

CROSSROAD VENTURES INC.

Financial Statements
(Expressed in Canadian Dollars)

As at and for the years ended March 31, 2017 and 2016



INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Crossroad Ventures Inc.

We have audited the accompanying financial statements of Crossroad Ventures Inc., which comprise the statements of financial position as at March 31, 2017 and 2016, and the statements of loss and comprehensive loss, statements of changes in shareholder's equity and statements of 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 Crossroad Ventures Inc. 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.

Wolrige Mahon LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

July 27, 2017
Vancouver, B.C.

CROSSROAD VENTURES INC.
Statements of Financial Position
(Expressed in Canadian dollars)
As at March 31,

	2017	2016
Assets		
Current Assets		
Due from Parent Company (Note 6)	218,168	225,675
Total Assets	\$ 218,168	\$ 225,675
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 6,538	\$ 6,366
Shareholder's Equity		
Share capital (Note 5)	392,406	392,406
Deficit	(180,776)	(173,097)
Total Liabilities and Shareholder's Equity	\$ 218,168	\$ 225,675

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on July 27, 2017:

"Michael Cooney"

Michael Cooney – Director

The accompanying notes are an integral part of these financial statements

CROSSROAD VENTURES INC.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the years ended March 31,

	2017	2016
Expenses		
Professional fees	\$ 6,000	\$ 6,000
Filing fees	1,679	2,004
	7,679	8,004
Loss and comprehensive loss	\$ (7,679)	\$ (8,004)
Weighted average number of shares outstanding	3,733,331	3,733,331
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)

The accompanying notes are an integral part of these financial statements

CROSSROAD VENTURES INC.

Statements of Changes in Shareholder's Equity

(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Deficit	Total Shareholder's Equity
Balance, March 31, 2015	3,733,331	\$ 392,406	\$ (165,093)	\$ 227,313
Loss and comprehensive loss	-	-	(8,004)	(8,004)
Balance, March 31, 2016	3,733,331	392,406	(173,097)	219,309
Loss and comprehensive loss	-	-	(7,679)	(7,679)
Balance, March 31, 2017	3,733,331	\$ 392,406	\$ (180,776)	\$ 211,630

The accompanying notes are an integral part of these financial statements

CROSSROAD VENTURES INC.
 Statements of Cash Flows
 (Expressed in Canadian dollars)
 For the years ended March 31,

	2017	2016
Cash (used in) / provided by:		
Operating Activities:		
Loss and comprehensive loss for the year	\$ (7,679)	\$ (8,004)
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	172	366
Cash used in operating activities	(7,507)	(7,638)
Investing Activity:		
Repayment of advances to Parent Company	7,507	7,638
Cash from investing activities	7,507	7,638
Increase in cash for the year	-	-
Cash, beginning of the year	-	-
Cash, end of the year	\$ -	\$ -
Supplemental cash flow information:		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Crossroad Ventures Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on March 15, 2000. The Company was classified as a Capital Pool Company as defined under the policies of the TSX Venture Exchange (the "Exchange") and was listed effective December 1, 2000. The Company's head office is located at Suite 1600, 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

On January 6, 2003, NEMI Northern Energy & Mining Inc. ("NEMI" or the "Parent Company") acquired all of the issued and outstanding shares of the Company pursuant to a reverse take-over bid. As a result of the completion of the reverse take-over bid, the Exchange advised the Company that it had satisfied the Exchange's requirement to complete a Qualifying Transaction pursuant to Exchange policy. The Exchange also advised the Company that it no longer met minimum listing requirements and accordingly the Company's shares were de-listed from the Exchange effective the close of business January 7, 2003 and the Company has not engaged in any business activities since that time.

The Company has not generated revenue from operations. The Company incurred a net loss of \$7,679 during the year ended March 31, 2017 (March 31, 2016 - \$8,004) and as of that date the Company's deficit was \$180,776 (March 31, 2016 - \$173,097). However, the Company has sufficient capital resources to meet its currently anticipated obligations for at least twelve months from the end of the 2017 reporting period. These financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is also the Company's functional currency. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements were authorized by the audit committee and the Board of Directors of the Company on July 27, 2017.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and they include:

Deferred income tax

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, and therefore do not necessarily provide certainty as to their recorded values.

(b) Critical accounting judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

Going concern

The assessment of the Company's ability to continue as a going concern involves judgement regarding future funding available for its operations and working capital requirements as discussed in Note 1.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Loss per share

The Company presents basic and diluted earnings/loss per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted loss per share is calculated by dividing the earnings/loss by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company’s case, diluted loss per share is the same as basic loss per share.

(c) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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Notes to the Financial Statements

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4. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) Financial instrument valuation

Financial instruments measured at fair value are classified into one of three levels of a prescribed fair value hierarchy according to the relative reliability of the inputs used to determine the fair values. The three levels of the fair value hierarchy are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 Unobservable inputs for the asset or liability.

The measurement of the Company's financial instruments is disclosed in Note 8 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

(e) Financial assets – recognition and measurement

Financial assets are recognized when the Company becomes a party to the contract, and are recognized on a trade date basis. The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows:

a. Fair value through profit or loss ("FVTPL")

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges.

Financial assets at FVTPL are initially recognized, and subsequently carried, at fair value with changes in fair value recognized in profit or loss. Attributable transaction costs are recognized in profit or loss when incurred. The Company does not have any FVTPL assets.

b. Available-for-sale ("AFS")

Financial assets available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss ("OCI") except for losses in value that are considered a significant or prolonged decline in the fair value of that investment below its cost, which are recognized as impairment losses in profit or loss. The Company does not have any AFS assets.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets (continued)

c. Held to maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses. The effective interest method is used to determine the amortized cost of financial assets and to allocate interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or where appropriate, a shorter period, to the net carrying amount of the financial asset. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The Company does not have any assets classified as held to maturity.

d. 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 those with maturities greater than 12 months or those that are expected to be settled after 12 months from the end of the reporting period, which are classified as non-current assets. Assets in this category include amounts due from Parent Company.

Loan and receivables are initially recognized at fair value plus any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method.

e. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

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Notes to the Financial Statements

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial assets (continued)

e. Impairment of financial assets (continued)

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, 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 loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

f. De-recognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all of the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In respect of an AFS asset the net cumulative gain or loss that had been recognized in other comprehensive income is reclassified to profit or loss.

(f) Financial liabilities and equity – recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contract, and are recognized on a trade date basis. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

a. Fair value through profit or loss ("FVTPL")

Financial liabilities are classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorized as FVTPL unless they are designed as effective hedges. They are initially recorded, and subsequently carried, at fair value with subsequent changes in fair value recognized in profit or loss.

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Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial liabilities and equity – recognition and measurement (continued)

a. Fair value through profit or loss (“FVTPL”) (continued)

Attributable transaction costs are recognized in profit or loss when incurred. The Company does not hold any such financial liabilities.

b. Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. This category includes accounts payable and accrued liabilities.

(g) Future accounting pronouncements

A number of new IFRS standards, amendments to standards and interpretations are not yet effective for the year ended March 31, 2017, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the Company’s financial statements.

Proposed for annual periods beginning on or after January 1, 2018

a. New standard IFRS 9 Financial Instruments

Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement.

The Company has not early adopted this revised standard.

IFRS 15 Revenues from contracts with customers and IFRS 16 Leases are currently not expected to be applicable to the Company’s operations.

5. SHARE CAPITAL

(a) Authorized and Issued

100,000,000 common shares without par value – 3,733,331 issued and outstanding as at March 31, 2017 and 2016.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

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(Expressed in Canadian dollars)

6. DUE FROM PARENT COMPANY

The amount due from the Parent Company is unsecured, non-interest bearing and due on demand. The balance on account arose following NEMI's reverse take-over of the Company in 2003. Since that time, NEMI has funded the Company's minimal operating requirements by applying the amounts so paid against the balance due from the Parent on account. Although NEMI has retained its shares in the Company and maintains the Company's status as a reporting issuer, management has yet to identify or develop a business opportunity for the Company.

7. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital and deficit). The Company's objectives when managing capital are to support the identification and acquisition of a new business opportunity and thus the creation of shareholder value as well as to ensure that the Company is able to meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility adjusting it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size and current status of the Company, is reasonable. As at March 31, 2017, the Company does not have any long-term debt outstanding and is not subject to any externally imposed capital requirements or debt covenants. There was no change to the Company's approach to capital management during the year ended March 31, 2017.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS

(a) Fair Value

The fair values of due from Parent Company, and accounts payable and accrued liabilities approximate their carrying values due to their due on demand nature or short term to maturity.

(b) Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

I. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

All of the Company's financial liabilities, which consist of accounts payable and accrued liabilities, have contractual maturities of less than 90 days. For the foreseeable future, these will be honored by funding advances from the Parent Company that will be applied on account against the amount due from the Parent Company.

II. Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, causing a financial loss. The Company's primary exposure to credit risk is on the amount due from Parent Company; as such the Company considers its credit risk to be low.

III. Market risk

Market risk consists of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company has no foreign exchange rate risk as all amounts are denominated in Canadian dollars. It also holds no financial instruments that expose it to other price risk or significant interest rate risk.

CROSSROAD VENTURES INC.

Notes to the Financial Statements

As at and for the years ended March 31, 2017 and 2016

(Expressed in Canadian dollars)

9. INCOME TAXES

For the year ended March 31,	2017	2016
Loss for the year	\$ (7,679)	\$ (8,004)
Combined corporate tax rate	26.00%	26.00%
Income tax at statutory rates	(1,997)	(2,081)
Increase (decrease) in tax benefits not recognized	1,997	2,081
Income tax expense	\$ -	\$ -

The Company's deferred tax assets, which have not been recognized, relate to the following temporary differences:

	March 31, 2017	March 31, 2016
Non-capital losses	34,860	32,863

No deferred tax assets have been recognized in respect of the above as the Company currently does not have any sources of taxable income and there is uncertainty as to whether the Company will earn taxable income in the future. As a result, it is currently unlikely that the benefits of such amounts will be realized.

The Company has a total of \$134,074 in non-capital losses that may be applied to reduce future taxable income incurred in any future year subject to expiry as follows:

Year of expiry	Tax losses carried forward
2026	7,737
2027	13,974
2028	10,745
2029	10,519
2030	11,687
2031	13,504
2032	18,113
2033	17,497
2034	7,019
2035	7,596
2036	8,004
2037	7,679
	134,074