

Rogue Resources Inc.

Annual Financial Report

Years Ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

Rogue Resources Inc.
Financial Statements
Years Ended April 30, 2017 and 2016
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Rogue Resources Inc.

Report on the financial statements

We have audited the accompanying financial statements of Rogue Resources Inc., which comprise the statements of financial position as at April 30, 2017 and 2016, and the statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Rogue Resources Inc. as at April 30, 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 qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Vancouver, Canada

August 25, 2017

"Morgan & Company LLP"

Chartered Professional Accountants

Rogue Resources Inc.
Statements of Financial Position
(Expressed in Canadian dollars)

		As at April 30,	
	Note	2017	2016
ASSETS			
Current assets			
Cash		\$ 755,881	\$ 883,259
Available-for-sale investments	4	219,102	20,634
Prepaid expenses		5,269	4,621
Tax recoverable		46,955	9,742
Total Current Assets		1,027,207	918,256
Non-current assets			
Exploration advances		-	17,028
Exploration and evaluation assets	5	9,256,564	16,194,237
Property, plant and equipment	6	1,181	28,543
Total Assets		\$ 10,284,952	\$ 17,158,064
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 165,061	\$ 185,781
Due to related parties	8	58,748	42,298
Part XII.6 tax payable		1,000	126
Flow-through share premium		100,491	-
Total Liabilities		325,300	228,205
EQUITY			
Share capital	7	47,530,877	46,719,409
Reserves		10,233,688	9,972,596
Accumulated other comprehensive income		71,948	3,480
Deficit		(47,876,861)	(39,765,626)
Total Equity		9,959,652	16,929,859
Total Liabilities and Equity		\$ 10,284,952	\$ 17,158,064

These financial statements were approved and authorized for issue by the Board of Directors on August 25, 2017. They are signed on the Company's behalf by:

(Signed) "Sean Samson"

Director

(Signed) "Christopher Berlet"

Director

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

Rogue Resources Inc.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

		Years Ended April 30,	
	Note	2017	2016
Expenses:			
Administrative services		\$ 17,500	\$ 21,004
Bad debt		-	806
Compensation and benefits	8	233,266	268,087
Consulting fees - related parties	8	77,584	84,729
Depreciation		5,324	12,083
Investor relations, promotion and product marketing		286,502	190,213
Office expense and miscellaneous		55,806	43,250
Part XII.6 tax		929	7,834
Professional fees	8	109,298	55,950
Regulatory and stock transfer fees		28,973	25,893
Rent	8	21,027	35,752
Stock based compensation		176,874	222,151
Loss Before Other Income (Expense) and Income Taxes		(1,013,083)	(967,752)
Other Income (Expense)			
Gain on sale of exploration and evaluation assets		335,500	-
Interest income		7,282	6,428
Miscellaneous income		928	3,280
Recovery of prior period expenses		-	924
Write-off of exploration and evaluation assets	5	(7,692,491)	(3,528,004)
Other Expense		(7,348,781)	(3,517,372)
Loss Before Income Taxes		(8,361,864)	(4,485,124)
Deferred Income Tax Recovery	12	250,629	658,202
Net Loss For The Year		(8,111,235)	(3,826,922)
Other Comprehensive Income			
Changes in FMV of available-for-sale investments	4	68,468	4,051
Comprehensive Loss For The Year		\$ (8,042,767)	\$ (3,822,871)
Basic and Diluted Loss Per Share		\$ (0.90)	\$ (0.64)
Weighted Average Number of Shares Outstanding		8,923,341	6,025,883

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

Rogue Resources Inc.
Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital		Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total equity
	Number of shares	Amount				
Balance, April 30, 2015	4,737,436	\$ 43,976,235	\$ 9,519,562	\$ (571)	\$ (35,938,704)	\$ 17,556,522
Shares issued for exploration and evaluation assets	15,000	14,500	-	-	-	14,500
Flow-through shares	604,233	906,350	-	-	-	906,350
Flow-through share premium adjustment	-	(301,512)	-	-	-	(301,512)
Non flow-through shares	2,566,500	2,566,500	-	-	-	2,566,500
Share issuance costs - cash	-	(239,262)	-	-	-	(239,262)
Share issuance costs - non-cash	-	(203,402)	203,402	-	-	-
Stock based compensation	-	-	249,632	-	-	249,632
Other comprehensive income	-	-	-	4,051	-	4,051
Net loss for the year	-	-	-	-	(3,826,922)	(3,826,922)
Balance, April 30, 2016	7,923,169	46,719,409	9,972,596	3,480	(39,765,626)	16,929,859
Shares issued for exploration and evaluation assets	25,000	14,600	-	-	-	14,600
Shares issued for financing costs	51,333	30,800	-	-	-	30,800
Shares issued on exercise of stock options	13,500	11,350	(4,600)	-	-	6,750
Flow-through shares	880,000	880,000	-	-	-	880,000
Flow-through share premium adjustment	-	(351,120)	-	-	-	(351,120)
Non flow-through shares	660,000	330,000	-	-	-	330,000
Share issuance costs - cash	-	(48,069)	-	-	-	(48,069)
Share issuance costs - non-cash	-	(106,528)	75,728	-	-	(30,800)
Stock based compensation - options	-	-	189,964	-	-	189,964
Stock based compensation - shares	95,161	50,435	-	-	-	50,435
Other comprehensive income	-	-	-	68,468	-	68,468
Net loss for the year	-	-	-	-	(8,111,235)	(8,111,235)
Balance, April 30, 2017	9,648,163	\$ 47,530,877	\$ 10,233,688	\$ 71,948	\$ (47,876,861)	\$ 9,959,652

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

Rogue Resources Inc.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended April 30,	
	2017	2016
Operating activities		
Net loss for the year	\$ (8,111,235)	\$ (3,826,922)
Items not affecting cash:		
Deferred income tax recovery	(250,629)	(658,202)
Depreciation	5,324	12,083
Gain on sale of exploration and evaluation assets	(335,500)	-
Gain on sale of property, plant and equipment	(332)	-
Recovery of prior period expenses	-	(924)
Stock based compensation	176,874	222,150
Write-off of exploration and evaluation assets	7,692,491	3,528,004
Changes in non-cash working capital items:		
Accounts receivable	-	15,081
Accounts payable and accrued liabilities	(31,110)	47,801
Due to related parties	16,450	25,020
Prepaid expenses	(648)	2,044
Tax recoverable	(38,331)	3,305
Cash Used in Operating Activities	(876,646)	(630,560)
Investing activities		
Exploration advances	-	(13,992)
Exploration and evaluation expenditures	(762,923)	(3,232,707)
Proceeds from sale of property, plant and equipment	18,510	-
Proceeds from sale of exploration and evaluation assets	325,000	-
Cash Used in Investing Activities	(419,413)	(3,246,699)
Financing activities		
Issuance of common shares	1,216,750	3,472,850
Share issue costs	(48,069)	(239,262)
Cash Provided by Financing Activities	1,168,681	3,233,588
Net Decrease in Cash	(127,378)	(643,671)
Cash, Beginning of Year	883,259	1,526,930
Cash, End of the Year	\$ 755,881	\$ 883,259

Supplemental Cash Flow Information (Note 9)

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

1. Nature of Operations and Going Concern

Rogue Resources Inc. (“Rogue” or the “Company”) was incorporated on January 10, 1985 under the laws of the Province of British Columbia, Canada and is a public company listed on the TSX Venture Exchange (the “TSX.V”), trading under the symbol “RRS.” The registered and records office of the Company is Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3. The head office of the Company is Suite 1612, 44 Victoria Street, Toronto, Ontario, M5C 1Y2.

The Company is an exploration stage resource company in the business of exploring for silica, nickel, and iron ore, and is currently active in Québec. These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain necessary financing to complete the evaluation and development of commercially viable reserves, and upon future profitable production or proceeds from the disposition of exploration and evaluation assets.

The Company incurred a comprehensive loss of \$8,042,767 for the years ended April 30, 2017 (2016 – comprehensive loss \$3,822,871) and had a deficit of \$47,876,861 as at April 30, 2017 (2016 - \$39,765,626). The Company had a working capital surplus of \$701,907 as at April 30, 2017 (2016 – \$690,051). These factors may cast significant doubt upon the ability of the Company to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

2. Significant Accounting Policies

a) Basis of Presentation

Statement of Compliance

These annual financial statements of the Company for the year ended April 30, 2017 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee.

Basis of Measurement

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

Foreign Currencies

The presentation currency and the functional currency of the Company is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Significant Accounting Policies (Continued)

b) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments with maturities within three months held for the purpose of meeting short-term cash commitments rather than for investing purposes. The Company did not have cash equivalents as at April 30, 2017 and 2016.

c) Available-for-Sale Investments

Marketable securities represent investments in public companies and have been designated as available-for-sale investments. The investments are reported at fair value based on quoted market prices with unrealized gains or losses excluded from operations and reported as other comprehensive income or loss.

The Company evaluates the carrying value of investments for impairment on a quarterly basis. In its impairment analysis, the Company takes into consideration numerous criteria, including the duration and extent of any decline in fair value, the intent and ability of the Company to hold the security for a period of time sufficient for a recovery in value and recent events specific to the issuer or industry. If a decline in value is determined to be other-than-temporary, the carrying value of the security is written down to fair value in the statement of operations.

d) Financial Instruments

Financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the statements of financial position at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value depend on their initial classification. Fair value through profit or loss financial assets are measured at fair value and changes in fair value are recognized in net income or loss. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income or loss until the instrument is derecognized or impaired.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Company has classified cash (Level 1) as fair value through profit or loss. Investments in marketable securities are classified (Level 1) as available-for-sale. Accounts receivable are classified as loans and receivables. Current liabilities are classified as other financial liabilities.

Financial instruments are exposed to credit, liquidity and market risks. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Liquidity risks is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of price risk: currency risk, interest rate risk and other price risk.

2. Significant Accounting Policies (Continued)

d) Financial Instruments (Continued)

Liquidity risk on amounts due to creditors was significant to the Company's financial position. The Company manages liquidity risk by actively pursuing additional share capital issuances to settle its obligations in the normal course of its operating, investing and financing activities. The Company's ability to raise share capital is indirectly related to changing metal prices. To mitigate this market risk, management of the Company actively pursues a diversification strategy with property holdings focusing on base metals as well as precious metals.

e) Comprehensive Income

Other comprehensive income (loss) represents the change in net equity for the period that arises from unrealized gains and losses on available-for-sale financial instruments. Amounts included in other comprehensive income (loss) are shown net of tax. Cumulative changes in other comprehensive income (loss) are included in available-for-sale financial assets reserve which is presented as a category in equity.

f) Property, Plant and Equipment

Items of property, plant and equipment are recorded at cost and depreciated over their estimated useful lives. The cost of an item includes the purchase price and directly attributable costs to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of operations and comprehensive loss during the financial period in which they are incurred.

Depreciation on plant and equipment is recognized on a straight-line basis over their estimated useful lives at the following rates:

Buildings and leasehold improvements	14%
Equipment	20% - 33%

Depreciation methods, useful lives and residual values are reviewed at each financial year end and are adjusted if appropriate.

g) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the cost of acquiring licenses, costs associated with exploration and evaluation activities, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. When shares are issued as consideration for exploration and evaluation asset costs, they are valued at the closing share price on the date of issuance. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal right to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and the balance is reclassified as a development asset in property, plant and equipment.

2. Significant Accounting Policies (Continued)

g) Exploration and Evaluation Assets (Continued)

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

h) Impairment of Non-Financial Assets

Impairment tests on non-financial assets, including exploration and evaluation assets, are performed whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where it is possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation properties is considered to be a cash-generating unit for which impairment testing is performed.

An impairment loss is recognized in the statement of operations, except to the extent they reverse gains previously recognized in other comprehensive income or loss.

i) Exploration Tax Credits

The Company recognizes mineral exploration tax credits when the amount to be received can be reasonably estimated and collection is reasonably assured.

j) Decommissioning Liabilities

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mineral property assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

2. Significant Accounting Policies (Continued)

j) Decommissioning Liabilities (Continued)

Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

k) Share Capital

i) Non-monetary consideration

Agent's warrants, stock options and other equity instruments issued as purchase consideration in non-monetary transactions other than as consideration for mineral properties are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued is based on the trading price of those shares on the TSX.V on the date of the agreement to issue shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method.

ii) Flow-through shares

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and credits other income when the entity renounces the tax benefits to the shareholders. Costs incurred in connection with the issuance of flow-through shares reduce the flow-through liability on a pro-rata basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments.

The Company is also subject to a Part XII.6 tax on unspent flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

iii) Share based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

If and when the stock options or warrants are ultimately exercised, the applicable amounts of their fair values in the reserves account are transferred to share capital.

2. Significant Accounting Policies (Continued)

k) Share Capital (Continued)

iv) Share issuance costs

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as non-current deferred assets. Share issuance costs related to uncompleted share subscriptions are charged to operations.

v) Nature and Purpose of Reserves

The reserves recorded in equity on the Company's Statements of Financial Position includes Share-based Payments Reserve which is used to recognize the fair value of stock option grants prior to exercise, expiry or cancellation and the fair value of other share-based consideration recorded at the date of issuance.

l) Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized through profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

m) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method, which assumes that cash that would be received on the exercise of stock options is applied to purchase shares at the average price during the period. The difference between the shares issued on the exercise of the stock options and the number of shares purchased under this computation, on a weighted average basis, is added to the number of shares outstanding. Anti-dilutive stock options are not considered in computing diluted earnings per share. Stock options are typically dilutive when the Company has income for the year and the average market price of the common shares during the year exceeds the exercise price of the options.

2. Significant Accounting Policies (Continued)

n) Recently Adopted Accounting Pronouncements

The following new accounting policies were adopted by the Company on May 1, 2016 and had no significant impact on the Company's financial position and results of operations:

Amended standard IFRS 10 Consolidated Financial Statements

The amendments to IFRS 10 deal with the sale or contribution of assets between an investor and its associate or joint venture.

Amended standard IFRS 11 Joint Arrangements

The amendments to IFRS 11 deal with the accounting for acquisitions of an interest in a joint operation.

Amended standard IAS 1 Presentation of Financial Statements

The amendments to IAS 1 clarify perceived impediments to preparers exercising their judgement in presenting their financial reports.

Amended standard IAS 16 Property, Plant and Equipment

The amendments to IAS 16 clarify acceptable methods of depreciation and amortization, as well as changes to the scope of IAS 16 to include bearer plants.

Amended standard IAS 27 Separate Financial Statements

The amendments to IAS 27 reinstate the equity method as a method of accounting for investments in subsidiary, joint ventures and associates in an entity's separate financial statements.

Amended standard IAS 28 Investments in Associate and Joint Ventures

The amendments to IAS 28 deal with the sale or contribution of assets between an investor and its associate or joint venture.

Amended standard IAS 38 Intangible Assets

The amendments to IAS 38 clarify the acceptable methods of depreciation and amortization.

o) Future Accounting Pronouncements Not Yet Adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective for the year ended April 30, 2017 financial statements:

(i) Effective for annual periods beginning on or after January 1, 2017

Amended standard IAS 7, Statement of Cash Flows

The amendments to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities.

Amended standard IFRS 10, Consolidated Financial Statements

The amendments deal with the sale or contribution of assets between an investor and its associate or joint venture.

Amended standard IAS 12, Income Taxes

The amendments relate to the recognition of deferred tax assets for unrealized losses associated with debt instruments measured at fair value.

2. Significant Accounting Policies (Continued)

o) Future Accounting Pronouncements Not Yet Adopted (Continued)

(ii) Effective for annual periods beginning on or after January 1, 2018

Amended standard IFRS 2, Share-based Payment

The amendments clarify the classification and measurement of share-based payment transactions.

Amended standard IFRS 9, Financial Instruments – Classification and Measurement

IFRS 9 is the first step in the process to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities and carries over from the requirements of IAS 39.

New standard IFRS 15, Revenues from Contracts with Customers

IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more information and relevant information.

(iii) Effective for annual periods beginning on or after January 1, 2019

New standard IFRS 16, Leases

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the financial statements.

3. Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impact of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Determination of Cash Generating Units

In performing impairment assessments of corporate assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Management is required to exercise judgment in identifying these cash generating units (“CGUs”).

3. Critical Accounting Judgments and Estimates (Continued)

b) Exploration and Evaluation Assets

Management is required to assess impairment in respect of intangible exploration and evaluation assets. Note 5 discloses the carrying value of these assets. The triggering events for the impairment of exploration and evaluation assets are defined in *IFRS 6 Exploration and Evaluation of Mineral Resources* and are as follows:

- the period for which the entity 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; or
- 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.

Impairment of exploration and evaluation assets is assessed at the CGU level. The Company has used each of its mineral properties to establish its CGUs.

In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

c) Accrued Liabilities

The Company has applied judgment in recognizing accrued liabilities, including judgment as to whether the Company has a present obligation (legal or constructive) as a result of a past event; whether it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and whether a reliable estimate can be made of the amount of the obligation.

d) Share-based Payments

The inputs used in accounting for share-based payments in the statements of operations and comprehensive loss.

e) Deferred Income Tax Assets

The inputs used in assessing the recoverability of deferred income tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income.

f) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the applicability of the going concern assumption.

g) Taxes Recoverable

Quebec Mining Tax Credits are estimated based on draft tax returns which are filed after the reporting date of these financial statements. Management is required to make judgments regarding the collectability of taxes recoverable based on assessments by Canada Revenue Agency and potential for reassessments or adjustments to tax returns filed.

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4. Available-For-Sale Investments

In July 2016, the Company completed the sale of its Pen South property to Rapier Gold Inc. ("Rapier") for \$325,000 and 1,500,000 Rapier shares. (See Note 5.b)ii.) On July 18th, and 27th, 2016, the Company received 500,000 and 1,000,000 Rapier shares, respectively. The fair market value on July 18th was \$0.08 per share and on July 27th, 2016, was \$0.09 per share. The value of these shares was adjusted to the fair market value as at April 30, 2017.

On September 20, 2016, Amador Gold Corp. had a 20 to 1 share consolidation.

i) For the year ended April 30, 2017

	Number of Available- For-Sale Shares	Cost	Market Value at April 30, 2017	Accumulated Other Comprehensive Income (Loss)
Rapier Gold Inc.	1,813,180	\$146,230	\$217,577	\$71,347
Amador Gold Corp.	9,240	924	1,525	601
			\$219,102	\$71,948

ii) For the year ended April 30, 2016

	Number of Available- For-Sale Shares	Cost	Market Value at April 30, 2016	Accumulated Other Comprehensive Income
Rapier Gold Inc.	313,180	\$16,230	\$18,791	\$2,561
Amador Gold Corp.	9,240	924	1,843	919
			\$20,634	\$3,480

Rogue Resources Inc.
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5. Exploration and Evaluation Assets

i) For the year ended April 30, 2017

	Langmuir Ontario	Timmins West Ontario	Radio Hill Ontario	Silicon Ridge Quebec	Total
Acquisition costs:					
Balance, April 30, 2016	\$ 137,418	\$ 119,500	\$ 566,000	\$ 850,000	\$ 1,672,918
Option payments adjustment*	-	-	(37,500)*	-	(37,500)
Sale of asset	-	(119,500)	-	-	(119,500)
Balance, April 30, 2017	137,418	-	528,500	850,000	1,515,918
Exploration costs:					
Balance, April 30, 2016	7,686,492	-	3,391,254	3,443,573	14,521,319
Consulting	-	-	-	84,005	84,005
Core splitting	-	-	-	935	935
Drilling	-	-	-	5,963	5,963
Environmental studies	-	-	-	265,283	265,283
Equipment rental	-	-	-	(526)	(526)
Field costs	6,000	-	6,000	8,268	20,268
Geology (Note 8)	-	-	-	468,101	468,101
Geophysics	-	-	-	6,375	6,375
Geometallurgy	-	-	-	(5,069)	(5,069)
Mapping and assaying	-	-	1,309	110,086	111,395
Office rent	-	-	-	1,000	1,000
Permit application fees	-	-	-	7,578	7,578
Professional development	-	-	-	3,361	3,361
Project management	-	-	-	477	477
Right of access	-	-	2,100	-	2,100
Road construction	-	-	-	2,850	2,850
Stripping/Channel sampling	-	-	-	24,442	24,442
Travel and accommodation	-	-	-	10,372	10,372
Write-off of assets	(7,692,492)	-	-	-	(7,692,492)
Government assistance	-	-	-	(97,091)	(97,091)
Balance, April 30, 2017	-	-	3,400,663	4,339,983	7,740,646
Total balance, April 30, 2017	\$ 137,418	\$ -	\$ 3,929,163	\$ 5,189,983	\$ 9,256,564
Cost summary					
Acquisition costs	\$ 137,418	\$ -	\$ 528,500	\$ 850,000	\$ 1,515,918
Exploration costs	\$ -	\$ -	\$ 3,400,663	\$ 4,339,983	\$ 7,740,646

*Note: A \$50,000 accrual was made during the year ended April 30, 2016 to account for the annual payment in accordance with Radio Hill Option Agreement (see Note 5.b)iii.). Subsequent to year end, an amendment was made to the agreement and the Company issued 10,000 shares in lieu of paying the \$50,000 annual payment. Therefore, during the year ended April 30, 2017, a \$44,000 adjustment was made to exploration and evaluation assets to account for the reversal of the \$50,000 accrual and the issuance of 10,000 shares at \$0.60 per share and 10,000 shares at \$0.65.

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5. Exploration and Evaluation Assets (Continued)

ii) For the year ended April 30, 2016

	New Brunswick	British Columbia	Abitibi East Ontario	Langmuir Ontario	Timmins West Ontario	Radio Hill Ontario	Other Ontario	Quebec	Total
Acquisition costs:									
Balance, April 30, 2015	\$ 786,591	\$ 125,500	\$ 289,246	\$ 137,418	\$ 119,500	\$ 516,000	\$ 589,460	\$ 850,000	\$ 3,413,715
Option payments	-	-	-	-	-	50,000	-	-	50,000
Write-off of asset	(786,591)	(125,500)	(289,246)	-	-	-	(589,460)	-	(1,790,797)
Balance, April 30, 2016	-	-	-	137,418	119,500	566,000	-	850,000	1,672,918
Exploration costs:									
Balance, April 30, 2015	1,007,740	50,302	53,992	7,680,492	-	3,357,504	625,073	182,609	12,957,712
Consulting	-	-	-	-	-	-	-	104,157	104,157
Core logging	-	-	-	-	-	-	-	44,995	44,995
Core splitting	-	-	-	-	-	-	-	92,552	92,552
Drilling	-	-	-	-	-	-	-	907,631	907,631
Environmental studies	-	-	-	-	-	-	-	37,149	37,149
Equipment rental	-	-	-	-	-	-	-	76,320	76,320
Field costs	-	-	-	6,000	-	6,000	-	245,341	257,341
Geology (Note 8)	-	-	-	-	-	9,150	-	269,399	278,549
Geophysics	-	-	-	-	-	-	-	3,750	3,750
Geometallurgy	-	-	-	-	-	-	-	6,521	6,521
Line cutting	-	-	-	-	-	-	-	68,604	68,604
Mapping and assaying	-	-	-	-	-	3,500	-	1,028,633	1,032,133
Office rent	-	-	-	-	-	-	-	2,000	2,000
Project management	-	-	-	-	-	-	-	861	861
Site administration	-	-	-	-	-	-	-	1,067	1,067
Site logistics	100	-	-	-	-	600	-	1,699	2,399
Stripping/Channel sampling	-	-	-	-	-	-	-	192,519	192,519
Travel and accommodation	-	-	-	-	-	-	-	189,460	189,460
Right of access fees	-	-	-	-	-	14,500	-	-	14,500
Write-off of asset	(1,007,840)	(50,302)	(53,992)	-	-	-	(625,073)	-	(1,737,207)
Government assistance	-	-	-	-	-	-	-	(11,694)	(11,694)
Balance, April 30, 2016	-	-	-	7,686,492	-	3,391,254	-	3,443,573	14,521,319
Total balance, April 30, 2016	\$ -	\$ -	\$ -	\$ 7,823,910	\$ 119,500	\$ 3,957,254	\$ -	\$ 4,293,573	\$ 16,194,237
Cost summary									
Acquisition costs	\$ -	\$ -	\$ -	\$ 137,418	\$ 119,500	\$ 556,000	\$ -	\$ 850,000	\$ 1,672,918
Exploration costs	\$ -	\$ -	\$ -	\$ 7,686,492	\$ -	\$ 3,391,254	\$ -	\$ 3,443,573	\$ 14,521,319

5. Exploration and Evaluation Assets (Continued)

a) Quebec Property Group

Silicon Ridge Project

Pursuant to an option agreement dated August 15, 2014, the Company acquired an option to earn a 100% interest in the Silicon Ridge property located approximately 95 kilometers ("km") northeast of Québec City for a payment of 850,000 shares (issued). The property is subject to a 2% NSR, of which one-half (1%) may be purchased for \$500,000 and the remaining one-half (1%) may be purchased for a further \$1,000,000.

b) Ontario Property Group

i. Langmuir Property

Pursuant to an option agreement dated July 13, 2004, the Company acquired a 100% interest in two claims on the Langmuir property near Timmins, Ontario. The Optionor is entitled to receive a 2% NSR. The Company may at any time purchase 1% of the NSR for \$500,000. The property is an exploration and evaluation asset that hosts a nickel and copper mineral resource and other prospective nickel/copper targets. Subsequent to the agreement, the Company staked a further 72 claims which form part of the Langmuir property.

On April 30, 2017, the Company decided to write-down the property's exploration costs to \$Nil to focus on its other properties. \$7,692,491 in exploration costs were written off during the year ended April 30, 2017.

ii. Timmins West Property

Through staking, the Company acquired a 100% interest in mineral claims known as Timmins West located in Penhorwood, Kenogaming and Keith Townships, Ontario.

In July 2016, the Company completed the sale of its Pen South property to Rapier Gold Inc. for \$325,000 and 1,500,000 Rapier shares. The terms of the sale agreement include Rapier acquiring 100% of the Pen South property, subject to a 2% NSR. The entire NSR may be purchased for \$3,000,000. Rogue also retains the right to repurchase any individual claim within the property for \$1 if Rapier or any potential successor does not meet the outstanding government exploration work requirement and/or intends to abandon or allow the claim to lapse.

iii. Radio Hill

Pursuant to an option agreement dated November 16, 2007, the Company acquired a 100% interest in any and all commercial products from the Radio Hill property. Consideration consisted of cash payments of \$275,000 (paid) over three years. By agreement dated November 16, 2010, the Company issued 2,000 shares to the Optionors in exchange for the final \$100,000 cash payment being delayed to February 28, 2011 (paid). There is a 3% NSR on all minerals produced (except for iron ore), 2/3 (2%) of which may be purchased at any time for \$3,000,000. In April 2011 and as amended in October 2013, the Company completed its option agreement to earn a 100% interest on its Radio Hill Iron Ore property. In lieu of an NSR on the iron rights, the agreement requires a \$50,000 annual payment to be paid in perpetuity until commencement of commercial production, at which time a \$7,000,000 payment is required, subject to a cost of living increase. The annual payment is only applied to the Radio Hill property containing the historical resource and not the adjacent Timmins West property, which hosts the Nat River formation as well as other targets.

5. Exploration and Evaluation Assets (Continued)

b) Ontario Property Group (Continued)

iii. Radio Hill

On June 16, 2016, the Company executed an amendment to the Radio Hill Option Agreement whereby the Company maintains its option on the iron mineralization, but at the sole discretion of the Company, can either issue 10,000 shares of the Company or pay \$50,000 to the Optionors on an annual basis. The Company issued 10,000 shares to the Optionors in February 2017.

A Memorandum of Understanding ("MOU") dated April 10, 2015 was entered into with the Flying Post and Mattagami First Nations groups ("First Nations") in respect of the Radio Hill claims. The Company agreed to pay 2% of all costs of the exploration program incurred after the agreement date, to be divided equally amongst the First Nations groups. The Company also agreed to grant 10,000 shares to each of the First Nations groups (20,000 total), of which 20,000 shares were issued as at April 30, 2017.

iv. Abitibi East Property

The Abitibi East Property includes Shallow River, which is 100% owned (subject to a 2% NSR). The Company also staked additional claims which are not subject to an NSR. The property is situated 75 km northeast of Timmins, Ontario.

Considerable work was conducted on the Abitibi East Property between 2005 and 2010; however results and commodity prices dictated that the Company focus on other priorities. On April 30, 2016, the Company decided to write down the property to \$Nil and allow the staked claims to lapse. \$289,246 in acquisition costs and \$53,992 in exploration costs were written off during the year ended April 30, 2016.

v. Other Ontario

The Company acquired 100% interests in mineral exploration properties in various areas of Ontario in consideration for cash, share issuances and exploration expenditures. Pursuant to agreements on the various properties, the Optionors are entitled to receive NSRs ranging from 2% – 3%. The Company may at any time purchase interests in the NSRs for prices ranging from \$500,000 to \$1,500,000.

The South Porcupine property was 100% owned (subject to a 2% NSR) and consisted of 6 unpatented claims (44 units) and 25 patented claims in Whitney Township, Porcupine Mining. In January 2015, after considerable review of the South Porcupine property, management wrote down the property value to \$10,000 and subsequently sold the property for this amount.

On April 30, 2016, the Company decided to write-down the properties to \$Nil to focus on its other properties. \$589,460 in acquisition costs and \$625,073 in exploration costs were written off during the year ended April 30, 2016.

5. Exploration and Evaluation Assets (Continued)

c) New Brunswick Group

Pursuant to an option agreement signed on May 5, 2004, the Company acquired exclusive mineral exploration rights to certain claims on the Bathurst/Carboniferous property near Bathurst, New Brunswick. Pursuant to an option agreement signed on September 20, 2004 and amended on November 14, 2008, the Company acquired exclusive mineral exploration rights to certain claims on the Portage I and Portage II properties in New Brunswick.

On July 6, 2015, the Company decided to terminate all of its New Brunswick properties and write-down the properties to \$Nil. The Company wrote off \$786,591 in acquisition costs and \$1,007,840 in exploration costs during the year ended April 30, 2016. The Company decided to terminate these properties to focus its resources on the Silicon Ridge Project instead of incurring the cost of keeping claims which are strictly grassroots exploration targets.

d) Adams Property, British Columbia

Pursuant to agreements dated March 2011, the Company entered into an option to earn a 100% interest in the Adams, Cercio, Onyx, and Revelstoke properties (collectively the Adams properties) located in the Kamloops and Revelstoke Mining Division of southern British Columbia. In January 2012, after an exploratory review of the properties, the Company terminated the Cercio, Onyx & Revelstoke agreements. The Adams property agreement was amended to consist of a total payment of 6,000 shares (issued) and no NSR.

On June 1, 2015, the property was terminated and the related claims lapsed on July 2, 2015. The Company decided to terminate the property and write it down to \$Nil to focus its financial resources on the Silicon Ridge Project instead of incurring the cost of keeping claims which are strictly grassroots exploration targets. The Company wrote off \$125,500 in acquisition costs and \$50,302 in exploration costs during the year ended April 30, 2016.

6. Property, Plant and Equipment

	Buildings and Leasehold Improvements	Equipment	Total
Cost			
Balance, April 30, 2015	\$ 47,377	\$ 36,109	\$ 83,486
Disposals/Write-offs	-	(17,324)	(17,324)
Balance, April 30, 2016	47,377	18,785	66,162
Disposals	(21,150)	(888)	(22,038)
Balance, April 30, 2017	\$ 26,227	\$ 17,897	\$ 44,124
Accumulated Depreciation			
Balance, April 30, 2015	\$ 16,638	\$ 26,222	\$ 42,860
Depreciation for the year	6,769	5,314	12,083
Disposals	-	(17,324)	(17,324)
Balance, April 30, 2016	23,407	14,212	37,619
Depreciation for the period	2,820	2,504	5,324
Balance, April 30, 2017	\$ 26,227	\$ 16,716	\$ 42,943
Carrying Amounts			
Balance, April 30, 2016	\$ 23,970	\$ 4,573	\$ 28,543
Balance, April 30, 2017	\$ -	\$ 1,181	\$ 1,181

7. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Share Consolidation

On August 25, 2016, the Company completed a 10:1 share consolidation; where the exchange of ten existing common shares for one new common share results in a fractional share, the number of new common shares will be rounded to the nearest whole common share. Subsequent to the share consolidation, the Company had 8,864,502 common shares issued and outstanding.

All comparative references to the number of shares, options, weighted average number of common shares and earnings or loss per share have been restated for the share consolidation.

c) Issued

Year ended April 30, 2017

In December 2016, the Company completed the first and second tranches of its private placement announced on December 22, 2016 and issued 660,000 non flow-through units (the "NFT units") at a price of \$0.50 per unit for proceeds of \$330,000. Each NFT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$1.00 per share. 360,000 warrants expire on December 22, 2018 and 300,000 expire on January 5, 2019. No residual value was ascribed to the share purchase warrants. Financing fees of \$10,325 and 164,500 compensation warrants at an exercise price of \$1.00 per share, with an expiry date of January 5, 2019, were issued on these tranches.

On October 11, 2016, the Company issued 2,500 shares at \$0.42 per share to Flying Post First Nation and 2,500 shares at \$0.42 per share to Mattagami First Nation based on the MOU dated April 10, 2015.

In July 2016, the Company completed the first and second tranches of its private placement announced on July 13, 2016 and issued 880,000 flow-through units (the "FT Units") at a price of \$1.00 per unit for proceeds of \$880,000. Each FT Unit consists of one common share and one non-transferable common share purchase warrant at an exercise price of \$1.20 per share with an expiry date of July 18, 2018. No residual value was ascribed to the share purchase warrants. 51,333 compensation shares (fair market value was \$0.60 per share) were payable on these tranches.

In accordance with the amendment to the Radio Hill Option Agreement dated June 16, 2016, the Company issued 10,000 shares to the Optionors in July 2016, when the fair market value of the share was \$0.60 per share, and 10,000 shares to the Optionors in February 2017, when the fair market value of the share was \$0.65.

Year ended April 30, 2016

On April 1, 2016, the Company issued 2,500 shares at \$0.90 per share to Flying Post First Nation and 2,500 shares at \$0.90 per share to Mattagami First Nation based on the MOU dated April 10, 2015.

In March and April 2016, the Company closed the first and second tranches of its private placement announced on March 4, 2016 and issued 1,163,500 non flow-through units (the "NFT Units") at a price of \$1.00 per unit for proceeds of \$1,163,500. Each NFT Unit consisted of one common share and one non-transferable common share purchase warrant at an exercise price of \$1.20 per share for 24 months following completion of the offering. A residual value of \$33,550 was ascribed to the NFT units share purchase warrants.

In December 2015, the Company closed the fourth and fifth tranches of its private placement announced on September 9, 2015 and issued 76,666 FT Units at a price of \$1.50 per unit for the proceeds of \$115,000 and 345,000 NFT Units at a price of \$1.00 per unit for the proceeds of \$345,000.

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7. Share Capital (Continued)

c) Issued (Continued)

Each FT Unit consisted of one flow through common share and no warrant. Each NFT Unit consisted of one common share and one non-transferable common share purchase warrant at an exercise price of \$1.20 per share for 24 months following completion of the offering. A residual value of \$34,500 was ascribed to the NFT Units share purchase warrants.

In September and October 2015, the Company issued 5,000 shares at \$1.00 per share to Flying Post First Nation and 5,000 shares at \$1.00 per share to Mattagami First Nation based on the MOU dated April 10, 2015.

In September and October 2015, the Company closed the first, second and third tranches of its private placement announced on September 9, 2015 and issued 527,567 FT Units at a price of \$1.50 per unit for the proceeds of \$791,350 and 1,058,000 NFT Units at a price of \$1.00 per unit for the proceeds of \$1,058,000. Each FT Unit consisted of one flow through common share and no warrant. Each NFT Unit consisted of one common share and one non-transferable common share purchase warrant at an exercise price of \$1.20 for 24 months following completion of the offering.

d) Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the plan may not exceed 10% of the issued and outstanding shares of the Company at any given time. Stock options ("Options") granted under the Plan may have a maximum term of ten years. The exercise price of Options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX Venture Exchange Policy), or such other price as may be agreed to by the Company and accepted by the TSX Venture Exchange. Options granted to consultants providing investor relations activities under the Plan are subject to vesting restrictions such that one-quarter of the total options shall vest at three, six, nine and twelve months following the date of the grant.

A summary of the status of the Company's stock options as of April 30, 2017 were as follows:

	Options	Weighted Average Exercise Price
Balance, April 30, 2015	317,000	\$ 0.70
Cancelled	(7,000)	0.90
Granted	297,000	1.00
Balance, April 30, 2016	607,000	0.88
Cancelled/Expired	(339,922)	0.89
Exercised	(13,500)	0.50
Granted	405,000	0.49
Balance, April 30, 2017	658,578	\$ 0.65

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7. Share Capital (Continued)

d) Stock Options (Continued)

On April 30, 2017, the Company had outstanding and exercisable stock options as follows:

Expiry Date	Exercise Price	Number of Options Exercisable	Number of Options Outstanding
December 19, 2017	\$1.00	4,800	4,800
August 15, 2018	\$1.00	5,500	5,500
April 28, 2021	\$1.00	24,278	24,278
December 10, 2021	\$0.50	41,500	41,500
November 3, 2022	\$1.00	30,000	30,000
November 30, 2022	\$1.10	47,500	47,500
March 4, 2023	\$0.95	53,333	100,000
December 6, 2023	\$0.44	142,500	285,000
February 7, 2024	\$0.60	60,000	120,000
Balance, April 30, 2017		409,411	658,578

As at April 30, 2017, the weighted average remaining contractual life of the Company's share purchase options is 6.09 years and the weighted average exercise price is \$0.65 (2016 – 5.60 years and \$0.88).

Year ended April 30, 2017

During the year ended April 30, 2017, 264,922 Options granted on various dates were cancelled and 75,000 Options expired. These Options had a weighted average exercise price of \$0.89 per share.

On February 7, 2017, the Company granted 120,000 Options, including 50,000 Options to a director and 70,000 Options to consultants. These Options vest 1/2 on the grant date and 1/2 at 12 months, have an exercise price of \$0.60 per share, and expire on February 7, 2024. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$52,069 (\$21,696 was related to a director) using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.60; ii) expected share price volatility of 117.48%; iii) risk free interest rate of 1.37%; iv) expected life of 7 years; and v) no dividend yield.

During the month of February 2017, 10,000 Options were exercised at \$0.50 per share.

On December 6, 2016, the Company granted 285,000 Options, including 265,000 Options to directors and officers and 20,000 Options to consultants. These Options vest 1/2 on the grant date and 1/2 at 12 months, have an exercise price of \$0.44 per share, and expire on December 6, 2023. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$101,189 (\$94,088 was related to directors and officers and \$63,524 of this was allocated to exploration and evaluation assets) using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.44; ii) expected share price volatility of 142.35%; iii) risk free interest rate of 1.43%; iv) expected life of 7 years; and v) no dividend yield.

During the month of September 2016, 20,000 Options granted on March 4, 2023 vested and stock based compensation of \$21,836 was recognized as exploration and evaluation assets.

During the month of September 2016, 3,500 Options were exercised at \$0.50 per share.

7. Share Capital (Continued)

d) Stock Options (Continued)

Year ended April 30, 2016

On March 4, 2016, the Company granted 60,000 Options to the new Chief Executive Officer/President of the Company and 40,000 Options to a consultant of the Company at an exercise price of \$0.95 per share, and an expiry date of March 4, 2023. The Options granted to the new CEO/President vest 1/3 on the grant date, 1/3 at 12 months and the remaining 1/3 at 24 months. The Options granted to the consultant vest 1/3 at 6, 18 and 30 months from the grant date. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$34,767 (to the new CEO/President) using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$0.95; ii) expected share price volatility of 141.24%; iii) risk free interest rate of 0.95%; iv) expected life of 7 years; and v) no dividend yield.

On November 30, 2015, the Company granted a total of 167,000 Options, including 141,000 Options to directors and officers and 26,000 Options to employees and consultants. These Options vested immediately, have an exercise price of \$1.10 and expire on November 30, 2022. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$183,578 (\$154,997 of which was related to directors and officers) using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.10; ii) expected share price volatility of 143.70%; iii) risk free interest rate of 1.23%; iv) expected life of 7 years; and v) no dividend yield. From this grant, \$27,482 has been capitalized to the Silicon Ridge property.

On November 3, 2015, the Company granted a total of 30,000 Options to an officer of the Company. These Options vested immediately, have an exercise price of \$1.00 and expire on November 3, 2022. The fair value of the stock based compensation options was estimated on the grant date in the amount of \$28,360 using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.00; ii) expected share price volatility of 143.83%; iii) risk free interest rate of 1.23%; iv) expected life of 7 years; and v) no dividend yield.

During the month of May 2015, 7,000 Options granted on various dates were cancelled.

e) Warrants Outstanding

A summary of the status of the Company's warrants as at April 30, 2017 were as follows:

	Shares	Weighted Average Exercise Price
Balance, April 30, 2015	1,752,068	\$ 1.50
Expired	(575,750)	1.20
Granted	2,566,500	1.20
Balance, April 30, 2016	3,742,818	1.35
Expired	(1,176,318)	1.66
Granted	1,540,000	1.11
Balance, April 30, 2017	4,106,500	\$ 1.17

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7. Share Capital (Continued)

e) Warrants Outstanding (Continued)

A summary of the Company's warrants outstanding as at April 30, 2017 were as follows:

Expiry Date	Exercise Price	Number of Shares
September 11, 2017	\$ 1.20	625,000
September 24, 2017	\$ 1.20	283,000
October 7, 2017	\$ 1.20	150,000
December 18, 2017	\$ 1.20	345,000
March 4, 2018	\$ 1.20	1,163,500
July 18, 2018	\$ 1.20	880,000
December 22, 2018	\$ 1.00	360,000
January 5, 2019	\$ 1.00	300,000
Balance, April 30, 2017		4,106,500

As at April 30, 2017, the weighted average remaining contractual life of the Company's share purchase warrants is 0.92 years and the weighted average exercise price is \$1.17 (2016 – 1.22 years and \$1.35).

f) Compensation Warrants Outstanding

A summary of the status of the Company's compensation warrants as at April 30, 2017 were as follows:

	Shares	Weighted Average Exercise Price
Balance, April 30, 2015	172,797	\$ 1.24
Expired	(172,797)	1.24
Granted	192,538	1.50
Balance, April 30, 2016	192,538	1.50
Granted	226,100	1.14
Balance, April 30, 2017	418,638	\$ 1.30

A summary of the Company's compensation warrants outstanding as at April 30, 2017 were as follows:

Expiry Date	Exercise Price	Number of Shares
September 11, 2017	\$ 1.50	43,750
September 24, 2017	\$ 1.50	48,012
October 7, 2017	\$ 1.50	7,000
December 18, 2017	\$ 1.50	24,150
December 29, 2017	\$ 1.50	5,366
March 4, 2018	\$ 1.50	64,260
July 18, 2018	\$ 1.50	61,600
January 5, 2019	\$ 1.00	164,500
Balance, April 30, 2017		418,638

As at April 30, 2017, the weighted average remaining contractual life of the compensation warrants is 1.11 years and the weighted average exercise price is \$1.30 (2016 – 1.58 years and \$1.50).

7. Share Capital (Continued)

f) Compensation Warrants Outstanding (Continued)

Year ended April 30, 2017

In January 2017, the Company granted 164,500 compensation warrants at a price of \$1.00 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$57,799 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.00; ii) expected share price volatility of 129.71%; iii) risk free interest rate of 0.78%; iv) expected life of 24 months; and v) no dividend yield.

In July 2016, the Company granted 61,600 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$17,929 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 132.96%; iii) risk free interest rate of 0.58%; iv) expected life of 24 months; and v) no dividend yield.

Year ended April 30, 2016

In March and April, 2016, the Company granted 64,260 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$36,432 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 131.59%; iii) risk free interest rate of 0.54%; iv) expected life of 24 months; and v) no dividend yield.

On December 29, 2015, the Company granted 5,366 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$2,601 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 147.82%; iii) risk free interest rate of 0.48%; iv) expected life of 24 months; and v) no dividend yield.

On December 18, 2015, the Company granted 24,150 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$13,898 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 151.23%; iii) risk free interest rate of 0.50%; iv) expected life of 24 months; and v) no dividend yield.

On October 7, 2015, the Company granted 7,000 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$5,730 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 203.66%; iii) risk free interest rate of 0.53%; iv) expected life of 24 months; and v) no dividend yield. During the year ended April 30, 2016, the Company subsequently revised the estimate to \$4,509 due to the change in the expected share price volatility rate to 148.11%.

On September 24, 2015, the Company granted 48,012 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$48,570 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 207.98%; iii) risk free interest rate of 0.53%; iv) expected life of 24 months; and v) no dividend yield. During the year ended April 30, 2016, the Company subsequently revised the estimate to \$40,052 due to the change in the expected share price volatility rate to 154.44%.

7. Share Capital (Continued)

f) Compensation Warrants Outstanding (Continued)

Year ended April 30, 2016 (Continued)

On September 11, 2015, the Company granted 43,750 compensation warrants at a price of \$1.50 per warrant for a period of 24 months. The fair value of the share based compensation warrants was estimated to be \$44,916 on the date of the grant using the Black-Scholes valuation model with the following assumptions: i) exercise price per share of \$1.50; ii) expected share price volatility of 214.07%; iii) risk free interest rate of 0.53%; iv) expected life of 24 months; and v) no dividend yield. During the year ended April 30, 2016, the Company subsequently revised the estimate to \$37,859 due to the change in the expected share price volatility rate to 162.21%.

8. Related Party Balances and Transactions

a) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and consist of its directors, President and Chief Executive Officer, VP Technical and Corporate Secretary, and Chief Financial Officer. Compensation of the directors, officers and/or companies controlled by these individuals for the years ended April 30, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Short-term employee benefits	\$ 588,433*	\$ 569,845
Stock based compensation	181,108**	218,066
Total compensation of key management personnel	<u>\$ 769,541</u>	<u>\$ 787,911</u>

*Short-term employee benefits of \$213,371 (2016 - \$200,804) have been capitalized under exploration and evaluation assets (see Note 5)

**Stock based compensation of \$41,688 (2016 - \$27,482) have been capitalized under exploration and evaluation assets (see Note 5).

b) Related party balances

Amounts due to related parties amounted to \$58,748 (2016 - \$42,298). Amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms. Amounts owed from related parties related to rent deposit total \$1,519 (2016 - \$Nil).

c) Other related party transactions

During the year ended April 30, 2017, the Company was provided accounting and administrative services of \$6,300 (2016 - \$19,800) and paid rent of \$23,479 (2016 - \$24,550) to companies related by common officers and directors.

During the year ended April 30, 2017, the Company incurred a total of \$51,372 (2016 - \$Nil) related to legal services to a law firm in which a director of the Company is a partner.

The above transactions were in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. Supplemental Cash Flow Information

	Years ended April 30,	
	2017	2016
Non-cash investing and financing activities:		
Share capital issued for exploration and evaluation assets	\$ 14,600	\$ 14,500
Share capital issued for financing costs	\$ 30,800	\$ -
Residual value ascribed to warrants	\$ -	\$ 68,050
Stock based compensation to management	\$ 50,435	\$ -
Stock based compensation capitalized to exploration and evaluation assets	\$ 63,524	\$ 27,482
Compensation warrants granted	\$ 75,728	\$ 135,352
Change in accounts payable in exploration and evaluation assets	\$ 16,242	\$ 76,125
Shares received from sale of exploration and evaluation assets	\$ 130,000	\$ -

10. Capital Management

In the definition of capital, the Company includes cash and equity, comprising issued common shares and reserves.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

11. Commitments

The Company entered into flow-through share subscription agreements whereby it was obligated to incur on or before December 31, 2016 a total of \$906,350 (incurred) and on or before December 31, 2017 a total of \$880,000 plus the mining exploration tax credits recoverable of \$80,091 (\$627,500 incurred as at April 30, 2017).

In May 2016, the Company signed a 5-year sublease agreement to rent office space for the Company's Toronto office from a company related by a common officer/director. Rent is \$1,519 per month and the sublease term expires on April 30, 2021.

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12. Income Taxes

	2017	2016
Statutory Canadian corporate tax rate	26%	26%
Expected current income tax recovery	\$ (2,174,000)	\$ (1,166,000)
Non-deductible permanent differences	48,000	66,000
Expiry of loss carryforward	-	123,000
Share issuance costs	(12,000)	(62,000)
Change in estimate and other	(62,629)	147,000
Change in deferred tax assets not recognized	1,950,000	233,798
Deferred income tax recovery	\$ (250,629)	\$ (658,202)

The significant components of the Company's deferred tax assets (liabilities) are as follows:

	2017	2016
Non-capital loss carry forwards	\$ 3,233,000	\$ 2,983,000
Share issue costs	68,000	86,000
Property and equipment	38,000	42,000
Other	(9,000)	2,000
Deferred income tax assets	3,330,000	3,113,000
Mineral properties and deferred exploration	1,063,000	(670,000)
Net deferred income tax assets	4,393,000	2,443,000
Unrecognized deferred tax assets	(4,393,000)	(2,443,000)
	\$ -	\$ -

The Company has not recorded deferred income tax assets based on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry-forward period to utilize these net deferred income tax assets.

The Company has available non-capital losses for Canadian income tax purposes of approximately \$12,432,000 which may be carried forward to reduce taxable income in future years, if not utilized, expiring as follows:

2026	737,000
2027	1,213,000
2028	1,393,000
2029	1,505,000
2030	1,909,000
2031	984,000
2032	1,443,000
2033	307,000
2034	496,000
2035	569,000
2036	916,000
2037	960,000
	<u>\$ 12,432,000</u>

At April 30, 2017, the Company had unclaimed resource deductions totaling \$13,345,000, share issue costs totaling \$262,000 and other undepreciated assets totaling \$148,000, which may be used to reduce taxable income in the future.