



MINERAL MOUNTAIN RESOURCES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2017 AND 2016



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mineral Mountain Resources Ltd..

We have audited the accompanying consolidated financial statements of Mineral Mountain Resources Ltd., which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained in our audits 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 Mineral Mountain Resources Ltd. as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which describes certain conditions that indicate the existence of a material uncertainty that may give rise to significant doubt about Mineral Mountain Resources Ltd.'s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
July 25, 2017

MINERAL MOUNTAIN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31

	Note	2017	2016
ASSETS			
Current assets			
Cash and cash equivalents	4	\$ 852,069	\$ 73,200
Marketable securities	5	-	70,916
Sales tax recoverable		14,415	7,649
Prepaid expenses and deposits	6	82,024	77,664
		948,508	229,429
Non-current assets			
Exploration and evaluation assets	9	3,355,797	9,050,421
Restricted cash	7	19,148	-
Property and equipment	8	8,916	18,236
		3,383,861	9,068,657
Total assets		\$ 4,332,369	\$ 9,298,086
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	10	\$ 234,232	\$ 263,926
Amounts due to related parties	12	303,940	214,200
Loan payable	11	-	50,000
Total liabilities		538,172	528,126
Equity			
Share capital	13	39,234,693	35,370,506
Share-based payments reserve		3,242,901	1,994,333
Accumulated other comprehensive income		-	3,750
Deficit		(38,683,397)	(28,598,629)
Total equity		3,794,197	8,769,960
Total liabilities and equity		\$ 4,332,369	\$ 9,298,086

Commitments (Note 9 & 12)

Subsequent event (Note 21)

The financial statements were authorised for issue by the board of directors July 24, 2017 and were signed on its behalf by:

"Bradley W. Baker" Director _____
"Nelson W. Baker" Director

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

MINERAL MOUNTAIN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
YEARS ENDED MARCH 31

	Note	2017	2016
EXPENSES			
Consulting fees	12	\$ 289,333	\$ 209,000
Depreciation	8	7,948	31,484
Media and news dissemination		21,433	6,157
Office and miscellaneous		54,704	65,300
Professional fees	12	105,772	79,905
Rent		98,131	97,596
Share-based payments	12, 14	1,282,934	-
Transfer agent and filing fees		33,801	31,131
Travel and conference		26,877	1,705
		(1,920,933)	(522,278)
OTHER ITEMS			
Interest and other income		30	428
Foreign exchange		2,695	7,474
Gain on sale of marketable securities	5	16,612	-
Impairment loss on marketable securities	5	-	(220,169)
Extinguishment of accounts payable		14,394	-
Write-off of exploration and evaluation assets	9	(8,243,110)	-
		(8,209,379)	(212,267)
Net loss for the year		(10,130,312)	(734,545)
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
Fair value gain (loss) on marketable securities		12,862	(216,419)
Reclassification of realized gain on sale of marketable securities		(16,612)	-
Reclassification of impairment loss on marketable securities		-	220,169
		(3,750)	3,750
Comprehensive loss for the year		\$ (10,134,062)	\$ (730,795)
Basic and diluted loss per common share	13	\$ (0.22)	\$ (0.02)

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

MINERAL MOUNTAIN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total equity
Balance, March 31, 2016		40,419,070	\$ 35,370,506	\$ 1,994,333	\$ 3,750	\$ (28,598,629)	\$ 8,769,960
Comprehensive loss							
Loss for the period		-	-	-	-	(10,130,312)	(10,130,312)
Other comprehensive loss for the year		-	-	-	(3,750)	-	(3,750)
Comprehensive loss for the year		-	-	-	(3,750)	(10,130,312)	(10,134,062)
Transactions with owners							
Acquisition of exploration and evaluation assets	13	4,500,000	1,720,000	-	-	-	1,720,000
Private placements	13	6,568,862	2,133,937	-	-	-	2,133,937
Exercise of warrants	13	255,600	100,020	-	-	-	100,020
Exercise of agents' warrants	13	171,640	65,165	(22,255)	-	-	42,910
Share issuance costs	13	-	(154,935)	33,433	-	-	(121,502)
Share-based payments	14	-	-	1,282,934	-	-	1,282,934
Adjustment on expiration of stock options		-	-	(45,544)	-	45,544	-
Transactions with owners		11,496,102	3,864,187	1,248,568	-	45,544	5,158,299
Balance, March 31, 2017		51,915,172	\$ 39,234,693	\$ 3,242,901	\$ -	\$ (38,683,397)	\$ 3,794,197

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

MINERAL MOUNTAIN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (cont'd...)

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total equity
Balance, March 31, 2015		36,575,240	\$ 34,841,124	\$ 2,374,793	\$ -	\$ (28,307,994)	\$ 8,907,923
Comprehensive loss							
Loss for the year		-	-	-	-	(734,545)	(734,545)
Other comprehensive income for the year		-	-	-	3,750	-	3,750
Comprehensive loss for the year		-	-	-	3,750	(734,545)	(730,795)
Transactions with owners							
Acquisition of exploration and evaluation assets	9	500,000	112,500	-	-	-	112,500
Private placements	13	3,269,000	453,800	63,450	-	-	517,250
Finders' shares	13	74,830	14,966	-	-	-	14,966
Share issuance costs	13	-	(51,884)	-	-	-	(51,884)
Adjustment on expiration of stock options		-	-	(443,910)	-	443,910	-
Transactions with owners		3,843,830	529,382	(380,460)	-	443,910	592,832
Balance, March 31, 2016		40,419,070	\$ 35,370,506	\$ 1,994,333	\$ 3,750	\$ (28,598,629)	\$ 8,769,960

The number of shares have been restated to reflect the 5:1 share consolidation (Note 13).

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

MINERAL MOUNTAIN RESOURCES LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year		\$ (10,130,312)	\$ (734,545)
Items not affecting cash:			
Depreciation		7,948	31,484
Extinguishment of accounts payable		(14,394)	-
Impairment loss of marketable securities		-	220,169
Realized gain on sale of marketable securities		(16,612)	-
Share-based payments		1,282,934	-
Write-off of exploration and evaluation assets		8,243,110	-
Changes in non-cash working capital items:			
Sales tax recoverable		(6,766)	5,501
Prepaid expenses and deposits		6,294	57,159
Trade and other payables		(34,853)	51,173
Amounts due to related parties		89,740	167,020
Net cash used in operating activities		(572,911)	(202,039)
CASH FLOWS FROM INVESTING ACTIVITIES			
Exploration and evaluation assets		(818,215)	(504,317)
Restricted cash		(19,148)	-
Proceeds from sale of marketable securities		83,778	-
Net cash used in investing activities		(753,585)	(504,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital		2,276,867	517,250
Share issuance costs		(121,502)	(36,918)
Proceeds from (repayment of) loans		(50,000)	50,000
Net cash provided by financing activities		2,105,365	530,332
Change in cash and cash equivalents during the year		778,869	(176,024)
Cash and cash equivalents, beginning of the year		73,200	249,224
Cash and cash equivalents, end of the year	4	\$ 852,069	\$ 73,200

Supplemental disclosures with respect to cash flows (Note 15)

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

1. NATURE OF BUSINESS

Mineral Mountain Resources Ltd. (the “Company”) was incorporated on September 1, 2006 under the laws of British Columbia, Canada and maintains its head office at Suite 401, 1195 West Broadway, Vancouver, British Columbia, Canada, V6H 3X5. Its registered office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5. The Company is engaged in the acquisition, exploration, and development of mineral properties in North America. The Company’s common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol “MMV” and on the OTC Pink Sheets under the symbol “MNRLF”.

2. BASIS OF PREPARATION

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. In addition these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Going concern of operations

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the assets. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The directors, after reviewing the current cash position and having considered the Company’s ability to raise funds in the short term, adopt the going concern basis in preparing its consolidated financial statements.

These consolidated financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd...)

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is functional currency of the Company and its subsidiary.

Significant estimates and assumptions

The preparation of these unaudited interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent's warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these unaudited interim consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these assets. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests have been prepared involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.
- ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.
- iii) The classification of financial instruments.
- iv) The determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.
- v) The determination of whether a decline in the fair value of a financial asset classified as available-for-sale is prolonged and /or significant and is therefore an impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of the rehabilitation obligation.

Property and equipment are generally depreciated on a straight line basis over their estimated useful lives as follows:

Computer software	2 years
Office furniture and equipment	5 years
Field equipment	3 - 10 years

An item of property and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of comprehensive income.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively.

Exploration and evaluation assets

Once a license or other right to explore an area has been secured, all direct costs related to the acquisition, exploration and evaluation of mineral property interests are capitalized into intangible asset on a property by property basis until such time that technical feasibility and commercial viability of extracting a mineral resource has been determined for a property, in which case the capitalized exploration and evaluation costs are transferred and capitalized into property, plant and equipment. The Company records expenditures on exploration and evaluation activities at cost. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Proceeds received from a partial sale or option of any interest in a property are credited against the carrying value of the property. When the proceeds exceed the carrying costs, the excess is recorded in profit or loss in the period the excess is received. When all of the interest in a property is sold, subject only to any retained royalty interests which may exist, the accumulated property costs are written-off, with any gain or loss included in profit or loss in the period the transfer takes place.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment of non-financial assets

Management assesses the exploration and evaluation assets and property and equipment for impairment at least annually and whenever factors or circumstances indicate that the carrying amount may not be recoverable. For exploration and evaluation assets, examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If, after management review, it is determined that the carrying amount of an asset is impaired, that asset is written down to its estimated recoverable amount. The recoverable amount of an asset is determined as the higher of its fair value less costs to sell and its value in use. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at March 31, 2017 and 2016, the Company had no known material restoration, rehabilitation or environmental liabilities related to its mineral properties.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. None of the Company's financial assets are classified as fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company's loans and receivables are comprised of cash and cash equivalents, deposits and restricted cash.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. Subsequent to initial recognition, changes in the fair value of available-for-sale financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. When available-for-sale financial asset are sold, the accumulated fair value adjustments recognized in other comprehensive income are transferred to profit and loss. The Company's available-for-sale assets include marketable securities in equity securities of other listed entities.

(ii) Financial liabilities

The Company has the following non-derivative financial liabilities: trade and other payables, amounts due to related parties and loans from related parties. Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial instruments (cont'd...)

(iii) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

Loans and receivables

For loans and receivables, a provision for impairment is made and an impairment loss is recognized in profit or loss when there is objective evidence (such as default or delinquency by a debtor, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the agreement. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible. 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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Available-for-sale financial assets

For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. The Company will measure impairment on the basis of an instrument's fair value using an observable market price. An amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Impairment losses recognised on equity instruments are not reversed through profit or loss if the unrealized fair value of the impaired equity instruments increases.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. The diluted loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the outstanding stock options and the share purchase warrants were anti-dilutive for the years ended March 31, 2017 and 2016.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. 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 amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Foreign currency translation

The financial statements for the Company and its subsidiaries are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary is Canadian dollars, which is the Company's presentation currency.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

Income taxes

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Comparative information

Certain comparative information in these consolidated financial statements has been reclassified to conform to the presentation of the current period financial statements.

New accounting policies

There were no new standards effective April 1, 2016 that had an impact on the Company's consolidated financial statements.

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company has not applied these new standards in preparing these consolidated financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the consolidated financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* ("IFRS 9") has been issued by the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.
- New standard IFRS 16 *Leases* ("IFRS 16") has been issued by the IASB to replace IAS 17 *Leases* and the related interpretive guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15 *Revenue*. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

Other new standards or interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

	2017	2016
Cash	\$ 502,069	\$ 73,200
Guaranteed investment certificates	350,000	-
	\$ 852,069	\$ 73,200

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

5. MARKETABLE SECURITIES

	2017	2016
Group Ten Metals Inc.	\$ -	\$ 7,500
Global Resources Investment Trust Plc	-	63,416
	\$ -	\$ 70,916

The common shares of Group Ten Metals Inc. were received pursuant to a previous mineral property option agreement. During the year ended March 31, 2017, the Company sold the 250,000 shares of Group Ten Metals Inc. for proceeds of \$11,100 and realized a gain of \$7,350.

The Company acquired 1,121,128 common shares of Global Resources Investment Trust Plc (“GRIT”) on February 27, 2014 in exchange for 28,600,000 common shares of the Company. The common shares of GRIT currently trade on the London Stock Exchange. During the year ended March 31, 2015, the Company sold 149,702 GRIT shares for proceeds of \$67,562 and realized a loss of \$142,478. During the year ended March 31, 2017, the Company sold the balance of 971,426 GRIT shares for proceeds of \$72,678 and realized a gain of \$9,262.

Marketable securities are measured at fair value which is determined using quoted closing prices of the shares on the exchange where they are listed, at the end of each reporting period. A change in fair value of the marketable securities is included as a component of other comprehensive income, unless such change represents an impairment, in which case the change is recorded in profit and loss for the period. For the year ended March 31, 2016, the Company recorded an impairment of \$220,169 as a result of the prolonged and significant decline in the fair value of the GRIT shares.

6. PREPAID EXPENSES AND DEPOSITS

	2017	2016
Exploration deposits	\$ 26,840	\$ 26,195
Prepaid expenses	24,734	21,019
Rental deposit	30,450	30,450
	\$ 82,024	\$ 77,664

7. RESTRICTED CASH

The Company has provided corporate credit cards to its Chief Executive Officer with a credit limit totalling \$16,650 (\$10,000 in Canadian and \$5,000 in US) for the Company’s expenses. As collateral for the credit cards, the Company has a one-year term deposit of \$11,500 earning annual interest at the prime rate minus 2.10% and a one-year US term deposit of US\$5,750 earning annual interest of 0.2%. As at March 31, 2017, the credit cards had an outstanding balance of \$1,180 (2016- \$nil) in total.

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8. PROPERTY AND EQUIPMENT

	Computer software	Office furniture & equipment	Field equipment	Total
Cost				
Balance as at March 31, 2017 and 2016	\$ 231,871	\$ 83,404	\$ 13,717	\$ 328,992
Accumulated depreciation				
Balance as at March 31, 2016	229,026	78,301	3,429	310,756
Depreciation for the year	2,845	5,103	1,372	9,320
Balance as at March 31, 2017	231,871	83,404	4,801	320,076
Net value as at March 31, 2017	\$ -	\$ -	\$ 8,916	\$ 8,916

	Computer software	Office furniture & equipment	Field equipment	Total
Cost				
Balance as at March 31, 2016 and 2015	\$ 231,871	\$ 83,404	\$ 13,717	\$ 328,992
Accumulated depreciation				
Balance as at March 31, 2015	214,223	61,620	2,057	277,900
Depreciation for the year	14,803	16,681	1,372	32,856
Balance as at March 31, 2016	229,026	78,301	3,429	310,756
Net value as at March 31, 2016	\$ 2,845	\$ 5,103	\$ 10,288	\$ 18,236

During the year ended March 31, 2017, the Company expensed \$7,948 (2016 - \$31,484) in depreciation to the statement of comprehensive loss and capitalized \$1,372 (2016 - \$1,372) to exploration and evaluation assets.

MINERAL MOUNTAIN RESOURCES LTD.
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9. EXPLORATION AND EVALUATION ASSETS

	March 31, 2015	Additions/ (Recoveries)	March 31, 2016	Additions/ (Recoveries)	Write-offs	March 31, 2017
Rochford Project, South Dakota						
Acquisition costs						
Option payments	\$ -	\$ -	\$ -	\$ 1,696,500	\$ -	\$ 1,696,500
Staking and other property costs	286,329	79,878	366,207	507,136	-	873,343
	286,329	79,878	366,207	2,203,636	-	2,569,843
Exploration costs						
Assays	674	-	674	-	-	674
Equipment rental	2,042	-	2,042	3,255	-	5,297
Field work	1,389	-	1,389	80	-	1,469
Geological consulting	117,658	877	118,535	161,168	-	279,703
Geophysical survey	224,903	-	224,903	-	-	224,903
Miscellaneous	1,857	28,804	30,661	178,526	-	209,187
State and local taxes	24,297	-	24,297	17,419	-	41,716
Travel	15,018	-	15,018	7,987	-	23,005
	387,838	29,681	417,519	368,435	-	785,954
	\$ 674,167	\$ 109,559	\$ 783,726	\$ 2,572,071	\$ -	\$ 3,355,797

-Continued-

MINERAL MOUNTAIN RESOURCES LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2017

9. EXPLORATION AND EVALUATION ASSETS (cont'd...)

<i>Continued...</i>	March 31, 2015	Additions/ (Recoveries)	March 31, 2016	Additions/ (Recoveries)	Write-offs	March 31, 2017
Holy Terror Project, South Dakota						
Acquisition costs						
Option payments	\$ 3,455,166	\$ 112,500	\$ 3,567,666	\$ -	\$ (3,567,666)	\$ -
Staking and other property costs	350,443	54,397	404,840	-	(404,840)	-
	3,805,609	166,897	3,972,506	-	(3,972,506)	-
Exploration costs						
Accommodation/camp	57,379	1,574	58,953	-	(58,953)	-
Assays	347,171	30,274	377,445	-	(377,445)	-
Drilling	1,480,701	119,436	1,600,137	-	(1,600,137)	-
Equipment rental	37,649	5,863	43,512	-	(43,512)	-
Field work	359,496	27,550	387,046	-	(387,046)	-
Geological consulting	1,139,460	17,318	1,156,778	-	(1,156,778)	-
Geophysical survey	291,603	-	291,603	-	(291,603)	-
Miscellaneous	106,450	7,843	114,293	-	(114,293)	-
State and local taxes	112,318	2,879	115,197	(23,585)	(91,612)	-
Travel	143,016	6,209	149,225	-	(149,225)	-
	4,075,243	218,946	4,294,189	(23,585)	(4,270,604)	-
	7,880,852	385,843	8,266,695	(23,585)	(8,243,110)	-
Total	\$ 8,555,019	\$ 495,402	\$ 9,050,421	\$ 2,548,486	\$ (8,243,110)	\$ 3,355,797

9. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Rochford Project, South Dakota

The Company's Rochford project is located in the Rochford Mining District of the Black Hills, South Dakota. The Rochford project includes the following properties:

Rochford Claims

During the year ended March 31, 2013, the Company staked 289 unpatented mineral claims ("Rochford Claims") situated in the Rochford Mining District of the Black Hills, South Dakota, at a cost of \$191,390.

During the year ended March 31, 2017, the Company staked an additional 150 unpatented federal lode mining claims for approximately \$81,400.

BHB Claims

On March 7, 2016, the Company and its wholly-owned US subsidiary entered into a purchase and sale agreement ("BHB Agreement") with four individuals (collectively the "Owners") to purchase a 100% interest in 19 unpatented lode mineral claims ("BHB Claims") located in the Rochford Mining District and the historical database pertaining to the BHB Claims in consideration of 4,000,000 shares of the Company (issued during the year ended March 31, 2017 with a fair value of \$1,500,000).

In addition, the Company agreed to grant the Owners a collective 2% net smelter returns royalty ("NSR") on the BHB Claims, a collective 1% NSR on the Company's Rochford Claims and a collective 1.5% NSR on claims falling within the area of mutual interest ("Area of Interest Claims Royalty"). The Area of Interest Claims Royalty will only be granted if the acquired property or properties are not already burdened with a royalty.

Standby Property

On September 2, 2016, the Company and its wholly-owned US subsidiary entered into an option agreement to acquire a 100% interest in the 9 patented lode mineral claims located in the Rochford Mining District. To earn its 100% interest, the Company is required to make cash payments of US\$500,000 to the optionor over a three year period as follows:

- pay US\$150,000 by upon execution of the option agreement (paid);
- pay additional US\$100,000 by September 2, 2017;
- pay additional US\$100,000 by September 2, 2018; and
- pay additional US\$150,000 by September 2, 2019.

In addition, the Company agreed to grant the optionor a 2% NSR and the Company has the option to purchase up to one-half of the NSR (1% NSR) at the price of US\$1,500,000 for 1% NSR or a proportionate amount if the Company purchases less than 1% of the NSR.

On September 23, 2016, the Company purchased a digital database relating to the Standby property in consideration of US\$75,000 (paid) and 500,000 common shares of the Company (issued with a fair value of \$220,000).

9. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Holy Terror Project, South Dakota

On May 30, 2012, the Company signed an option agreement (“Holy Terror Agreement”) with the Holy Terror Mining Company (“Holy Terror Mining”), whereby Holy Terror Mining granted the Company the exclusive working right and option to acquire up to a 75% interest in certain mineral claims located in the Keystone Mining District, Pennington County, South Dakota. Pursuant to the Holy Terror Agreement and subsequent amendment signed on October 8, 2013, the Company was required to make cash payments of US\$1,000,000, issue 10,000,000 common shares and incur US\$7,500,000 in exploration expenditures by May 30, 2022 to earn a 60% interest in the property. The Company had paid US\$750,000, issued 10,000,000 common shares (with a fair value of \$962,500) and incurred approximately US\$5,170,000 of deemed exploration expenditures. The remaining option payments were due as follows:

- pay US\$250,000 by May 30, 2015; and
- incur additional US\$2,350,000 in exploration expenditures by May 30, 2022.

To exercise its option to acquire an additional 15% interest in the property, for a 75% interest in aggregate, the Company was required to incur additional exploration expenditures of US\$12,500,000 by May 30, 2022. The property is subject to a 3% net smelter returns royalty (“NSR”).

In October 2016, the Company decided to direct all of its attention and financial resources to the development and advancement of the Company’s 100% owned Rochford property and not to continue with Holy Terror project. The Company received notice of default from Holy Terror Mining and the Holy Terror Mining Agreement was terminated. As a result the Company wrote off the Holy Terror property acquisition and exploration costs totaling \$8,243,110.

10. TRADE AND OTHER PAYABLES

	2017	2016
Trade payables	\$ 216,951	\$ 245,926
Accrued expenses	17,281	18,000
	\$ 234,232	\$ 263,926

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and accrued expenses for operating activities. The usual credit period taken for trade purchases is between 30 to 90 days.

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11. LOAN PAYABLE

During the year ended March 31, 2016, the Company received a loan of \$50,000 from a non-related company. The loan is unsecured, bears no interest and is payable on demand. During the year ended March 31, 2017, the Company repaid the loan in full.

12. RELATED PARTY TRANSACTIONS

Amounts due to related parties were for services rendered to the Company by the directors and officers or companies controlled by its directors and officers and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management includes directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the year ended March 31 is as follows:

	2017	2016
Consulting fees	\$ 238,000	\$ 196,500
Professional fees	29,813	-
Share-based payments	1,060,083	-
Total	\$ 1,327,896	\$ 196,500

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the year ended March 31, 2017:

- a) Incurred consulting fees of \$125,500 (2016 - \$76,500) to three companies controlled separately by three directors of the Company.
- b) Incurred consulting fees of \$60,000 (2016 - \$60,000) to a director of the Company.
- c) Incurred professional fees of \$21,635 (2016 - \$nil) to a company which a director of the Company is an officer.
- d) Incurred professional fees of \$8,175 (2016 - \$nil) and consulting fees of \$7,500 (2016 - \$nil) to a company controlled by the Chief Financial Officer of the Company.
- e) Incurred consulting fees of \$45,000 (2016 - \$60,000) to a company controlled by the former Chief Financial Officer of the Company.

On January 1, 2017, the Company has entered into four consulting agreements with a director and three companies controlled separately by two directors and an officer of the Company for management and corporate consulting services for a total monthly fee of \$20,500 plus applicable taxes. These agreements are effective January 1, 2017 for a one year term and continue thereafter on a month to month basis and may be terminated with a six month notice or a termination payment equal to six months' remuneration.

13. SHARE CAPITAL

Authorized share capital

The Company has authorized an unlimited number of common shares with no par value.

Issued share capital

At March 31, 2017, the Company had 51,915,172 common shares outstanding (March 31, 2016 - 40,419,070).

Share consolidation

On April 8, 2016, the Company completed a consolidation of the Company's issued and outstanding common shares, stock options and warrants on a basis of one (1) post-consolidation common share, stock option and warrant for every five (5) pre-consolidation common shares, stock options and warrants. All information relating to basic and diluted loss per share, issued and outstanding common shares, share options and warrants in these consolidated financial statements have been adjusted and restated retrospectively to reflect the share consolidation.

Share issuance

During the year ended March 31, 2017, the Company:

- a) Issued 4,000,000 common shares with a fair value of \$1,500,000 pursuant to the BHB Agreement (Note 9). The Company incurred a filing fee of \$3,500 in connection with the issuance.
- b) Issued 500,000 common shares with a fair value of \$220,000 pursuant to the digital database purchase agreement relating to the Standby property (Note 9).
- c) Completed a non-brokered private placement of 2,620,000 units at a price of \$0.40 per unit for gross proceeds of \$1,048,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.60 in the first 12 months and at an exercise price of \$0.90 in the second 12 months. No value was allocated to the warrants based on the residual method. The Company paid \$33,140 and issued 83,100 finder's warrants as a finders' fee. The finder's warrants have the same terms as the warrants issued under the private placement. The finder's warrants were valued at \$33,433 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 0.58%, an expected life of 2 year, annualized volatility of 225.60% and a dividend rate of 0%). The Company also incurred filing and other expenses of \$6,688 in connection with the private placement.
- d) Completed a non-brokered private placement of 3,948,862 units at a price of \$0.275 per unit for gross proceeds of \$1,085,937. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.40 in the first 12 months and at an exercise price of \$0.55 in the second 12 months. No value was allocated to the warrants based on the residual method. The Company paid \$66,391 as a finders' fee. The Company also incurred filing and other expenses of \$11,783 in connection with the private placement.
- e) Issued 255,600 common shares at prices ranging from \$0.25 to \$0.45 per share from the exercise of warrants for gross proceeds of \$100,020.
- f) Issued 171,640 common shares at \$0.25 per share from the exercise of agent's warrants for gross proceeds of \$42,910. Accordingly, \$22,255 was transferred from share-based payments reserve to capital stock.

13. SHARE CAPITAL (cont'd...)

Share issuance (cont'd...)

During the year ended March 31, 2016, the Company:

- a) Issued 500,000 common shares with a fair value of \$112,500 pursuant to the Holy Terror property option agreement.
- b) Completed a non-brokered private placement of 2,000,000 units at a price of \$0.10 per unit for gross proceeds of \$200,000. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 36 months at an exercise price of \$0.25. No value was allocated to the warrants based on the residual method. The Company paid \$5,810 as a finders' fee and incurred other expenses of \$3,343 in connection with the private placement.
- c) Completed a non-brokered private placement of 1,269,000 units at a price of \$0.25 per unit for gross proceeds of \$317,250. Each unit is comprised of one common share and one share purchase warrant; each warrant entitles the holder to acquire one additional common share for a period of 24 months at an exercise price of \$0.09. \$63,450 of the proceeds were allocated to the warrants determined based on the excess of the subscription price of the units over the market price of the Company's share at the time of issue. The Company paid \$18,708 and issued 74,830 common shares with a fair value of \$14,966 as a finders' fee. The Company also incurred other expenses of \$9,057 in connection with the private placement.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended March 31, 2017 was based on the loss attributable to common shareholders of \$10,130,312 (2016 - \$734,545) and a weighted average number of common shares outstanding of 45,258,244 (2016 - 38,175,698).

At March 31, 2017, 4,710,000 stock options (2016 - 415,000), 9,762,862 warrants (2016 - 10,662,000), and 83,100 agent's warrants (2016 - 171,640) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

14. SHARE-BASED PAYMENTS

Stock options

The Company has adopted an incentive rolling stock option plan (the "Plan") under which it is authorized to grant options to directors, officers, employees and consultants enabling them to acquire up to a maximum of 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. Options granted to employees or consultants performing investor relations will vest in stages over 12 months with no more than one quarter of the options vesting in any three month period. The exercise price of options granted under the Plan shall not be less than the closing price of the Company's shares on the trading day immediately preceding the date of grant, less the discount permitted under the TSX-V's policies.

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14. SHARE-BASED PAYMENTS (Cont'd...)

Stock options (Cont'd...)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2015	660,000	\$ 2.00
Expired	<u>(245,000)</u>	3.05
Balance, March 31, 2016	415,000	1.53
Granted	4,325,000	0.31
Expired	<u>(30,000)</u>	2.50
Balance, March 31, 2017	4,710,000	\$ 0.40
Exercisable at March 31, 2017	4,710,000	\$ 0.40
Weighted average fair value of options granted during the year	\$ 0.30	(2016 - \$nil)

The options outstanding at March 31, 2017 have an exercise price in the range of \$0.30 to \$1.75 and a weighted average remaining contractual life of 2.24 years.

The total share-based payments calculated for stock options granted during the year ended March 31, 2017 was \$1,282,934 (2016 - \$nil) using the Black-Scholes option pricing model. The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	2017	2016
Risk-free interest rate	0.55%	-
Expected life of options	3.16 Years	-
Annualized volatility	203.67%	-
Dividend rate	Nil	-

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14. SHARE-BASED PAYMENTS (Cont'd...)

Stock options (Cont'd...)

As at March 31, 2017 the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
325,000	\$ 1.40	September 6, 2017
60,000	\$ 1.75	October 4, 2017
3,975,000	\$ 0.30	June 14, 2019
250,000	\$ 0.455	September 22, 2021
100,000	\$ 0.30	February 1, 2022
4,710,000		

Note: the number of options granted and the exercise price prior to April 8, 2016, the date of the consolidation have been revised to reflect the consolidation of the share capital on a five (5) old for one (1) new basis.

Warrants

Warrants are issued as private placement incentives. Value was allocated to the warrants issued with private placement units based on the residual method. Agents' warrants are measured at fair value on the date of the grant as determined using the Black-Scholes option pricing model.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, March 31, 2015	8,364,640	\$ 0.55
Warrants issued	3,269,000	0.35
Warrants expired	<u>(800,000)</u>	1.90
Balance, March 31, 2016	10,833,640	0.41
Warrants issued	6,568,862	0.48
Agent's warrants issued	83,100	0.60
Warrants exercised	(255,600)	0.39
Agent's warrants exercised	(171,640)	0.25
Warrants expired	<u>(7,212,400)</u>	0.45
Balance, March 31, 2017	9,845,962	\$ 0.43
Exercisable at March 31, 2017	9,845,962	\$ 0.43

The warrants outstanding at March 31, 2017 have an exercise price in the range of \$0.25 to \$0.60 and a weighted average remaining contractual life of 1.60 year.

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14. SHARE-BASED PAYMENTS (Cont'd...)

Warrants (Cont'd...)

As at March 31, 2017, the following warrants were outstanding:

	Number of Warrants	Exercise Price	Expiry Date
Warrants			
	1,269,000	\$ 0.45	June 24, 2017
	1,925,000	\$ 0.45	March 1, 2019
	2,620,000	\$ 0.60	September 19, 2017
		\$ 0.90	September 19, 2018
	3,948,862	\$ 0.40	March 23, 2018
		\$ 0.55	March 23, 2019
	9,762,862		
Agents' warrants			
	83,100	\$ 0.60	September 19, 2017
		\$ 0.90	September 19, 2018
	9,845,962		

Note: the number of warrants granted and the exercise price prior to April 8, 2016, the date of the consolidation have been revised to reflect the consolidation of the share capital on a five (5) old for one (1) new basis.

15. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash investing and financing transactions during the year ended March 31, 2017 included:

- (a) The Company issued 4,000,000 common shares with a fair value of \$1,500,000 pursuant to the BHB Agreement.
- (b) The Company issued 500,000 common shares with a fair value of \$220,000 pursuant to the digital database purchase agreement relating to the Standby property
- (c) The Company allocated depreciation of equipment of \$1,372 to exploration and evaluation assets.
- (d) Included in trade and other payables are \$204,482 related to exploration and evaluation assets.
- (e) Included in prepaid expenses are \$10,654 related to exploration and evaluation assets

Significant non-cash investing and financing transactions during the year ended March 31, 2016 included:

- (a) The Company issued 2,500,000 common shares pursuant to the Holy Terror property option agreement with a total value of \$112,500.
- (b) The Company allocated depreciation of equipment of \$1,372 to exploration and evaluation assets.
- (c) Included in trade and other payables are \$184,929 related to exploration and evaluation assets.

MINERAL MOUNTAIN RESOURCES LTD.
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16. INCOME TAXES

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

	2017	2016
Loss before income taxes	\$ (10,130,312)	\$ (734,545)
Statutory tax rate	26%	26%
Expected income tax recovery at statutory rates	\$ (2,633,881)	\$ (190,982)
Non-deductible items	333,773	222
Differences between current and future tax rates	-	28,134
Other	11,167	(20,833)
Unrecognized temporary differences	2,288,941	183,459
Deferred income tax recovery	\$ -	\$ -

Deferred income tax assets and liabilities

The Company has available for deduction against future taxable income non-capital losses of approximately \$10,500,000. These losses, if not utilized, will expire between 2028 and 2037. Subject to certain restrictions, the Company also has resource expenditures of approximately \$21,600,000 and share issuance costs of approximately \$204,000 available to reduce taxable income in future years. Deferred tax assets which may arise as a result of these non-capital losses and resource deductions have not been recognized in these financial statements as the Company determined that, as at March 31, 2017, their realization is uncertain.

The nature and tax effect of the temporary differences giving rise to the unrecognized deferred tax assets are as follows:

	2017	2016
Exploration and evaluation assets	\$ 4,883,223	\$ 2,777,238
Non-capital loss carry forwards	2,408,988	2,211,652
Capital loss carry forwards	184,816	18,522
Share issuance costs	53,250	66,593
Marketable securities	-	169,753
Property and equipment	100,975	98,552
Unrecognized deferred income tax assets	\$ 7,631,252	\$ 5,342,310

MINERAL MOUNTAIN RESOURCES LTD.
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MARCH 31, 2017

17. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Company's non-current assets are located in Canada the USA as follows:

At March 31, 2017:

	Canada	USA	Total
Property and equipment	\$ -	\$ 8,916	\$ 8,916
Exploration and evaluation assets	-	3,355,797	3,355,797
	\$ -	\$ 3,364,713	\$ 3,364,713

At March 31, 2016:

	Canada	USA	Total
Property and equipment	\$ 7,948	\$ 10,288	\$ 18,236
Exploration and evaluation assets	-	9,050,421	9,050,421
	\$ 7,948	\$ 9,060,709	\$ 9,068,657

18. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, pursue exploration of its mineral property interest and to maintain a flexible capital structure for the benefits of its stakeholders. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets.

Management reviews the capital structure on a regular basis to ensure that the Company's capital management objectives are achieved. There was no change in the Company's approach to capital management from the prior year. The Company's capital is not subject to any external restrictions.

19. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and cash equivalents and restricted cash classified as loans and receivables and measured at amortized cost; trade and other payables, amounts due to related parties and loan payable as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents and restricted cash. The credit risk with respect to its cash and cash equivalents and restricted cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at March 31, 2017, the Company had a cash and cash equivalents balance of \$852,069 and current liabilities of \$538,172. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

Interest risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash and cash equivalents and restricted cash are not considered significant due to their short-term nature and maturity.

Foreign exchange rate risk

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At March 31, 2017, the Company had financial assets of \$160,459 and financial liabilities of \$166,912 denominated in United States dollars. The Company does not hedge its foreign exchange risk.

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20. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Assets and liabilities measured at fair value on a recurring basis on the statement of financial position are summarized in levels of fair value hierarchy as follows. There have been no changes in these levels and no changes in classifications during the year ended March 31, 2017.

	Level 1	Level 2	Level 3	Total
March 31, 2017				
Available-for-sale financial assets				
Marketable securities	\$ -	\$ -	\$ -	\$ -
March 31, 2016				
Available-for-sale financial assets				
Marketable securities	\$ 70,916	\$ -	\$ -	\$ 70,916

The following valuation techniques and inputs were used to estimate the fair values:

- i) Marketable securities

The fair value of marketable securities is determined based on the closing price of each security at the end of each reporting period. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore marketable securities are classified within Level 1 of the fair value hierarchy.

21. SUBSEQUENT EVENT

On July 7, 2017, the Company granted 450,000 stock options to consultants with an exercise price of \$0.23 and an expiry date of July 7, 2019. The options vested on the day of grant.