivalents		
Net increase (decrease) in cash and cash equivalents	3,145,853	73,096
Cash and cash equivalents - beginning of period	1,644,354	115,229
Cash and cash equivalents - end of period	$ 4,790,207	$ 188,325
Supplemental Disclosures:		
Interest received as cash	476	55

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Red Pine Exploration Inc.
Condensed Interim Consolidated Statements of Changes in Shareholder's Deficiency
(Expressed in Canadian Dollars)

	Shares #	Share Capital $	Contributed Surplus $	Warrant Reserve $	Accumulated OCI $	Accumulated Deficit $	Shareholder's Deficiency $
Balance - July 31, 2015	**54,320,971**	**21,023,679**	**6,160,053**	**1,756,853**	**-**	**(29,381,824)**	**(441,239)**
Private Placement	14,916,372	745,819	-	-	-	-	745,819
Fair Value of Warrants Issued	-	(185,700)	-	185,700	-	-	-
Cost of Issue	-	(116,481)	-	43,375	-	-	(73,106)
Stock-Based Compensation	-	-	158,760	-	-	-	158,760
Loss for the Period	-	-	-	-	-	(938,975)	(938,975)
Balance – April 30, 2016	**69,237,343**	**21,467,316**	**6,318,813**	**1,985,928**	**-**	**(30,320,799)**	**(723,743)**
Private Placement	33,387,600	2,793,008	-	-	-	-	2,793,008
Fair Value of Warrants Issued	-	(631,016)	-	631,016	-	-	-
Fair Value of Flow-Through Premiums	-	(394,600)	-	-	-	-	(394,600)
Cost of Issue	-	(305,400)	-	(43,375)	-	-	(348,775)
Warrants Exercised	185,000	11,750	-	-	-	-	11,750
Fair Value of Warrants Exercised	-	8,747	-	(8,747)	-	-	-
Loss for the Period	-	-	-	-	-	(554,672)	(554,672)
Balance – July 31, 2016	**102,809,943**	**22,949,805**	**6,318,813**	**2,564,822**	**-**	**(30,875,471)**	**957,969**
Private Placement	48,755,566	6,540,340	-	-	-	-	6,540,340
Fair Value of Warrants Issued	-	(3,098,588)	-	3,098,588	-	-	-
Fair Value of Flow-Through Premiums	-	(689,672)	-	-	-	-	(689,672)
Cost of Issue	-	(615,946)	-	-	-	-	(615,946)
Shares Issued for Acquisition of Augustine	100,668,733	14,093,623	-	-	-	-	14,093,623
Warrants Issued for Acquisition of Augustine	-	-	-	5,972,823	-	-	5,972,823
Stock Options Issued for Acquisition of Augustine	-	-	969,227	-	-	-	969,227
Warrants Exercised	9,461,538	852,431	-	-	-	-	852,431
Fair Value of Warrants Exercised	-	436,678	-	(436,678)	-	-	-
Options Exercised	150,000	8,250	-	-	-	-	8,250
Stock-Based Compensation	-	-	354,159	-	-	-	354,159
Fair Value of Flow-Through Premiums	-	194,600	-	-	-	-	194,600
Loss for the Period	-	-	-	-	-	(24,426,599)	(24,426,599)
Balance – April 30, 2017	**261,795,780**	**40,671,522**	**7,642,199**	**11,199,555**	**-**	**(55,302,071)**	**4,211,205**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

1. Nature of Operations and Going Concern

Red Pine Exploration Inc. (the "Company") was founded in 1936 under the laws of Ontario, Canada for the acquisition, exploration, and development of mining properties. The Company's head office and primary location of its registered records is 145 Wellington Street West, Suite 1001, Toronto, Ontario, M5J 1H8. The Company is currently in the exploration stage and has not commenced any commercial operations.

As at April 30, 2017, the Company had a working capital surplus of $3,824,600 (July 31, 2016: surplus of $992,222) and an accumulated deficit of $55,302,071 (July 31, 2016: deficit of $30,875,471).

The accompanying Condensed Interim Consolidated Financial Statements have been prepared on the basis of a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its mining interest expenditures is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Theses Condensed Interim Consolidated 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 need to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. Significant Accounting Policies

(a) Statement of compliance

These Condensed Interim Consolidated Financial Statements have been prepared in accordance and comply with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting principles consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period. Furthermore, the information on accounting standards effective in future periods and not yet adopted remains unchanged from that disclosed in the annual financial statements.

The financial statements were approved by the Board of Directors on June 29, 2017.

(b) Basis of presentation

These Condensed Interim Consolidated Financial Statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended July 31, 2016. These Condensed Interim Consolidated Financial Statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant accounting judgements and estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

Actual outcomes could differ from these estimates. The 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 also in future periods when the revision affects both current and future periods. Significant accounting judgments, estimates and underlying assumptions are reviewed on an ongoing basis.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the financial statements relate to the following:

Going concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Share-based compensation

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share based payment expense along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 10.

Deferred Flow-Through Premium and Flow-Through Provision Estimates

The assumptions and calculations used for estimating the fair values of the flow-through premiums and flow-through provisions as disclosed in Notes 7 and 8.

3. Acquisition of Augustine Resources Inc.

On November 14, 2016, the Company and Augustine Resources Inc. ("Augustine") announced a definitive arrangement agreement (the "Transaction") whereby the Company will acquire all the outstanding securities of Augustine pursuant to the plan of arrangement provisions of the *Business Corporations Act* (Ontario). The Transaction was approved by Augustine shareholders and was completed on February 3, 2017, whereby Augustine became a wholly-owned subsidiary of the Company.

In accordance with IFRS 3 – Business Combinations, the Transaction does not meet the definition of a business combination as Augustine has not yet commenced commercial operations and is in the exploration stage. Consequently, the transaction has been recorded as an asset acquisition.

In consideration for the acquisition of Augustine:

a) Each Augustine common share was exchanged for 0.76 Red Pine common shares (the "Exchange Ratio") resulting in the issuance of 100,668,733 common shares. The fair value of these common shares was estimated at $14,093,623 based on a closing price of $0.14 per share.

b) Each outstanding Augustine warrant became exercisable pursuant to the terms of such warrant certificates for common shares of the Company, with the number of shares issuable and exercise price adjusted based on the Exchange Ratio, resulting in the effective issuance of 49,581,045 common share purchase warrants (see note 12). The fair value of the warrants was estimated at $5,962,077 using the Black-Scholes option pricing model with the following weighted average assumptions: current stock price $0.14, volatility 200%, risk-free rate 0.55%, dividend yield 0%, and expected life of 0.08 to 3.25 years.

c) All outstanding stock options of Augustine were cancelled prior to the effective time of the transaction and are expected to be reissued as Red Pine stock options, with the number of shares issuable and the exercise price adjusted based on the Exchange Ratio. The fair value of the stock options was estimated at $969,227 using the Black-Scholes option pricing model with the following weighted average assumptions: current stock price $0.14, volatility 200%, risk-free rate 0.55%, dividend yield 0%, and expected life 5 years. The stock options were issued on April 11, 2017 (see note 11).

The fair value of the total consideration on the acquisition date and the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed are as follows:

Purchase Price Consideration	**Fair Value**
Fair value of 100,668,733 Common Shares Issued	14,093,623
Fair value of 49,581,045 Warrants Issued	5,972,823
Fair value of 8,284,000 Stock Options Reserved for Issuance	969,227
Fair Value of Purchase Price Consideration	**$ 21,035,673**

Net Assets Acquired	
Cash and Cash Equivalents	33,328
Amounts Receivable	38,611
Prepaid Expenses	72,600
Exploration Asset (30% of Wawa JV) (Note 5)	21,203,645
Accounts Payable and Accrued Liabilities	(298,418)
Subscriptions Received in Advance	(14,093)
Fair Value of Total Net Assets	**$ 21,035,673**

In accordance with the Company accounting policies, the exploration asset was expensed upon acquisition.

4. Equipment, Software and Leasehold Improvements

The Company owns all-terrain vehicles and other exploration equipment that is depreciated on a straight-line basis over an estimated useful life of three (3) years. The Company owns office furniture and equipment that is depreciated on a straight-line basis over an estimated useful life of seven (7) years. The following table sets out the changes to the carrying value of equipment:

	Vehicular Equipment $	Exploration Equipment $	Office Equipment $	All Equipment $
Balance – July 31, 2015	**14,843**	**-**	**-**	**14,843**
Acquisitions	-	10,497	-	10,497
Accumulated Depreciation	(7,194)	-	-	(7,194)
Balance – April 30, 2016	**7,649**	**10,497**	**-**	**18,146**
Depreciation	(2,398)	(875)	-	(5,671)
Balance – July 31, 2016	**5,251**	**9,622**	**-**	**14,873**
Disposition	(1,000)	-	-	(1,000)
Acquisitions	78,743	133,003	19,870	231,617
Depreciation	(11,245)	(17,197)	(710)	(29,152)
Balance – April 30, 2017	**71,749**	**125,428**	**19,160**	**216,337**

The Company owns perpetual software licenses for exploration software packages that is depreciated on a straight-line basis over an estimated useful life of five (5) years. The Company completed leasehold improvements in relation to its new principal office space that is depreciated on a straight-line basis over an estimated useful life of seven (7) years. The following table sets out the changes to the carrying value of software licenses and leasehold improvements:

	Software Licenses $	Leasehold Improvements $
Balance – July 31, 2015	**-**	**-**
Balance – April 30, 2016	**-**	**-**
Balance – July 31, 2016	**-**	**-**
Acquisitions	40,479	134,238
Amortization	(4,050)	(4,794)
Balance – April 30, 2017	**36,429**	**129,444**

5. Mineral Properties

The Company has ownership interests in the several exploration projects. The Wawa Gold property is the primary focus of exploration.

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred on its mineral properties. The Wawa Gold property expenditures includes all amounts incurred by the joint-venture prior to any prorated recovery from the joint-venture partners.

	Wawa Gold Property $	Cayenne Property $	Other Properties $	Total Properties $
Balance – July 31, 2015	**1,757,367**	**6,127,732**	**8,369,381**	**16,254,480**
Exploration Expenditures	617,324	-	12,418	629,742
Balance – April 30, 2016	**2,374,691**	**6,127,732**	**8,381,799**	**16,884,222**
Exploration Expenditures	643,431	5,484	-	648,915
Balance – July 31, 2016	**3,018,122**	**6,133,216**	**8,381,799**	**17,533,137**
Property Acquisition Costs	21,203,645	-	-	21,203,645
Exploration Expenditures	3,432,823	4,470	54,297	3,491,590
Balance – April 30, 2017	**$ 27,654,590**	**$ 6,137,686**	**$ 8,436,096**	**$ 42,228,372**

During the nine-month period ended April 30, 2017:

a) The Company incurred total exploration and evaluation expenditures of $3,432,645 on the Wawa Gold property (2016: $617,324) and $21,203,645 in the acquisition of Augustine Ventures (2016: $nil), which resulted in an increased ownership of 30% in the Wawa Gold joint-venture.
b) The Company incurred total exploration and evaluation expenditures of $58,767 on other properties (2016: $12,418).
c) The following table represent the amounts invoiced and expected to be recovered from the Wawa Gold joint-venture partners for their prorated share of the exploration program costs, which includes exploration and evaluation expenditures, joint expenditures and project management fees. The amounts for Augustine Ventures are those that were recovered prior to the acquisition of the Company on February 3, 2017.

	Citabar	Augustine Ventures	All JV Partners
Exploration and Joint Expenditures	1,461,506	367,265	1,828,771
Total Invoiced	**$ 1,461,506**	**$ 367,265**	**$ 1,828,771**

6. Related Party Transactions and Balances

Related parties as defined by IAS 24 *Related Party Disclosures* include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company.

Key management personnel for the Company consists of the CEO, CFO, VP Exploration and Executive Director of Mining.

The following transactions occurred with related parties during the nine-month period ended April 30, 2017:

a) Key management personnel received the following:
    a. Cash compensation of $143,325 (2016: $146,395), which has been recorded as exploration expenditures on the Statement of Loss and Comprehensive Loss.
    b. Cash compensation of $132,250 (2016: $nil), which has been recorded in payroll and professional fees on the Statement of Loss and Comprehensive Loss.
b) The Company paid professional fees of $14,024 (2016: $21,617) to a corporation controlled by the CFO for professional services including accounting, corporate secretarial and transaction support services, which has been recorded in payroll and professional fees on the Statement of Loss and Comprehensive Loss.
c) Directors and key management personnel received 5,271,000 stock options valued at $225,245 (2016: Directors and key management personnel received 1,425,000 stock options valued at $76,928).
d) The Company incurred $20,660 (2016: $nil) expenses for corporations under common management control, which has not been reported on the Statement of Loss and Comprehensive Loss but has but has been reported in amounts receivable on the Statement of Financial Position.
e) The Company incurred $76,954 (2016: $nil) expenses paid for by corporations under common management control, which has not been reported on the Statement of Loss and Comprehensive Loss but has been reported in amounts payable on the Statement of Financial Position.
f) A corporation under common management control contracted exploration services from the Company and was invoiced a total of $nil (2016: $46,130), which has been reported on the Statement of Loss and Comprehensive Loss.

As of April 30, 2017, the outstanding related party balances were as follows:

a) Key management personnel were owed a deferred bonus of $60,000 (April 30, 2016: $nil) for the achievement of specific performance measures, which has been included in accounts payable and accrued liabilities.
b) Corporations under common management control were owed $44,974 (April 30, 2016: $nil) for the reimbursement of shared expenditures, which has been included in amounts payable.
c) The Company is the manager of and owns a 60% interest in a joint-venture partnership (see Note 5). The joint-venture partner owed the following net balances to the Company, which has been included in amounts receivable from joint-venture partners:
    a. Citabar: $600,877 (April 30, 2016: $nil)

7. Deferred Premium on Flow-Through Shares

The following table sets out the changes to the deferred premium with unfulfilled CEE commitments:

Financing Series	**2015 F/T Series**	**2016 F/T Series**	**2017 F/T Series**	**Totals**
Balance - July 31, 2015	**$ -**	**$ -**	**$ -**	**$ -**
Recognition of Deferred Premium	175,000	-	-	175,000
Balance - April 30, 2016	**$ 175,000**	**$ -**	**$ -**	**$ 175,000**
Recognition of Deferred Premium	-	219,600	-	219,600
Balance - July 31, 2016	**$ 175,000**	**$ 219,600**	**$ -**	**$ 394,600**
Decrease of Deferred Premium	(175,000)	(19,600)	-	(194,600)
Recognition of Deferred Premium	-	-	689,672	689,672
Balance - April 30, 2017	**$ -**	**$ 200,000**	**$ 689,672**	**$ 889,672**

8. Provision for Flow-Through Shares

During the year ended July 31, 2015, the Company recorded a contingent provision of $200,000 to recognize the obligation to flow-through subscribers of the 2011 series, which was calculated using a 35% combined rate applied against the estimated CEE shortfall.

Based on the results of a CRA audit completed in March 2016 of qualified CEEs incurred during the years ended December 31, 2011 and 2012, it was determined there was a shortfall of $227,592 and $526,743 for the 2011 and 2012 F/T series, respectively. As a result, the total contingent provision for the obligation to flow-through subscribers were increased by $64,000 during the year ended July 31, 2016.

The following table sets out the changes to the provision for the obligation to flow-through subscribers:

Financing Series	**2010 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2011**	**2011 F/T Series with CEE Commitments to the Calendar Year Ending December 31, 2012**	**Totals**
Balance – July 31, 2015	**$ -**	**$ 200,000**	**$ 200,000**
Balance – April 30, 2016	**$ -**	**$ 200,000**	**$ 200,000**
Adjustments to F/T Provisions	79,500	(15,500)	64,000
Balance – July 31, 2016	**$ 79,500**	**$ 184,500**	**$ 264,000**
Balance – April 30, 2017	**$ 79,500**	**$ 184,500**	**$ 264,000**

9. Leasehold Inducements

On November 4, 2013, the Company extended its office space lease agreement at 141 Adelaide Street West for five years from August 15, 2014 to August 14, 2019 with monthly lease payments of $17,599. As part of the renewal terms of the operating lease, the Company received leasehold inducements for the period from August 15, 2014 to May 15, 2015. The lease inducement valued at $66,343 is being amortized on a straight-line basis over the remaining term of the lease at a rate of $15,922 per year.

The following is continuity schedule for the leasehold inducement:

	Current Portion $	Long-Term Portion $	Lease Inducement Balance $
Balance – July 31, 2015	**15,922**	**47,767**	**63,689**
Lease Inducement Amortization	-	(11,942)	(11,942)
Balance – April 30, 2016	**15,922**	**35,825**	**51,747**
Lease Inducement Amortization	-	(3,980)	(3,980)
Balance – July 31, 2016	**15,922**	**31,845**	**47,767**
Lease Inducement Amortization	-	(11,942)	(11,942)
Balance – April 30, 2017	**15,922**	**19,903**	**35,825**

10. Share Capital

The authorized share capital consists of an unlimited number of common shares. The common shares have no par value.

As at April 30, 2017 the Company had 261,795,780 issued and outstanding common shares (July 31, 2016: 102,809,943). All issued and outstanding common shares are fully paid.

a) Common Shares Issued during the nine-month period ended April 30, 2017:

- The Company issued a total of 150,000 common shares upon the exercise of 150,000 stock options at an average exercise price of $0.055 for gross proceeds of $8,250.

- The Company issued a total of 9,411,538 common shares upon the exercise of 9,411,538 common share purchase warrants at an average exercise price of $0.09 for gross proceeds of $852,431.

- On February 3, 2017, the Company completed the plan of arrangement relating to the acquisition of Augustine Ventures whereby the company issued 100,668,733 common shares.

- On February 24, 2017, the Company completed a brokered private placement for gross proceeds of $6,540,340. The Company issued 21,168,666 common share units at a price of $0.12 per unit and 27,586,900 flow-through common shares at a price of $0.145 per share. Each common share unit consists of one common share and one common share purchase warrant exercisable for a period of three years at an exercise price of $0.17 per purchase warrant. As part of the financing, the Company paid $457,824 cash commissions and issued 3,412,889 non-transferable broker warrants exercisable for a period of two years at an exercise price of $0.135 per compensation warrant.

11. Stock Options

The Company has a stock option plan (the "Plan") under which the Board of Directors of the Company may grant stock options to eligible participants including directors and officers of the Company.

The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares. There is no minimum vesting period. The fair value of share-based compensation is recognized as contributed surplus upon issuance.

All outstanding stock options vested immediately upon being granted.

The following is a continuity schedule of the stock options series outstanding from July 31, 2016 to April 30, 2017:

Expiry Date	Exercise Price	Outstanding and Exercisable July 31, 2016	Granted	Exercised	Expired or Cancelled	Outstanding and Exercisable April 30, 2017
July 10, 2018	$ 0.500	370,000	-	-	(91,000)	279,000
December 18, 2018	$ 0.500	1,103,000	-	-	(163,000)	940,000
February 25, 2020	$ 0.500	1,663,000	-	-	(11,000)	1,652,000
August 27, 2020	$ 0.055	2,100,000	-	(150,000)	(25,000)	1,925,000
April 5, 2021	$ 0.080	750,000	-	-	-	750,000
April 6, 2022 [(a)]	$ 0.120	-	3,027,000	-	-	3,027,000
April 11, 2022 [(b)]	$ 0.120	-	8,284,000	-	-	8,284,000
Total	**$ 0.29**	**5,986,000**	**11,311,000**	**(150,000)**	**(290,000)**	**16,857,000**

a) The fair value of the 3,027,000 stock options granted on April 6, 2017 was estimated at $354,159 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 5 years.

b) The fair value of the 8,284,000 stock options granted on April 11, 2017 was estimated at $969,227 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 5 years.

12. Warrants

The Company has issued warrants as part of equity financings and property acquisitions. The fair value of warrants is recognized upon issuance as an equity reserve until expiration, cancellation or exercise.

The following is a continuity schedule for the warrants outstanding from July 31, 2016 to April 30, 2017:

Expiry Date	Exercise Price	Outstanding July 31, 2016	Issued	Exercised	Expired or Cancelled	Outstanding April 30, 2017	Ending Fair Value
March 5, 2017	$ 0.066	-	2,348,400	(2,348,400)	-	-	$ -
May 1, 2017	$ 0.275	635,628	-	-	-	635,628	$ 109,964
May 1, 2017	$ 0.500	7,017,900	-	-	-	7,017,900	$ 825,700
December 18, 2017	$ 0.250	6,400,000	-	-	-	6,400,000	$ 692,892
December 18, 2017 (a)	$ 0.250	640,000	-	-	-	640,000	$ 76,988
June 3, 2018	$ 0.080	1,777,132	-	-	-	1,777,132	$134,351
June 24, 2018	$ 0.105	560,000	-	(109,375))	-	450,625	$ 44,882
July 30, 2018	$ 0.050	155,965	-	-	-	155,965	$ 6,519
July 30, 2018	$ 0.100	1,499,708	-	-	-	1,499,708	$ 38,700
August 13, 2018	$ 0.050	270,982	-	-	-	270,982	$ 13,441
August 13, 2018	$ 0.100	2,208,186	-	-	-	2,208,186	$ 64,343
August 20, 2018	$ 0.050	330,000	-	(165,000)	-	165,000	$ 8,184
August 20, 2018	$ 0.100	2,750,000	-	(1,375,000)	-	1,375,000	$ 36,750
August 28, 201	$ 0.050	135,000	-	(135,000)	-	-	$ -
August 28, 2018	$ 0.100	2,450,000	-	(2,250,000)	-	200,000	$ 5,298
September 2, 2018 (b)	$ 0.099		2,533,333	-	-	2,533,333	$ 301655
September 2, 2018	$ 0.099		5,065,909	-	-	5,065,909	$ 586,039
February 9, 2019 (c)	$ 0.066		2,972,444	-	-	2,972,444	$ 379,274
February 9, 2019	$ 0.066		1,994,544	-	-	1,994,544	$ 250,294
February 9, 2019	$ 0.132		5,327,165	-	-	5,327,165	$ 633,935
February 17, 2019	$ 0.250	20,000	-	-	-	20,000	$ 6,090
February 24, 2019 (d)	$ 0.135		3,412,889	-	-	3,412,889	$ 404,412
February 25, 2019 (c)	$ 0.066		520,177	-	-	520,177	$ 66,553
February 25, 2019	$ 0.066		4,063,784	(216,263)	-	3,847,521	$ 484,397
April 7, 2019	$ 0.105		1,789,456	-	-	1,789,456	$ 220,282
April 8, 2019	$ 0.105		16,695,601	-	-	16,695,601	$ 2,055,731
May 5, 2019	$ 0.105		2,144,121	-	-	2,144,121	$265,704
June 3, 2019	$ 0.100	6,593,800	-	(1,250,000)	-	5,343,800	$ 164,274
June 24, 2019	$ 0.105	4,000,000	-	(1,562,000)	-	2,437,500	$ 106,823
September 2, 2019	$ 0.066		121,600	-	-	121,600	$ 15,793
December 13, 2019	$ 0.170		3,800,000	-	-	3,800,000	$ 478,985
February 24, 2020 (e)	$ 0.170		21,168,666	-	-	21,168,666	$ 2,694,176
April 7, 2020	$ 0.072		198,429	-	-	198,429	$ 26,318
May 3, 2020	$ 0.072		6,080	-	-	6,080	$ 808
Total	**$0.20**	**37,444,301**	**74,162,600**	**(9,411,538)**	**-**	**102,195,363**	**$ 11,199,555**

a) These broker warrants are exercisable into a unit consisting of one common share and one common share purchase warrant at an exercise price of $0.25 expiring on December 18, 2017. The embedded common share purchase warrant is not included in the totals.

b) These warrants are exercisable at a price of CAD$0.099 or USD$0.092.

c) These warrants are exercisable at a price of CAD$0.066 or USD$0.059.

d) The fair value of the 3,412,889 warrants issued on February 24, 2017 was estimated at $404,412 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 2 years.

e) The fair value of the 21,168,666 warrants issued on February 24, 2017 was estimated at $2,694,176 using the Black-Scholes model for pricing options under the following assumptions: risk free interest rate 0.55%, dividend yield 0%, expected stock volatility 200%, and an expected life of 3 years.

13. Commitments and Contingencies

(a) Lease and Sublease Commitments

The Company has an office space lease agreement located at 141 Adelaide Street West from August 15, 2014 to August 14, 2019 and signed a sublease agreement with a third-party tenant whereby the Company shall receive sublease payments for the period from March 1, 2015 to August 14, 2019. The sublease payments are recognized as a reduction of General and Administrative expenses on the Statements of Loss and Comprehensive Loss. A security deposit totalling $17,281 was received from the subtenant and is reported as a long-term liability on the Statement of Financial Position.

On December 12, 2016, the Company signed an office space lease agreement for office space located at 145 Wellington Street West for seven (7) years from January 1, 2017 to December 31, 2023. On September 15, 2016, a security deposit totaling $41,579 was remitted to the landlord, which is reported as a long-term asset on the Statement of Financial Position.

As of April 30, 2017, the Company was committed to annual lease payments for 141 Adelaide Street West of approximately $223,020 and expects to receive annual sublease payments of $223,020. As of April 30, 2017, the Company was committed to annual lease payments for 145 Wellington Street West of approximately $104,544.

Future minimum payments under the Company's leases, excluding the receipt of any sublease payments, are as follows:

Minimum Lease Payments	**April 30, 2017 $**	**July 31, 2016 $**
No later than 1 year	327,564	211,188
Later than 1 year, but no later than 5 years	929,264	325,230
Later than 5 years	69,696	-
Total	**1,326,524**	**536,418**

(b) Flow-Through Expenditure Commitments

The Company completed flow-through ("F/T") share financings that involve a commitment to incur Canadian exploration expenditures ("CEEs") prior to the end of specific calendar years and to renounce the CEE tax deductions to the subscribers. Flow-through shares and exploration expenditures qualifying as CEEs are defined in the Income Tax Act of Canada.

The following tables sets out the changes to the flow-through expenditure commitments:

Financing Series	**2015 F/T Series**	**2016 F/T Series**	**2017 F/T Series**
Financing Date	August 20, 2015	June 3, 2016	February 24, 2017
Commitment Deadline	December 31, 2016	December 31, 2017	December 31, 2018
Commitment Amount	$ 875,789	$ 1,098,000	$ 4,000,101
Less: Expenditures Incurred in 2016	(875,789)	(98,000)	-
Less: Expenditures Incurred in 2017	-	(1,000,000)	(210,000)
Estimated F/T Expenditures Remaining	**$ -**	**$ -**	**$ 3,790,101**

14. Capital Management

As of April 30, 2017, the Company had a working capital surplus of $3,824,600 (July 31, 2016: surplus of $992,222).

There were no changes in the Company's approach to capital management during the period ended April 30, 2017.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity. The Company expects to improve the working capital position by securing additional financing.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and adjusts in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company capital structure may involve the issue of new shares, issue of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than flow-through spending commitments.

15. Financial Instrument Risk Factors

The following disclosures are to enable users of the financial statements to evaluate the nature and extent of risks arising from financial instruments at the end of the reporting year:

a) Credit risk

The Company's credit risk is the risk of counterparty default on cash and cash equivalents held on deposit with financial institutions. The Company manages this risk by ensuring that deposits are only held with large Canadian banks and financial institutions. The Company's accounts receivable are sales tax receivables with negligible counterparty default risk.

The amounts due from joint venture partners are subject to counterparty default risk.

The amounts due from subtenants are subject to counterparty default risk.

b) Liquidity risk

The Company's liquidity risk is the risk that Company has insufficient funds to settle its contractual financial liabilities. The Company manages this risk by ensuring sufficient funds are available as contractual cash flows become due.

As at April 30, 2017, the Company had a cash and cash equivalents balance of $4,790,207 (July 31, 2016: $1,644,354) to settle current liabilities of $2,000,086 (July 31, 2016: $1,027,430). As a result, the Company is currently not exposed to liquidity risk.

While the Company has been successful in obtaining required funding in the past, there is no assurance that future financings will be available.

c) Market risks

The Company's market risk arises from changes in interest rates and commodity prices that could have an impact on profit and loss. This includes:

- Interest rate risk, is the sensitivity of the fair value or of the future cash flows of a financial instrument to changes in interest rates. The Company does not have any financial assets or liabilities that were subject to variable interest rates.
- Commodity price risks, particularly with respect to gold, is the sensitivity of the fair value of, or of the future cash flows, from mineral assets. The Company manages this risk by continually monitoring base and precious metal prices and commodity price trends to determine the appropriate timing for funding the exploration or development of its mineral assets, or for the acquisition or disposition of mineral assets. The Company does not have any mineral assets at the development or production stage carried at historical cost. The Company has expensed the acquisition and exploration costs of its exploration stage mineral assets.
- Marketable securities risk, is the sensitivity of the fair value of marketable securities to supply and demand for marketable securities. The Company manages this risk by continually monitoring the market pricing and trends of its portfolio of securities to determine the appropriate timing to complete any acquisitions or dispositions. The Company has determined the marketable securities risk at year-end is minimal.
- Currency risk, is the sensitivity of the fair value or of the future cash flows of financial instruments to changes in foreign exchange rates. The Company does not have any financial assets or liabilities that were subject to variable foreign exchange rates and as such the Company is not subject to currency risk.

16. Subsequent Events

On May 8, 2017, the Company completed a shares-for-debt transaction whereby the Company agreed to settle certain obligations (the "Debt") to former directors of Augustine Ventures Inc. ("Augustine"), which were incurred prior to becoming a wholly-owned subsidiary of the Company, through the issuance of common shares of the Company (the "Common Shares"). Pursuant to the settlement transaction, the Company issued a total of 2,268,802 common shares (the "Shares") at a deemed price of $0.12 per Share to settle a total indebtedness of $272,256.