

# CARIBOO ROSE RESOURCES LTD.

Condensed Interim Financial Statements  
For the Six Months Ended August 31, 2017  
(Unaudited)  
(Expressed in Canadian Dollars)

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## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Cariboo Rose Resources Ltd. as at August 31, 2017 and 2016, notes to interim condensed consolidated financial statements and related Management Discussion and Analysis have been prepared by and are the responsibility of management.

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

**Cariboo Rose Resources Ltd.**  
**Condensed Interim Statements of Financial Position**  
(Unaudited – Expressed in Canadian Dollars)

		<b>August 31, 2017</b>	<b>February 28, 2017</b>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents		\$ 255,596	\$ 897,555
Accounts receivable		53,058	14,232
Investments	(Note 6)	413,087	968,484
Prepaid expenses			3,315
		721,741	1,883,586
<b>Receivable from Lorraine Copper Corp.</b>	(Note 9)	12,000	12,000
<b>Project Deposits</b>		10,500	10,500
<b>Exploration and Evaluation Assets</b>	(Note 7)	1,496,730	372,600
<b>Equipment</b>	(Note 8)	949	949
		\$ 2,241,920	\$ 2,279,635
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	(Note 9)	\$ 335,359	\$ 26,062
Payable to related parties	(Note 12)	12,304	25,632
Other liability	(Note 8)	-	41,494
		347,663	93,188
<b>Shareholders' Equity</b>			
<b>Share Capital</b>	(Note 10)	2,337,534	2,324,534
<b>Warrants Reserve</b>	(Note 10)	485,637	485,637
<b>Share-based Compensation Reserve</b>	(Note 10)	283,278	283,278
<b>Deficit</b>		(1,276,502)	(1,277,159)
<b>Accumulated Other Comprehensive Loss</b>		64,310	370,157
		1,894,257	2,186,447
		\$ 2,241,920	\$ 2,279,635

Continuation and Nature of Operations (Note 1)

Approved by the Board:

"Donald Sharp" Director  
Donald Sharp

"J. William Morton" Director  
J. William Morton

See notes to condensed interim financial statements.

**Cariboo Rose Resources Ltd.**  
**Condensed Interim Statements of Comprehensive Loss**  
(Unaudited – Expressed in Canadian Dollars)

	<b>For the Three Months Ended August 31</b>		<b>For the Six Months Ended August 31</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>General and Administrative Expenses</b>				
Amortization	\$ -	-	\$ -	-
Bank Charges	162	160	302	262
Consulting	2,596	3,892	6,605	6,393
Investor relations	11,854	9,993	25,157	16,395
Professional fees	5,000	5,000	10,000	10,000
Office	968	958	1,888	1,655
Rent	6,513	4,928	13,005	11,235
Salaries and benefits	4,244	3,872	8,498	8,220
Share-based compensation	-	17,500	-	17,500
Telephone	453	423	885	830
Transfer and filing fees	4,075	5,319	5,056	6,296
<b>Loss before the following</b>	<b>35,866</b>	<b>52,045</b>	<b>71,396</b>	<b>78,786</b>
<b>Other (Income) Expense</b>				
Interest Income	(2,592)	(35)	(2,682)	(41)
Mineral property option proceeds	-	-	-	-
Impairment of mineral property interests	-	-	-	-
(Gain) loss on sale of investments	(69,371)	(1,200)	(69,371)	(3,235)
	<b>(71,963)</b>	<b>(1,235)</b>	<b>(72,053)</b>	<b>(3,276)</b>
<b>Net Loss (Gain)</b>	<b>(36,097)</b>	<b>50,810</b>	<b>(657)</b>	<b>75,510</b>
<b>Other Comprehensive (income) loss</b>				
Unrealized (gain) loss on investments, net of realized amounts	(9,651)	-	305,847	-
<b>Comprehensive Loss (Gain)</b>	<b>\$ (45,748)</b>	<b>50,810</b>	<b>\$ 305,190</b>	<b>71,510</b>
<b>Loss Per Share, basic and fully diluted</b>	<b>\$ (0.001)</b>	<b>0.001</b>	<b>\$ 0.007</b>	<b>0.002</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>44,743,488</b>	<b>34,375,466</b>	<b>44,743,488</b>	<b>34,375,466</b>

See notes to condensed interim financial statements.

**Cariboo Rose Resources Ltd.**  
**Condensed Interim Statements of Comprehensive Loss**  
(Unaudited – Expressed in Canadian Dollars)

	<b>For the Three Months Ended August 31</b>		<b>For the Six Months Ended August 31</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Deficit, Beginning of Period</b>	<b>\$ 1,312,599</b>	1,253,175	<b>\$ 1,277,159</b>	1,228,475
Net loss / (income)	<b>(36,097)</b>	50,810	<b>(657)</b>	75,510
<b>Deficit, End of Period</b>	<b>\$ 1,276,502</b>	1,303,985	<b>\$ 1,276,502</b>	1,303,985
<b>Accumulated Other Comprehensive Income (Loss), Beginning of Period</b>	<b>\$ 54,659</b>	(23,371)	<b>\$ 370,157</b>	(23,371)
Change in unrealized income (loss) on investments	<b>9,651</b>	-	<b>(305,847)</b>	-
<b>Accumulated Other Comprehensive Income (Loss), End of Period</b>	<b>\$ 64,310</b>	(23,371)	<b>\$ 64,310</b>	(23,371)

See notes to condensed interim financial statements.

**Cariboo Rose Resources Ltd.**  
**Condensed Interim Statement of Shareholders' Equity**  
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Amount	Warrants Reserve	Share-Based Compensation Reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
<b>Balance, February 29, 2016</b>	31,516,577	\$ 1,708,376	\$ 121,059	\$ 204,036	\$ (1,228,475)	\$ (23,371)	\$ 781,625
Issued for cash	-	-	-	-	-	-	-
Private placement, net of issue cost	2,991,111	257,300	-	37,500	-	-	294,800
Other Comprehensive income (loss)	-	-	-	-	-	-	-
Net (loss) for period	-	-	-	-	(75,510)	-	(75,510)
<b>Balance, August 31, 2016</b>	34,507,688	\$ 1,965,676	\$ 121,059	\$ 241,536	\$ (1,303,985)	\$ (23,371)	\$ 1,000,915
Issued for cash							
Private placement, net of issue cost	10,025,800	422,396	365,908				788,304
Sale of flow through tax benefits	-	(90,068)	-				(90,068)
Exercise of share purchase warrants	210,000	26,530	(1,330)				25,200
Share-based compensation	-	-	-	41,742			41,742
Change in unrealized gains and losses on investments	-	-	-	-	-	393,777	393,777
Reclassification of realized gain on Disposal on investments	-	-	-	-	-	(249)	(249)
Share-based compensation	-	-	-	-	-	-	-
Net (loss) for period	-	-	-	-	26,826	-	26,826
<b>Balance, February 28, 2017</b>	44,743,488	\$ 2,324,534	\$ 485,637	\$ 283,278	\$ (1,277,159)	\$ 370,157	\$ 2,186,447
Issued for cash	-	-	-	-	-	-	-
Private placement, net of issue cost	-	13,000	-	-	-	-	13,000
Other Comprehensive income (loss)	-	-	-	-	-	(305,847)	(305,847)
Share Capital Reduced on Plan of Arrangement	-	-	-	-	-	-	-
Net (loss) for period	-	-	-	-	(657)	-	(657)
<b>Balance, August 31, 2017</b>	44,743,488	\$ 2,337,534	\$ 485,637	\$ 283,278	\$ (1,276,502)	\$ 64,310	\$ 1,894,257

See notes to condensed interim financial statements.

**Cariboo Rose Resources Ltd.**  
**Condensed Interim Statements of Cash Flows**  
(Unaudited – Expressed in Canadian Dollars)

	For the Six Months Ended August 31	
	2017	2016
<b>Cash provided by (used in) Operating Activities</b>		
Net Gain (Loss)	\$ (305,190)	\$ (75,510)
Items not affecting cash		
Share-based compensation	-	-
	<b>(305,190)</b>	<b>(75,510)</b>
<b>Changes in non-cash working capital</b>		
Term Deposits	-	-
Accounts receivable	(35,511)	(11,215)
Prepaid expenses and deposits	-	-
Investments – Short Term	703,441	1,300
Accounts payable and accrued liabilities	254,475	51,023
	<b>922,405</b>	<b>(34,402)</b>
<b>Investing Activities</b>		
Computer software	-	-
Reclassification of OCI	-	-
Mineral property option proceeds	-	-
Mineral property acquisition costs	-	-
Mineral properties written off	-	-
Expenditures on Mineral Properties	(1,124,130)	(289,989)
Project deposits	-	-
	<b>(1,124,130)</b>	<b>(289,989)</b>
<b>Financing Activity</b>		
Write down of market securities	-	-
Shares issued for cash, net of issue costs	13,000	294,800
	<b>13,000</b>	<b>294,800</b>
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	<b>(641,959)</b>	<b>(29,591)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>897,555</b>	<b>302,956</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 255,596</b>	<b>\$ 273,365</b>

See notes to condensed interim financial statements

**Cariboo Rose Resources Ltd.**  
**Notes to Condensed Interim Financial Statements**  
**For the Six Months Ended August 31, 2017**  
**(Unaudited – Expressed in Canadian Dollars)**

**1. NATURE AND CONTINUANCE OF OPERATIONS**

Cariboo Rose Resources Ltd. (the “Company”) is incorporated in the Province of British Columbia. Its principal business activities are the acquisition and exploration of gold, copper and other precious and base metal properties in Canada, and the common shares were listed for trading on the TSX Venture Exchange – Tier 2: Symbol: CRB. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flows.

The Company’s shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol: CRB. Its registered office is located at 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These condensed interim financial statements have been prepared on the basis accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations. Such adjustments and reclassifications could be material.

**2. BASIS OF PREPARATION**

These condensed interim financial statements were authorized for issue on October 10, 2017 by the directors of the Company.

**Statement of Compliance**

These condensed interim financial statements for the Company’s reporting period ended August 31, 2017 have been prepared in accordance with and using accounting policies which are, without reservation, in full compliance with IAS 34 as issued by the International Accounting Standards Board (“IASB”) as required by National Instrument 52-107 sec. 3.2(1)(b)(ii) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), and as set out in the Handbook of the Chartered Professional Accountants of Canada (“CPA Handbook”).

**Basis of Measurement**

These condensed interim financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value, and are presented in Canadian dollars, the Company’s reporting currency and the functional currency of all of its operations.

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim financial statements have been prepared in accordance with IFRS, and reflect the accounting policies, which have been applied consistently with those of the previous financial year.

**4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The Company has classified its financial instruments as follows:

- Cash and cash equivalents as FVTPL
- Accounts receivable (excluding taxes receivable) as loans and receivables
- Deposits for reclamation as held-to-maturity
- Accounts payable and accrued liabilities and flow-through share premium as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivables and accounts payable (excluding due to related parties) approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of reclamation deposits approximates fair value since amounts held earn interest at market rates. The fair value of amounts due to related parties included in accounts payable and accrued liabilities have not been disclosed as their fair values cannot be reliably measured since there is no quoted market prices for such instruments. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

**(a) Credit risk**

Credit risk refers to the potential that a counter party to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by holding these at major Canadian financial institutions. In regards to accounts receivable, the Company is not exposed to significant credit risk.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at two Canadian financial institutions.

	August 31, 2017	February 28, 2017
Cash held in accounts with Bank of Montreal	\$ 232,140	\$ 893,020
Cash held in accounts with Haywood	\$ 23,456	\$ 4,535

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains sufficient cash at August 31, 2017 in the amount of \$255,596, receivables of \$53,058 and investments of \$413,087 in order to meet short-term liabilities. At August 31, 2017, the Company had accounts payable and accrued liabilities of \$347,663, which are expected to be paid within the next 90 days.

**(c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate and foreign currency risk as follows:

(i) Interest rate risk

The Company's cash held in bank accounts earns interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2017.

(ii) Foreign currency risk

The Company's operations are located in Canada with substantially all transactions denominated in Canadian dollars and, accordingly, the Company is not exposed to significant foreign currency risk.

**5. CAPITAL MANAGEMENT**

The Company's primary source of funds has been obtained through the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

The Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital. Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be no assurance that it will continue into the future.

## 6. INVESTMENTS

	August 31, 2017 Fair Value	February 28, 2017 Fair Value
Consolidated Woodjam Copper Corp.	\$ 2,737	\$ 3,484
Western Copper and Gold Corp.	410,350	965,000
	<u>\$ 413,087</u>	<u>\$ 968,484</u>

During the prior year, the Company received 500,000 shares of Western Copper and Gold Corp. ("WRN") as consideration for the sale of nine of the Casino B claims. During the quarter, the Company sold 217,000 shares of WRN for proceeds of \$318,921 and a gain on sale of \$69,371.

## 7. EXPLORATION AND EVALUATION ASSETS

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2017 are as follows:

	<u>Carruthers</u> <u>Pass</u>	<u>Canadian</u> <u>Creek</u>	<u>Pat</u>	<u>Cowtrail</u>	<u>Other*</u>	<u>Total</u>
<b><u>Acquisition Costs</u></b>						
Balance, beginning of period	\$ 99,990	\$ 46,348	\$ 414	-	\$ 30,169	\$ 176,921
Incurred during period	-	-	-	-	-	-
Mineral properties abandoned	-	-	-	-	-	-
Balance, end of period	<u>99,990</u>	<u>46,348</u>	<u>414</u>	<u>-</u>	<u>30,169</u>	<u>176,921</u>
<b><u>Exploration Expenditures</u></b>						
Professional fees, field crews	5,600	366,020	-	-	4,800	376,420
Geophysical	-	24,389	-	-	-	24,389
Fees, permits & assessments	-	1,733	-	-	-	1,733
Geological	-	309	-	-	-	309
Drilling	-	191,648	-	-	-	191,648
Transportation & Fuel	-	293,127	-	-	-	293,127
Field Equipment	-	14,192	-	-	-	14,192
Rental of Vehicles & Equipment	-	64,815	-	-	-	64,815
Communications	-	9,989	-	-	-	9,989
Food and Accommodation	-	29,632	-	-	-	29,632
Freight	-	50,540	-	-	-	50,540
Project Admin.	-	10,875	-	-	-	10,875
Assaying	-	37,840	-	-	-	37,840
Other	-	18,621	-	-	-	18,621
<b>Total Expenditures for the period</b>	<u>5,600</u>	<u>1,113,730</u>	<u>-</u>	<u>-</u>	<u>4,800</u>	<u>1,124,130</u>
Balance, beginning of the period	66,095	529,784	61,959	56,911	240,748	955,499
Written off during the period	-	-	-	-	-	-
Total Expenditures	<u>71,695</u>	<u>1,643,514</u>	<u>61,959</u>	<u>56,911</u>	<u>245,548</u>	<u>2,079,629</u>
<b><u>Option Proceeds</u></b>						
Balance, beginning of period	(82,275)	(576,132)	(44,502)	(56,911)	-	(759,820)
Additions	-	-	-	-	-	-
Balance, end of period	<u>(82,275)</u>	<u>(576,132)</u>	<u>(44,502)</u>	<u>(56,911)</u>	<u>-</u>	<u>(759,820)</u>
<b><u>Mineral Property (METC)</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cumulative mineral property Costs</b>	<u>\$ 89,410</u>	<u>\$ 1,113,730</u>	<u>\$ 17,871</u>	<u>\$ -</u>	<u>\$ 275,717</u>	<u>\$ 1,496,730</u>

\*Other includes Koster Dam, CHG, Carlinton, Canim & Torrential

## 7. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2016 are as follows:

	<u>Carruthers</u> <u>Pass</u>	<u>Canadian</u> <u>Creek</u>	<u>Pat</u>	<u>Cowtrail</u>	<u>Other*</u>	<u>Total</u>
<b><u>Acquisition Costs</u></b>						
Balance, beginning of period	\$ 99,990	\$ 46,245	\$ 414	\$ -	\$ 30,095	\$ 176,744
Incurred during period	-	-	-	-	-	-
Balance, end of period	<u>99,990</u>	<u>46,245</u>	<u>414</u>	<u>-</u>	<u>30,095</u>	<u>176,744</u>
<b><u>Exploration Expenditures</u></b>						
Professional fees, field crews	1,600	123,510	-	-	8,400	133,510
Trenching	-	18,750	-	-	-	18,750
Fees, permits & Assessments	-	250	-	-	-	250
Transportation & Fuel	-	55,931	-	-	-	55,931
Field Equipment	-	4,262	-	-	-	4,262
Rental of Vehicles & Equipment	-	40,634	-	-	-	40,634
Communications	-	3,254	-	-	-	3,254
Food & Accommodation	-	8,999	-	-	-	8,999
Freight	-	2,870	-	-	-	2,870
Assaying	-	-	-	-	24	24
Project Admin	-	24,513	-	-	-	24,513
<b>Total Expenditures for the period</b>	<u>1,600</u>	<u>282,972</u>	<u>-</u>	<u>-</u>	<u>8,424</u>	<u>292,995</u>
Balance, beginning of the period	64,455	198,513	60,337	56,913	217,052	597,270
Written off during the period	-	-	-	-	-	-
Total Expenditures	<u>66,055</u>	<u>481,485</u>	<u>60,337</u>	<u>56,913</u>	<u>225,476</u>	<u>890,264</u>
<b><u>Option Proceeds</u></b>						
Balance, beginning of period	(82,275)	(123,073)	(44,502)	(56,913)	-	(306,761)
Additions	-	-	-	-	-	-
Balance, end of period	<u>(82,275)</u>	<u>(123,073)</u>	<u>(44,502)</u>	<u>(56,913)</u>	<u>-</u>	<u>(306,761)</u>
<b><u>Mineral Property (METC)</u></b>	<u>(480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,527)</u>	<u>(3,007)</u>
<b>Cumulative mineral property Costs</b>	\$ <u>83,291</u>	\$ <u>404,657</u>	\$ <u>16,249</u>	\$ <u>-</u>	\$ <u>253,044</u>	\$ <u>757,240</u>

\*Other included Monte Christo, Koster Dam, Carlinton & Goofy Newfie

### Jointly Controlled Exploration and Evaluation Assets

#### *Cowtrail Property, Cariboo Mining Division, British Columbia (32 claims covering 4,600 hectares)*

The Company has granted an option to Dajin Resources Corp. ("Dajin") to earn a 65% interest in the Cowtrail property. Dajin can exercise the option by completing \$1,000,000 (completed) in exploration expenditures, issuing 50,000 shares (received) and paying \$110,000 in cash (received) on or before November 30, 2011. By an amendment dated November 25, 2009, the Company and Dajin agreed to eliminate that portion of the area of influence which extended beyond the boundary of the Cowtrail property in consideration of deferral of the \$20,000 option payment due on November 30, 2009 until November 30, 2010. In fiscal 2012, the Company received the final option payment from Dajin (\$25,000) and received notification from Dajin that it had completed the required exploration expenditures to exercise the option. No further exploration has been performed on the Cowtrail Property since and in fiscal 2013, the Company wrote off all remaining capitalized costs on the property.

## Other Exploration and Evaluation Assets

### *Canadian Creek Project, Whitehorse Mining District, Yukon (320 claims covering 6,180 hectares)*

The Company holds a 100% interest in the Ana, Aztec, Koffee, Nice and Maya claims in the Whitehorse Mining District, subject to a requirement to pay 10% of all option payments and monetary benefits received from the Ana and Koffee claims to an underlying purchaser and a 5.0% net profits interest in the Ana claims to Casino Mining Corp. On November 30, 2016, the Company received title to the 55 Casino B claims and then sold nine of those claims to Western Copper and Gold Corp. ("Western Copper") for 500,000 Western Copper shares then valued at \$575,000.

## 7. EXPLORATION AND EVALUATION ASSETS (continued)

### *Carruthers Pass, Omineca Mining Division, British Columbia (8 claims covering 3,250 hectares)*

The Company had an option from Phelps Dodge Corporation of Canada Limited, now Freeport McMoran of Canada Limited, ("Freeport") to earn a 100% interest in the 3,250-hectare Carruthers Pass property. The Company has exercised the option by completing \$750,000 in exploration expenditures and issuing \$120,000 in shares or cash on or before May 31, 2012. Freeport retains a 2.5% net smelter royalty interest, which may be reduced to 1% with a cash payment by the Company of \$1,500,000. Freeport retains certain back-in and other royalty privileges with respect to the property.

### *Pat Claims, Cariboo Mining Division, British Columbia (2 claims covering 1,330 hectares)*

The Company owns an undivided 100% interest in the Pat claims.

### *Others*

On April 28, 2015, the Company purchased a 30% interest in the Big Valley and Koster Dam projects from Badger Minerals Ltd. ("Badger"). The Company sold the 30% interest it acquired from Badger in the Big Valley project to Eastfield Resources Ltd., a related company for \$40,000. In addition, the Company terminated its joint venture agreement with Badger on the Koster Dam project.

During the year ended February 29, 2016, the Company recognized mineral property interest impairment of \$36,827 on its other properties. The carrying values of these other properties were reduced to their estimated recoverable values of \$nil.

## 8. EQUIPMENT

	<u>Office Equipment</u>	<u>Computer Software</u>	<u>Total</u>
<b>COST</b>			
Balance, February 28, 2015	\$ 2,499	\$ 2,450	\$ 4,949
Additions	-	847	847
Balance, February 29, 2016	2,499	3,297	5,796
Additions	-	886	886
<b>Balance, February 28, 2017/ Aug. 31, 2107</b>	<b>2,499</b>	<b>4,183</b>	<b>6,682</b>
<b>ACCUMULATED AMORTIZATION</b>			
Balance, February 28, 2015	1,709	2,026	3,735
Amortization	158	847	1,005
Balance, February 29, 2016	1,867	2,873	4,740
Amortization	126	866	992
<b>Balance, February 28, 2017/ Aug. 31, 2017</b>	<b>1,993</b>	<b>3,739</b>	<b>5,732</b>
Net Book Value, February 28, 2015	790	423	1,213

Net Book Value, February 29, 2016  
**Net Book Value, February 28, 2017/ Aug. 31, 2017**

	632	424	1,056
<b>\$</b>	<b>506</b>	<b>\$ 444</b>	<b>\$ 950</b>

## 9. RELATED PARTY TRANSACTIONS

During the quarter ended August 31, 2017 geological services totaling \$597,307 [year ended February 28, 2017 - \$336,868] were provided to the Company by Mincord Exploration Consultants Ltd. (“Mincord”), a geological service company owned by two directors of the Company. Mincord’s relationship with the Company is non-exclusive and without retainer, and Mincord is used on a project by project basis.

In the normal course of business, the Company enters into transactions with a related company for the use of equipment, services and rental of office space. The Company is related to Eastfield Resources Ltd. (“Eastfield”) through common directors. These transactions were measured at the exchange amounts agreed to by the parties.

## 10. CAPITAL STOCK

### Authorized

- Unlimited common shares without par value
- Unlimited preferred shares without par value

The Company completed a private placement of 1,053,400 common shares (including finders fees) on September 4, 2017 for proceeds of \$105,800. The Company had warrants exercised during the year for the issue of 110,000 shares for proceeds of \$13,200..

### Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company has reserved up to 10% of issued share capital for the grant of options. Options will normally vest entirely on the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than five years from the grant date, except that they will expire within thirty days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

The following common share purchase options are outstanding at August 31, 2017:

Expiry Date	Options Outstanding		Weighted Average Remaining Life	Options Exercisable	
	Number of shares	Exercise price (\$)		Number of shares	Exercise price (\$)
13-Dec-21	2,575,000	0.10	4.2	2,575,000	0.10
29-Aug-26	750,000	0.105	9.0	750,000	0.105
17-Jan-27	100,000	0.20	9.35	100,000	0.20

There were no changes to the number of outstanding and exercisable common share purchase options during the quarter ended August 31, 2017.

## 11. SEGMENTED DISCLOSURES

The Company operates in one industry segment (Note 1). Mineral properties and other capital assets are located in Canada and all exploration expenditures have been incurred in Canada.