Rockcliff
Copper Corporation

ROCKCLIFF COPPER CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED MARCH 31, 2017 AND 2016
(EXPRESSED IN CANADIAN DOLLARS)

Wasserman
Ramsay

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Rockcliff Copper Corporation:

We have audited the accompanying consolidated financial statements of Rockcliff Copper Corporation and its subsidiary, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statement of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Rockcliff Copper Corporation and its subsidiary as at March 31, 2017 and the results of its operations, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other matter

The consolidated financial statements as at March 31, 2016 and for the year then ended were audited by another firm of Chartered Accountants who expressed an unmodified opinion on them in their report dated July 28, 2016.

Wasserman Ramsay

Markham, Ontario
July 27, 2017

Chartered Accountants
Licensed Public Accountants

Rockcliff Copper Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at March 31, 2017	As at March 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 9)	**$ 1,099,322**	$ 1,764,613
Funds held in trust	**848**	-
Prepaid expenses and deposits	**56,130**	12,158
Amounts receivable and advances (note 10)	**56,756**	51,554
Total current assets	**1,213,056**	1,828,325
Equipment (note 11)	**42,918**	-
Exploration and evaluation properties (notes 3 and 5 (v))	**2,072,482**	2,072,482
Total assets	**$ 3,328,456**	$ 3,900,807
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and other liabilities (notes 12 and 18)	**$ 350,961**	$ 88,399
Total liabilities	**350,961**	88,399
Equity		
Share capital (note 13)	**26,274,744**	24,994,250
Reserve (notes 15 and 16)	**1,952,526**	1,119,102
Deficit	**(25,249,775)**	(22,300,944)
Total equity	**2,977,495**	3,812,408
Total liabilities and equity	**$ 3,328,456**	$ 3,900,807

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

Nature of operations (note 1)
Contingencies (note 20)
Commitments (note 21)
Subsequent events (note 22)

Approved on behalf of the Board:

(Signed) "Donald Christie", Director

(Signed) "G. Edmund King", Director

Rockcliff Copper Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year ended March 31, 2017	2016
Operating expenses		
Exploration costs (note 5)	**$ 2,536,429**	$ 1,029,972
Legal and professional	**300,967**	228,533
Share-based payments (notes 16 and 18)	**123,983**	56,618
General and administrative	**154,315**	227,241
Depreciation (note 11)	**10,296**	-
Salaries and benefits (note 18)	**-**	174,749
Investor relations	**103,811**	1,528
Consulting	**55,187**	-
Loss before the following items	**(3,284,988)**	(1,718,641)
Interest income	**10,654**	16,958
Foreign exchange gain	**278**	45,993
Gain on sale of equipment	**1,130**	-
Net loss before discontinued operations	**(3,272,926)**	(1,655,690)
Net loss from discontinued operations (note 19)	**-**	(8,452)
Net loss and comprehensive loss for the year	**$ (3,272,926)**	$ (1,664,142)
Continuing operations		
Basic and diluted net loss per share (note 14)	**$ (0.03)**	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	**122,500,472**	99,633,279
Discontinued operation		
Basic and diluted net loss per share (note 14)	**$ 0.00**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**122,500,472**	99,349,122

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

Rockcliff Copper Corporation
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended March 31, 2017	2016
Operating activities		
Net loss for the year from continuing operations	**$ (3,272,926)**	$ (1,655,690)
Adjustments for:		
Depreciation	**10,296**	-
Share-based payments	**123,983**	56,618
Shares issued for exploration and evaluation property interest	**78,500**	-
Gain on sale of equipment	**(1,130)**	-
Non-cash working capital items:		
Amounts receivable and advances	**(5,202)**	(4,208)
Prepaid expenses and deposits	**(43,972)**	5,777
Amounts payable and other liabilities	**262,562**	32,464
Net cash used in operating activities	**(2,847,889)**	(1,565,039)
Investing activities		
Acquisition of equipment	**(53,214)**	-
Proceeds from sale of exploration and evaluation property	**-**	250,000
Advances to Rockcliff Resources Inc. (note 3)	**-**	(190,274)
Cash and cash equivalents acquired from Rockcliff Resources Inc. (note 3)	**-**	25,987
Cash paid in business combination (note 3)	**-**	(180,000)
Proceeds from sale of equipment	**1,130**	-
Increase in funds held in trust	**(848)**	-
Cash and cash equivalents sold on disposition of subsidiaries (note 4)	**-**	(47,295)
Net cash used in investing activities	**(52,932)**	(141,582)
Financing activities		
Proceeds from private placement	**2,000,000**	-
Share issue costs	**(73,451)**	-
Proceeds from warrant exercise	**308,981**	-
Net cash used in financing activities	**2,235,530**	-
Net change in cash and cash equivalents from continuing operations	**(665,291)**	(1,706,621)
Net change in cash and cash equivalents from discontinued operations (note 19)	**-**	(167,570)
Cash and cash equivalents, beginning of year	**1,764,613**	3,638,804
Cash and cash equivalents, end of year (note 9)	**$ 1,099,322**	$ 1,764,613

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

Rockcliff Copper Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

Equity attributable to shareholders

	Share capital	Reserve: Contributed surplus	Reserve: Warrants	Deficit	Total
Balance, March 31, 2015	**$ 23,655,382**	**$ 1,027,800**	**$ -**	**$ (21,075,841)**	**$ 3,607,341**
Shares issued as consideration in business combination (note 3)	1,406,868	-	-	-	1,406,868
Settlement of Rockcliff insider payables (note 3)	132,000	-	-	-	132,000
Warrants issued as consideration in business combination (note 3)	-	-	425,580	-	425,580
Option issued as consideration in business combination (note 3)	-	48,143	-	-	48,143
Shares received on disposition of subsidiaries (note 4)	(200,000)	-	-	-	(200,000)
Expiry of stock options	-	(439,039)	-	439,039	-
Share-based payments	-	56,618	-	-	56,618
Loss for the year	-	-	-	(1,664,142)	(1,664,142)
Balance, March 31, 2016	**$ 24,994,250**	**$ 693,522**	**$ 425,580**	**$ (22,300,944)**	**$ 3,812,408**
Units issued in private placement	2,000,000	-	-	-	2,000,000
Warrant valuation	(1,077,143)	-	1,077,143	-	-
Share issue costs	(134,531)	-	61,080	-	(73,451)
Shares issued for mineral exploration property interest	78,500	-	-	-	78,500
Warrants exercised	308,981	-	-	-	308,981
Fair value of warrants exercised	104,687	-	(104,687)	-	-
Expiry of warrants	-	-	(76,201)	76,201	-
Expiry of stock options	-	(247,894)	-	247,894	-
Share-based payments	-	123,983	-	-	123,983
Loss for the year	-	-	-	(3,272,926)	(3,272,926)
Balance, March 31, 2017	**$ 26,274,744**	**$ 569,611**	**$ 1,382,915**	**$ (25,249,775)**	**$ 2,977,495**

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

1. Nature of operations

Rockcliff Copper Corporation (the “Company”) is engaged in the acquisition and exploration of mineral properties in Manitoba, Canada. The head office of the Company is located at 141 Adelaide Street West, Suite 1660, Toronto, Ontario, M5H 3L5.

On July 19, 2010, Solvista Gold Corporation was incorporated by articles of incorporation in the Province of Ontario. On October 21, 2015, the Company changed its name from Solvista Gold Corporation to Rockcliff Copper Corporation.

On June 17, 2015, the Company completed its amalgamation with Rockcliff Resources Inc. ("Rockcliff") (note 3).

As at March 31, 2017, the Company had not determined the existence of economically recoverable reserves. The Company’s exploration property interests may be subject to increases in taxes and royalties, renegotiation of contracts, changes in environmental designations, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

2. Significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies set out below have been applied consistently to the years presented in these consolidated financial statements unless otherwise noted below.

The Board of Directors approved the consolidated financial statements on July 27, 2017.

(b) Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis other than cash equivalents which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

In the preparation of these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in note 2(p).

(c) Basis of consolidation

The consolidated financial statements incorporate financial statements of Rockcliff Copper Corporation and its subsidiaries. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are-deconsolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

2. Significant accounting policies (continued)

(c) Basis of consolidation (continued)

The following entities have been consolidated within the consolidated financial statements:

	Country of incorporation	**Principal activity**
Rockcliff Copper Corporation	Canada	Parent company
Solvista Gold (Barbados) Corporation [(1)]	Barbados	Holding company
Solvista Colombian Mining (Barbados) Corporation [(1), (2)]	Barbados	Holding company
Solvista Guadalupe Mining (Barbados) Corporation [(1), (2)]	Barbados	Holding company
Sociedad Minera Solvista Colombia S.A.S. [(1), (3)]	Colombia	Exploration company
Sociedad Minera Solvista Guadalupe S.A.S. [(1), (4)]	Colombia	Exploration company
Rockcliff Resources Inc.[(5)]	Canada	Exploration company
Goldpath Resources Corp.	Canada	Exploration company

[(1)] Sold on March 4, 2016. See note 4.
[(2)] 100% owned by Solvista Gold (Barbados) Corporation.
[(3)] 100% owned by Solvista Colombian Mining (Barbados) Corporation.
[(4)] 100% owned by Solvista Guadalupe Mining (Barbados) Corporation.
[(5)] Amalgamated with Rockcliff Copper Corporation on September 30, 2016.

(d) Foreign currency translation

The functional currency, as determined by management, of the Company and its subsidiaries is the Canadian dollar. For the purpose of the consolidated financial statements, the results and financial position are expressed in Canadian dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(e) Financial instruments

The Company’s financial instruments consist of the following:

Financial assets:

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified at fair value through profit or loss ("FVTPL") which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets ‘at FVTPL’, ‘held-to-maturity investments‘, ‘available-for-sale‘ financial assets and ‘loans and receivables‘. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables:

Loans and receivables are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

FVTPL:

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the consolidated statements of loss and comprehensive loss.

Financial liabilities:

Financial liabilities are classified as either financial liabilities ‘at FVTPL’ or ‘other financial liabilities’.

Other financial liabilities:

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company’s financial instruments consist of the following:

Financial assets:	**Classification:**
Cash	Loans and receivables
Cash equivalents	FVTPL
Funds held in trust	Loans and receivables
Amounts receivable and advances	Loans and receivables

Financial liabilities:	**Classification:**
Amounts payable and other liabilities	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account.

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

Impairment of financial assets (continued):

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of March 31, 2017, cash equivalents of $924,443 are classified as Level 2 under the fair value hierarchy (March 31, 2016 - $1,724,427).

(f) Equipment

Items of equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within equipment.

Depreciation:

Equipment is generally depreciated on a straight line basis over their estimated useful lives of 3 to 5 years.

An item of equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed each reporting period, and adjusted prospectively if appropriate.

(g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or "CGUs"). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

2. Significant accounting policies (continued)

(h) Exploration costs

The Company expenses exploration costs as incurred, other than those acquired through a business combination. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and evaluation activity.

Exploration and evaluation properties acquired through a business combination are capitalized on the consolidated statements of financial position.

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

Property option payments received are recognized in the consolidated statement of loss and comprehensive loss in the period they are received by the Company except for property option payments on properties obtained through a business combination which are recorded against the capitalized value on the consolidated statements of financial position.

(i) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and other short-term highly liquid investments with original maturities of three months or less. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments.

(j) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at March 31, 2017 and March 31, 2016.

(k) Share-based payment transactions

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. 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. For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

2. Significant accounting policies (continued)

(l) Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(m) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset or expensed if they relate to exploration and evaluation activities, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

(n) Loss per share

The Company presents basic and diluted income (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is determined by adjusting the income (loss) attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. During the years ended March 31, 2017 and 2016, all outstanding options and warrants were considered anti-dilutive and were therefore excluded from the diluted income (loss) per share calculation.

2. Significant accounting policies (continued)

(o) Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished and which:

- represents a separate major line of business or geographical area of operations;
- is part of single coordinated plan to dispose of a separate major line of business; and
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive loss is re-presented as if the operation had been discontinued from the start of the comparative year.

(p) Significant accounting judgments and estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Impairment of exploration and evaluation properties
The Company's fair value measurement with respect to the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual fair values. The fair values are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated fair values of non-financial assets to their carrying values. The Company's fair value estimates are based on numerous assumptions. The fair value estimates may differ from actual fair values and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each reporting date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration and evaluation activities and significant drop in commodity prices.

Estimation of restoration, rehabilitation and environmental obligations and the timing of expenditure
Restoration, rehabilitation and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation or similar liabilities that may occur. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

2. Significant accounting policies (continued)

(p) Significant accounting judgments and estimates (continued)

Critical accounting estimates: (continued)

Income taxes and recoverability of potential deferred tax assets
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
Refer to note 20.

Critical accounting judgments:

Determination of whether a set of assets acquired and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. Applying the acquisition method requires the consideration paid and each identifiable asset and liability to be measured at its acquisition-date fair value.

(q) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(Expressed in Canadian dollars)

2. Significant accounting policies (continued)

(q) Recent accounting pronouncements (continued)

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

3. Amalgamation

On June 17, 2015, the amalgamation (the "Amalgamation") of Rockcliff and a wholly-owned subsidiary of the Company (formerly Solvista Gold Corporation) closed pursuant to the amalgamation agreement dated April 17, 2015. Pursuant to the Amalgamation, each of the issued and outstanding securities of Rockcliff were exchanged for 0.90 of an equivalent security of the Company. The newly amalgamated company, known as Rockcliff Resources Inc., which holds all of Rockcliff's assets, is a wholly-owned subsidiary of the Company.

Pursuant to the Amalgamation, the Company issued 35,171,700 common shares to the former Rockcliff shareholders. Each of the issued and outstanding convertible securities of Rockcliff were converted into securities of the Company after adjustment for the exchange ratio. This conversion resulted in issuance of 3,262,500 stock options, 14,589,688 warrants and 589,509 broker warrants.

In excess of $446,500 was owed by Rockcliff to certain insiders of Rockcliff. Pursuant to the terms of the amalgamation agreement and as part of the Amalgamation, these accounts payable were capped at $363,000 and settled on closing of the Amalgamation through the payment by the Company of $180,000 in cash and the issuance of 3,300,000 common shares.

In connection with the Amalgamation, the Company provided Rockcliff with a short-term loan (the "Loan") of $190,274 for the payment of liabilities due prior to the completion of the Amalgamation. The Loan was secured against Rockcliff's Rail property located in the Snow Lake District in Manitoba.

In accordance with IFRS 3 - Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs, and processes. Rockcliff met the definition of a business and therefore the Amalgamation was treated as a business combination. The fair value of the consideration was determined based on the fair value of the common shares, options and warrants issued by the Company. The excess of the purchase price over the fair value of net assets acquired has been treated as the fair value of the exploration and evaluation properties acquired.

Purchase price - consideration paid		
Fair value of 35,171,700 shares issued in exchange for 39,079,668 Rockcliff common shares outstanding (1)	$	1,406,868
Fair value of 3,262,500 stock options issued in exchange for 3,625,000 Rockcliff options (2)		48,143
Fair value of 15,179,197 warrants issued in exchange for 16,865,775 Rockcliff warrants (3)		425,580
Fair value of 3,300,000 common shares as settlement of payable (1)		132,000
Cash		180,000
Loan (4)		190,274
Total consideration paid	$	2,382,865

(Expressed in Canadian dollars)

3. Amalgamation (continued)

Net assets received

Cash and cash equivalents	$	25,987
Amounts receivable and advances		34,842
Prepaid expenses and deposits		5,337
Amounts payable and other liabilities		(5,783)
Rockcliff net assets received	$	60,383
Fair value of exploration and evaluation properties obtained	$	2,322,482

(1) Fair value equal to Company's share price of $0.04 at closing date.

(2) Fair value determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.68%; expected volatility – 148% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2.1 years; share price - $0.04.

(3) Fair value determined using the Black-Scholes option-pricing model. The following weighted average assumptions were used: Risk free interest rate – 0.72%; expected volatility – 200% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2.2 years; share price - $0.04.

(4) Short-term loan of $190,274 for the payment of liabilities due prior to the completion of the Amalgamation.

4. Sale of subsidiaries

On March 4, 2016, the Company completed the 100% disposition of Solvista Gold (Barbados) Corporation, Solvista Colombian Mining (Barbados) Corporation, Solvista Guadalupe Mining (Barbados) Corporation, Sociedad Minera Solvista Colombia S.A.S. and Sociedad Minera Solvista Guadalupe S.A.S. for the return of 5,000,000 of the Company's common shares, which were immediately cancelled, and a 2% net smelter return royalty on all properties held by the companies.

Net proceeds received

Fair value of 5,000,000 common shares (1)	$	200,000
2% net smelter return royalty (2)		-
Transaction costs		(14,081)
Total net proceeds received	$	185,919

(1) Fair value equal to Company's share price of $0.04 at closing date.

(2) Due to the uncertainty surrounding whether the properties will be put into production and the timing and quantity of any such production, the value has been considered to be $nil.

Net assets sold

Cash and cash equivalents	$	47,295
Amounts receivable and advances		23,155
Net assets sold	$	70,450
Gain on sale of subsidiaries	$	115,469

5. Exploration and evaluation properties

(i) On March 4, 2016, the Company completed the disposition of Solvista Colombia and Solvista Guadalupe. The Company continues to hold a 2% net smelter return royalty on all properties held by the companies.

(ii) The Company holds a 100% interest, subject to a 2% net smelter returns royalty in favour of the former owner, HudBay Minerals Inc. ("HudBay"), in the Freebeth Property located in the Snow Lake District in Manitoba.

(iii) The Company holds a 100% interest, subject to a 2% net smelter returns royalty in favour of the former owner, HudBay, in the Rail Property located in the Snow Lake District in Manitoba.

(iv) The Company holds a 100% interest in the Lon Property located in the Snow Lake District in Manitoba. The Company also acquired certain mining rights and mining data in respect of the Lon Deposit subject to a ½% net smelters return royalty in two of the claims acquired. The Company may purchase this net smelter returns royalty for $250,000.

(v) The Company previously held a 70% interest, subject to an existing 2% net smelter returns royalty in favour of a previous owner, in the Tower property, located in the Thompson Nickel Belt District in Manitoba.

On June 30, 2015, the Company sold its 70% interest in the Tower Property to Akuna Minerals Inc. ("Akuna"), a corporation with common directors and officers, for $250,000, time related commitments (extended time periods noted below) and a 1.5% net smelter returns royalty. Akuna is required to:

- complete a minimum expenditure of $500,000 on a Drill Program on the T-1 Deposit by March 31, 2016 and deliver a report on the Drill Program by May 31, 2016 (completed);
- complete a Preliminary Economic Assessment on the T-1 Deposit within 9 months of closing (completed);
- complete a minimum expenditure of $1,500,000 on a Bankable Feasibility Study by December 31, 2017; and
- complete a bulk sample by March 31, 2019 and thereafter build the project to production as defined by the Bankable Feasibility Study.

The carrying value of the Tower Property was equal to the consideration received, therefore $250,000 was removed from exploration and evaluation properties and no gain or loss on sale was recorded.

(vi) In April 2014, the Company entered into an option agreement to acquire a 51% interest, subject to a buy-back provision in favour of the owner HudBay, in the Talbot property, located in the Snow Lake District in Manitoba. The Company will earn its interest by spending $6,120,000 on exploration of the property, inclusive of an 8% administration charge the Company is entitled to claim towards expenditures, as follows:

- $200,000 prior to April 14, 2015 (completed)
- $400,000 prior to April 14, 2016 (completed)
- $700,000 prior to April 14, 2017 (completed)
- $1,050,000 prior to April 14, 2018 (completed)
- $1,500,000 prior to April 14, 2019
- $2,270,000 prior to April 14, 2020

As at March 31, 2017, the Company had incurred qualified expenditures of approximately $3,300,000 applicable to this commitment.

5. Exploration and evaluation properties (continued)

(vi) (continued) Within 90 days of the date whereby the Company has earned its 51% interest, the Company and HudBay will enter into a joint venture agreement relative to the future exploration and development of the property. The Company will be the operator and each party will hold title and bear all risks, benefits and funding requirements equal to their respective ownership percentages. For a period of 2 years from the date from which the Company earns its 51% interest, HudBay will have the option to buy back a 2% interest by paying the Company $240,000 and, over the ensuing 2 years, either incurring expenditures equal to 2% of the joint venture expenditures to date or paying such amount to the Company in cash. If HudBay acquires this additional 2% interest it will become the operator. To maintain their respective interest each company will need to spend their pro-rata share in future exploration. If any Company reduces their interest to 10% or less then they will be converted to a 2.5% net smelter returns royalty.

Once a positive feasibility study has been completed and mining development has commenced the operator may increase its interest in the property to 65% by paying the other participant a cash payment equal to the pro-rata share of expenditures made by that other participant to reduce it to a 35% interest. The operator would then fund the costs of development and will be reimbursed 100% of the development costs, including the 35% interest of the non-operator. Once the costs of development have been repaid, the parties will be reimbursed their pro-rata share of the expenditures made prior to the date development commences, before net profits are distributed.

(vii) During the year ended March 31, 2017, the Company acquired an option to earn a 100% interest in the Laguna Gold Property, located in the Snow Lake District in Manitoba. The Company will earn its interest by paying an aggregate of $200,000 cash and issuing 750,000 shares over a four year period as described below. Expenditures required over five years total $1,000,000 with a minimum $100,000 in expenditures in any year. The vendor will retain a 2.5% NSR on the property of which one 1.5% NSR can be purchased at any time for $500,000 per 0.5% NSR. The vendor’s remaining NSR will be subject to a first right of refusal in favour of the Company from 0.5% NSR up to 1.0% NSR on certain claims of the property. An advance royalty payment of $35,000/year to the vendor begins after year five of the option and is capped at $175,000. The advanced royalty payment will be repaid from production on the property. If the Company completes a Feasibility Study in respect of the Property, the Company shall pay the Vendor an additional cash payment of $100,000

Cash payments and are payable/issuable as follows:

- $40,000 and 250,000 common shares on closing (completed)
- $40,000 and 125,000 common shares prior to September 8, 2017
- $40,000 and 125,000 common shares prior to September 8, 2018
- $40,000 and 125,000 common shares prior to September 8, 2019
- $40,000 and 125,000 common shares prior to September 8, 2020

(viii) During the year ended March 31, 2017, the Company acquired an option to earn a 100% interest in the Bur property, located in the Snow Lake District in Manitoba, from Hudson Bay Mining and Smelting Co., Limited, a wholly-owned subsidiary of HudBay Minerals Inc. ("Hudbay"). The Company will earn its interest by spending $3.0M in exploration over a four year period in increasing yearly expenditure requirements as follows:

- $400,000 prior to September 20, 2017 (deadline extended for an additional 7 months)
- $600,000 prior to September 20, 2018
- $750,000 prior to September 20, 2019
- $1,250,000 prior to September 20, 2020

5. Exploration and evaluation properties (continued)

(viii) (continued) Once the 100% earn-in is complete, Rockcliff may exercise its option to own a 100% interest in the property. On exercise of the option, Hudbay will receive a 2% Net Smelter Return (NSR) royalty on the property. Hudbay will then have one year (the buy-back waiting period) to decide whether to buy back 70% of the property by paying Rockcliff a total of $3.0M cash over a three year period. Hudbay will also pay Rockcliff double the exploration expenditures incurred by Rockcliff during the buy-back waiting period, capped at $1.5M, if it elects to exercise its buy-back right. Upon Hudbay exercising its buy-back right, Hudbay's right to receive the 2% NSR royalty shall terminate. Hudbay and Rockcliff will then form a joint venture on a 70/30 (Hudbay/Rockcliff) basis and will be responsible for their respective pro rata share on further exploration of the property. Once a decision is made to construct a mine, Hudbay shall contribute on behalf of Rockcliff Rockcliff's proportionate share of the expenses in the form of a non-interest bearing loan, repayable in accordance with the terms of the joint venture agreement.

(ix) During the year ended March 31, 2017, the Company acquired a 100% interest in the MacBride property located in the Leafs Rapids District in Manitoba, for cash of $58,275. $8,275 (the "Cash in Lieu") was paid by the vendor in lieu of work to keep the property in good standing and following closing, the Cash in Lieu shall to paid to the Company upon completion of sufficient work on the property and filing of same to allow for the release of the Cash in Lieu.

The vendor will retain a 2.0% NSR on the property of which one 1.0% NSR can be purchased at any time for $500,000 per 0.5% NSR. The vendor's remaining NSR will be subject to a first right of refusal in favour of the Company.

(x) During the year ended March 31, 2017, the Company acquired an option to earn a 100% interest in the Snow Lake Gold Property, located in the Snow Lake District in Manitoba. The Company will earn its interest by paying an aggregate of $200,000 cash and issuing 750,000 shares over a four year period as described below. Expenditures required over five years total $1,000,000 with a minimum $100,000 in expenditures in any year. The vendor will retain a 2.5% NSR on the property of which one 1.5% NSR can be purchased at any time for $500,000 per 0.5% NSR. The vendor's remaining NSR will be subject to a first right of refusal in favour of the Company. An advance royalty payment of $35,000/year to the vendor begins after year five of the option and is capped at $175,000. The advanced royalty payment will be repaid from production on the property. If the Company completes a Feasibility Study in respect of the Property, the Company shall pay the Vendor an additional cash payment of $100,000

Cash payments and are payable/issuable as follows:

- $40,000 and 250,000 common shares on closing (completed)
- $40,000 and 125,000 common shares prior to October 4, 2017
- $40,000 and 125,000 common shares prior to October 4, 2018
- $40,000 and 125,000 common shares prior to October 4, 2019
- $40,000 and 125,000 common shares prior to October 4, 2020

(xi) During the year ended March 31, 2017, the Company acquired a 100% interest in the Morgan property (Morgan Lake, Woosey Lake and Cook Lake properties), located in the Snow Lake District in Manitoba. The Company will pay Copper Reef Mining Corporation ("Copper Reef") $100,000 cash and 200,000 common shares on closing (paid and issued), a further $50,000 cash (paid) and 400,000 common shares within 6 months (issued subsequent to March 31, 2017) and a final 1,000,000 common shares within 12 months. Copper Reef will retain a 2% NSR on the Morgan Lake property, which is subject to a 10% net profits interest royalty in favour of the original owner, a 2% NSR on the Woosey Lake property and a 1% NSR on the Cook Lake property, which is also subject to a 2% NSR in favour of a former joint venture party. A third party holds certain rights in respect of the Morgan Lake property and Cook Lake property including a back-in right to acquire a 60% interest in these properties if a mineral resource is identified with 225,000 tonnes of contained copper equivalent or a 20% back-in right if the Company transfers these properties to a major company. If the Company commences commercial production on the Morgan property, it will pay an advance royalty payment to Copper Reef of $1,000,000. The Company at any time will have the right to purchase one-half of the Copper Reef NSRs for $1,000,000 and will retain a Right of First Refusal on Copper Reef's remaining NSRs.

(Expressed in Canadian dollars)

5. Exploration and evaluation properties (continued)

(xii) The Company holds a 100% interest, subject to a 3% net smelter returns royalty in favour of the former owner, in the Jackfish Property located in the Snow Lake District in Manitoba. The Company has the right to purchase two thirds or 2% of the net smelter returns royalty for $2,000,000 and will have a right of first refusal on the remaining 1% net smelter returns royalty.

(xiii) The Company holds a 100% interest, subject to a 2% net smelter returns royalty in favour of the former owners, in the Shihan Property located in the Sault Saint Marie Mining Division in Ontario.

(xiv) The Company holds a 100% interest in the Penex zinc property in the Snow Lake District in Manitoba as a result of staking. The Penex zinc property is contiguous with the Morgan property.

The following is a breakdown by property of exploration costs from continuing operations:

Year ended March 31, 2017

	Talbot Property	Rail Property	Laguna Property	Other Properties	Total
Acquisition costs	$ -	$ -	$ 66,250	$ 300,525	**$ 366,775**
Exploration expenditures	1,681,725	106,168	96,823	284,938	**2,169,654**
	$ 1,681,725	$ 106,168	$ 163,073	$ 585,463	**$ 2,536,429**

Year ended March 31, 2016

	Talbot Property	Rail Property	Laguna Property	Other Properties	Total
Exploration expenditures	$ 1,159,136	$ 18,594	$ -	$ 11,771	**$ 1,189,501**
Government grants received	(159,529)	-	-	-	**(159,529)**
	$ 999,607	$ 18,594	$ -	$ 11,771	**$ 1,029,972**

6. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company.

6. Capital risk management (continued)

The Company's capital management objectives, policies and processes have remained unchanged during the year ended March 31, 2017. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of March 31, 2017, the Company is compliant with Policy 2.5.

7. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk during the years ended March 31, 2017 and March 31, 2016.

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents are held with select major Canadian chartered banks, from which management believes the risk of loss to be minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company’s liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. The Company prepares annual capital expenditure budgets, which are monitored and updated as required. In addition, the Company requires authorization for expenditures on projects to assist with the management of capital. The Company’s financial liabilities comprise amounts payable and other liabilities, which are due within 12 months.

(iii) 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 commodity and equity prices.

(a) Interest rate risk

The Company currently does not have any short-term or long-term debt that is interest bearing and, as such, the Company’s current exposure to interest rate risk is minimal.

(b) Foreign currency risk

The Company's functional and reporting currency is the Canadian dollar and the Company holds minimal cash balances in US dollars which could give rise to exposure to foreign exchange risk. It is not the Company’s policy to hedge its foreign currency related to the US dollar. Foreign currency risk is not considered significant.

(Expressed in Canadian dollars)

7. Financial risk management (continued)

(iii) Market risk (continued)

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to precious and base metals and other minerals, and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of precious and base metals and other minerals. Precious and base metals and other mineral prices have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals and other minerals are produced in the future, a profitable market will exist for them. As of March 31, 2017, the Company was not a precious mineral, base metals and other minerals producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

8. Financial instruments

	As at March 31, 2017	As at March 31, 2016
Financial assets:		
FVTPL		
Cash equivalents	**$ 924,443**	$ 1,724,427
Loans and receivables		
Cash	**$ 174,879**	$ 40,186
Funds held in trust	**$ 848**	$ -
Financial liabilities:		
Other financial liabilities		
Amounts payable and other liabilities	**$ 350,961**	$ 88,399

As at March 31, 2017 and March 31, 2016, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

9. Cash and cash equivalents

	As at March 31, 2017	As at March 31, 2016
Cash	**$ 174,879**	$ 40,186
Cash equivalents	**924,443**	1,724,427
Total	**$ 1,099,322**	$ 1,764,613

10. Amounts receivable and advances

	As at March 31, 2017	As at March 31, 2016
Harmonized sales tax recoverable - (Canada)	**$ 56,756**	$ 51,554
Total	**$ 56,756**	$ 51,554

(Expressed in Canadian dollars)

11. Equipment

Equipment is represented by the following:

Cost	**Machinery and equipment**	**Office equipment**	**Total**
Balance, March 31, 2015	$ -	$ 81,033	$ 81,033
Impairment	-	(81,033)	(81,033)
Balance, March 31, 2016	-	-	-
Additions	53,214	-	53,214
Balance, March 31, 2017	$ 53,214	$ -	$ 53,214

Depreciation	**Machinery and equipment**	**Office equipment**	**Total**
Balance, March 31, 2015	$ -	$ 55,796	$ 55,796
Depreciation	-	7,097	7,097
Impairment	-	(62,893)	(62,893)
Balance, March 31, 2016	-	-	-
Depreciation	10,296	-	10,296
Balance, March 31, 2017	$ 10,296	$ -	$ 10,296

Net book value	**Machinery and equipment**	**Office equipment**	**Total**
Balance, March 31, 2016	$ -	$ -	$ -
Balance, March 31, 2017	$ 42,918	$ -	$ 42,918

12. Amounts payable and other liabilities

	As at March 31, 2017	**As at March 31, 2016**
Falling due within the year		
Trade payables	**$ 147,939**	$ 32,010
Accrued liabilities	**203,022**	56,389
Total	**$ 350,961**	$ 88,399

13. Share capital

a) Authorized share capital

The authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(Expressed in Canadian dollars)

13. Share capital (continued)

b) Common shares issued

	Number of common shares	Amount
Balance, March 31, 2015	**69,729,318**	**$ 23,655,382**
Shares issued as consideration in business combination (note 3)	35,171,700	1,406,868
Settlement of Rockcliff insider payables (note 3)	3,300,000	132,000
Shares received on disposition of subsidiaries (note 4)	(5,000,000)	(200,000)
Balance, March 31, 2016	**103,201,018**	**$ 24,994,250**
Units issued in private placement (i)	28,571,428	2,000,000
Warrant valuation (i)	-	(1,077,143)
Share issue costs (i)	-	(134,531)
Shares issued for mineral exploration property interest (note 5)	700,000	78,500
Warrants exercised (note 15)	3,884,838	308,981
Fair value of warrants exercised (note 15)	-	104,687
Balance, March 31, 2017	**136,357,284**	**$ 26,274,744**

(i) On August 16, 2016, the Company closed a non-brokered private placement of 28,571,428 units at a price of $0.07 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each full warrant entitles the holder to purchase one common share at a price of $0.10 for two years from closing. The grant date fair value of $1,077,143 was assigned to the 14,285,714 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 0.56%; an expected volatility factor of 201%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible finders were paid cash fees of $54,956 and 785,086 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at $0.07 for a period of two years from closing. The grant date fair value of $61,080 was assigned to the broker warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 0.56%; an expected volatility factor of 201%; an expected dividend yield of 0%; and an expected life of 2 years.

Insiders of the Company subscribed for 910,000 units. Norvista Capital Corporation (“Norvista Capital”) subscribed for 7,142,857 units for proceeds of $500,000 and Norvista Capital 1 Limited Partnership (“Norvista LP”) subscribed for 7,142,857 units for proceeds of $500,000. Four of the six directors of the Company are also directors and/or officers of Norvista Capital or Norvista LP. Norvista Capital and Norvista LP previously did not hold any common shares of the Company. The private placements by Norvista Capital and Norvista LP were approved by the disinterested directors of the Company.

14. Net loss per common share

The calculation of basic and diluted loss per share from continuing operations for the year ended March 31, 2017 was based on the loss attributable to common shareholders of $3,272,926 (year ended March 31, 2016 - $1,655,690) and the weighted average number of common shares outstanding of 122,500,472 (year ended March 31, 2016 - 99,633,279).

The calculation of basic and diluted loss per share from discontinued operations for the year ended March 31, 2017 was based on the loss attributable to common shareholders of $nil (year ended March 31, 2016 - $8,452) and the weighted average number of common shares outstanding of 122,500,472 (year ended March 31, 2016 - 99,349,122).

(Expressed in Canadian dollars)

14. Net loss per common share (continued)

Diluted loss per share for the year ended March 31, 2017 did not include the effect of 23,491,650 warrants (March 31, 2016 - 15,179,197 warrants) and 8,480,000 stock options (March 31, 2016 - 5,624,465 stock options) as they are anti-dilutive.

15. Warrants

The following table reflects the continuity of warrants for the years ended March 31, 2017 and 2016:

	Number of warrants	Grant date fair value ($)	Weighted average exercise price ($)
Balance, March 31, 2015	**-**	**-**	**-**
Warrants issued as consideration in business combination (note 3)	15,179,197	425,580	0.09
Balance, March 31, 2016	**15,179,197**	**425,580**	**0.09**
Issued (note 3)	15,070,800	1,138,223	0.10
Exercised	(3,884,838)	(104,687)	0.08
Expired	(2,873,509)	(76,201)	0.08
Balance, March 31, 2017	**23,491,650**	**1,382,915**	**0.10**

The following table reflects the warrants issued and outstanding as of March 31, 2017:

Number of warrants outstanding	Grant date fair value ($)	Exercise price ($)	Expiry date
14,250	416	0.055	July 18, 2017
1,719,000	46,265	0.083	July 18, 2017
285,000	7,212	0.11	July 18, 2017
3,315,600	98,724	0.083	December 8, 2017
825,000	23,490	0.11	December 8, 2017
94,500	2,988	0.055	December 31, 2017
450,000	13,619	0.083	December 31, 2017
1,522,500	46,076	0.11	December 31, 2017
195,000	5,902	0.083	January 23, 2018
14,285,714	1,077,143	0.10	August 16, 2018
785,086	61,080	0.07	August 16, 2018
23,491,650	1,382,915	0.09	

(Expressed in Canadian dollars)

16. Stock options

The following table reflects the continuity of stock options for the years ended March 31, 2017 and 2016:

	Number of stock options	Weighted average exercise price ($)
Balance, March 31, 2015	**4,621,555**	**0.65**
Options issued as consideration in business combination (note 3)	3,262,500	0.37
Options granted (i)	2,400,000	0.05
Options expired	(4,659,590)	0.55
Balance, March 31, 2016	**5,624,465**	**0.31**
Options issued as consideration in business	-	-
Options granted (ii), (iii), (iv)	3,700,000	0.05
Options expired	(844,465)	0.76
Balance, March 31, 2017	**8,480,000**	**0.15**

(i) On June 23, 2015, the Company granted a total of 2,400,000 stock options to directors of the Company with each option exercisable at a price of $0.05 per common share and expiring on June 22, 2020. The stock options granted were valued at the grant date at $85,439, using the Black-Scholes option pricing model, with a risk-free rate of 1.00%, an expected life of 5 years, an expected volatility of 147% and an expected dividend yield of 0%. These options vest as to one-third on June 23, 2015, one-third on June 23, 2016 and one-third on June 23, 2017.

(ii) On April 1, 2016, the Company granted a total of 100,000 stock options to a consultant of the Company with each option exercisable at a price of $0.10 per common share and expiring on April 1, 2021. The stock options granted were valued at the grant date at $3,625, using the Black-Scholes option pricing model, with a risk-free rate of 0.69%, an expected life of 5 years, an expected volatility of 167% and an expected dividend yield of 0%. These options vest as to one-quarter every 3 months.

(iii) On April 5, 2016, the Company granted a total of 3,450,000 stock options to certain officers, directors and employees of the Company with each option exercisable at a price of $0.05 per common share and expiring on April 4, 2021. The stock options granted were valued at the grant date at $145,322, using the Black-Scholes option pricing model, with a risk-free rate of 0.65%, an expected life of 5 years, an expected volatility of 167% and an expected dividend yield of 0%. These options vest 25% immediately and 25% on each anniversary of grant.

(iv) On June 22, 2016, the Company granted a total of 150,000 stock options to a consultant of the Company with each option exercisable at a price of $0.10 per common share and expiring on June 22, 2017. The stock options granted were valued at the grant date at $4,998, using the Black-Scholes option pricing model, with a risk-free rate of 0.54%, an expected life of 1 year, an expected volatility of 234% and an expected dividend yield of 0%. These options vested immediately.

(Expressed in Canadian dollars)

16. Stock options (continued)

Details of the stock options outstanding at March 31, 2017 are as follows:

Grant date fair value($)	Contractual life (years)	Number of options	Exercisable options	Exercise price ($)	Expiry date
16,391	0.03	100,000	100,000	0.75	April 12, 2017
4,998	0.23	150,000	150,000	0.10	June 22, 2017
4,920	0.32	30,000	30,000	0.75	July 25, 2017
311,375	0.95	1,175,000	1,175,000	0.60	March 14, 2018
21,375	1.58	225,000	225,000	0.30	October 29, 2018
20,728	1.81	675,000	675,000	0.11	January 22, 2019
22,223	2.88	675,000	675,000	0.11	February 17, 2020
67,639	3.23	1,900,000	1,266,666	0.05	June 22, 2020
3,625	4.01	100,000	50,000	0.10	April 1, 2021
145,322	4.01	3,450,000	862,500	0.05	April 4, 2021
618,596	2.96	8,480,000	5,209,166	0.15	

17. Income taxes

(a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2016 - 26.5%) were as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Loss before income taxes	**$ (3,272,926)**	$ (1,664,142)
Expected income tax recovery based on the statutory rate:	**$ (867,000)**	$ (441,000)
Adjustments to expected income tax benefit:		
Share-based payments	**33,000**	15,000
Expenses not deductible for tax purposes	**675,000**	66,000
Differences in foreign statutory rates	**-**	(66,000)
Other	**(65,000)**	(2,629,000)
Change in unrecorded deferred tax asset	**224,000**	1,469,000
Benefit of deferred tax assets not recognized	**-**	1,586,000
Deferred income tax recovery	**$ -**	$ -

(Expressed in Canadian dollars)

17. Income taxes (continued)

(b) Deferred income tax

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	March 31, 2017	March 31, 2016
Deductible temporary differences		
Non-capital loss carry-forwards	**$ 9,688,000**	$ 8,841,000
Exploration and evaluation assets	**7,732,000**	5,196,000
Share issue costs	**117,000**	73,000
Other temporary differences	**-**	74,000
Deductible temporary differences not recognized	**$ 17,537,000**	$ 14,184,000

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profits will be available against which the Company can use the benefits.

At March 31, 2017, the Company has estimated non-capital losses for Canadian income tax purposes of approximately $9,688,000 (2016 - $8,841,000) available to use against future taxable income. The non-capital losses expire between 2026 and 2037.

18. Major shareholders and related party transactions

Major shareholders

To the knowledge of the directors and senior officers of the Company, as of March 31, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than as set out below:

	Number of common shares	Percentage of outstanding common shares
Norvista Capital [1]	14,285,714	10.48 %

[1] 7,142,857 shares held directly Norvista Capital and 7,142,857 held by Norvista LP.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned by another corporation, by any government or by any natural or legal person severally or jointly.

18. Major shareholders and related party transactions (continued)

Related party transactions

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

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties) and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations. All amounts payable are non-interest bearing, unsecured and due on demand.

(a) The Company entered into the following transactions with related parties:

(i) During the year ended March 31, 2017, the Company expensed $60,000 (year ended March 31, 2016 - $60,000) paid or accrued to Durham Exploration, a company controlled by a director of the Company, for advisory and geological services. The amounts charged by Durham Exploration are recorded at their exchange value. Included in the March 31, 2017, amounts payable and other liabilities is $10,650 (March 31, 2016 - $10,000).

(ii) During the year ended March 31, 2017, the Company expensed $240,000 (year ended March 31, 2016 - $142,500) paid or accrued to Lapierre Exploration Services Inc., a company controlled by the President and Chief Executive Officer, for advisory and geological services. The amounts charged by Lapierre Exploration Services Inc. are recorded at their exchange value. Included in the March 31, 2017, amounts payable and other liabilities is $nil (March 31, 2016 - $nil).

(iii) The Chief Financial Officer is a senior employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the year ended March 31, 2017, the Company expensed $50,004 (year ended March 31, 2016 - $37,343) paid or accrued to MSSI. The amounts charged by MSSI are recorded at their exchange value. Included in the March 31, 2017, amounts payable and other liabilities is $10,101 (March 31, 2016 - $9,539).

(iv) During the year ended March 31, 2017, the Company expensed $9,000 (year ended March 31, 2016 - $6,000) paid or accrued to Gardiner Roberts LLP, a company where a director is a partner, for corporate secretarial services and $50,225 (year ended March 31, 2016 - $nil) for legal services. The amounts charged by Gardiner Roberts LLP are recorded at their exchange value. Included in the March 31, 2017, amounts payable and other liabilities is $4,994 (March 31, 2016 - $2,444).

(v) During the year ended March 31, 2017, the Company expensed $27,469 (year ended March 31, 2016 - $3,434) paid or accrued to Norvista Capital Corporation, a shareholder and a company with common directors and management, for rent. The amounts charged by Norvista Capital Corporation are recorded at their exchange value. Included in the March 31, 2017, amounts payable and other liabilities is $2,388 (March 31, 2016 - $4,278).

(Expressed in Canadian dollars)

18. Major shareholders and related party transactions (continued)

Related party transactions (continued)

(b) In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of directors and key management personnel of the Company was as follows:

	Year ended March 31, 2017 $	Year ended March 31, 2016 $
Salaries and benefits [1]	**-**	22,500
Severance payments	**-**	120,000
Share-based payments	**110,924**	56,618

[1] The Board of Directors do not have employment or service contracts with the Company.

19. Discontinued operations and segmented information

As a result of the disposition of all Colombian operations on March 4, 2016, the Company has classified the following expenses and cash flows from Colombia as discontinued operations.

	Year ended March 31, 2017	Year ended March 31, 2016
Operating expenses		
Exploration costs	**$ -**	$ 76,742
General and administrative	**-**	61,845
Depreciation	**-**	7,097
Loss before the following items	**-**	(145,684)
Foreign exchange gain	**-**	39,903
Impairment of equipment	**-**	(18,140)
Gain on sale of subsidiaries (note 4)	**-**	115,469
Loss from discontinued operations	**$ -**	$ (8,452)

Details of cash flows relating to discontinued operations are as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Net cash used in operating activities	**$ -**	$ (167,570)
Net change in cash from discontinued operations	**$ -**	$ (167,570)

The Company's continuing operations comprise a single reporting segment, being mineral exploration and evaluation in Canada. Previously the Company's operations comprised two reporting operating segments engaged in mineral exploration and evaluation in Canada and Colombia.

(Expressed in Canadian dollars)

20. Contingencies

The Company's exploration activities are subject to foreign government laws and regulations, including foreign tax laws and laws and regulations governing the protection of the environment. The Company believes that its operations comply in all material respects with all applicable past and present laws and regulations. The Company records provisions for any identified obligations, based on management's estimate at the time. Such estimates are, however, subject to changes in laws and regulations.

21. Commitments

(i) On June 18, 2015, the Company entered into a consulting agreement, providing for payment of $15,000 per month for the services of the President and Chief Executive Officer, for advisory and geological services. That agreement had an initial term of one year but automatically extends thereafter for successive terms of one year, unless terminated by the Company thirty days prior to any yearly extension. In the event of termination, the agreement provides for the payment of twelve months of monthly fees.

Upon a Change of Control occurring, the agreement shall automatically be extended to two years from the date upon which a Change of Control occurs. If the agreement is terminated within twelve months after the date upon which a Change of Control occurs, other than for Cause, or if the agreement is terminated for good reason by the CEO, as defined in the agreement, a lump sum payment equivalent to twenty four months of base salary will be payable.

(ii) The Company entered into two agreements for investor relations services and a consulting agreement. Under the agreements the Company has the remaining commitments:

2018	$ 89,245

22. Subsequent events

(i) Subsequent to March 31, 2017, 100,000 options with an exercise price of $0.75 and expiry date of April 12, 2017, 150,000 options with an exercise price of $0.10 and expiry date of June 22, 2017 and 30,000 options with an exercise price of $0.75 and expiry date of July 25, 2017, expired unexercised.

(ii) Subsequent to March 31, 2017, 14,250 warrants with an exercise price of $0.055 and expiry date of July 18, 2017, 1,719,000 warrants with an exercise price of $0.083 and expiry date of July 18, 2017 and 285,000 warrants with an exercise price of $0.11 and expiry date of July 18, 2017, expired unexercised.