

**CANYON COPPER CORP.**

Consolidated Financial Statements  
Years Ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Canyon Copper Corp.

We have audited the accompanying consolidated financial statements of Canyon Copper Corp. which comprise the consolidated statements of financial position as at June 30, 2017 and 2016 and the consolidated 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 consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated 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 involves evaluating the appropriateness of the 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, these consolidated financial statements present fairly, in all material respects, the financial position of Canyon Copper Corp. as at June 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 of the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Canyon Copper Corp. to continue as a going concern.



Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

October 27, 2017

**CANYON COPPER CORP.**

Consolidated statements of financial position

(Expressed in Canadian dollars)

	June 30, 2017 \$	June 30, 2016 \$
<b>ASSETS</b>		
Current assets		
Cash	81,644	41,321
Marketable securities (Note 3)	139,500	360,282
Amounts receivable	3,264	–
Prepaid expenses and deposits	2,591	–
Total current assets	226,999	401,603
Non-current assets		
Mineral properties (Note 4)	75,750	–
Total assets	302,749	401,603
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities		
Accounts payable and accrued liabilities	16,077	8,195
Accrued interest on loan payable to related party (Note 5)	76,256	–
Loan payable to related party, net of financing costs of \$13,440 and \$nil, respectively (Note 5)	386,560	–
Due to related parties (Note 5)	348,559	284,559
Total current liabilities	827,452	292,754
Non-current liabilities		
Accrued interest on loans payable to related party (Note 5)	7,555	36,379
Loans payable to related party (Note 5)	100,000	400,000
Total liabilities	935,007	729,133
Shareholders' deficit		
Share capital	19,964,792	19,823,142
Contributed surplus	8,307,539	8,307,539
Deficit	(28,904,589)	(28,458,211)
Total shareholders' deficit	(632,258)	(327,530)
Total liabilities and shareholders' deficit	302,749	401,603

Nature of operations and continuance of business (Note 1)

Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on October 27, 2017:

/s/ "John Kerr"  
John Kerr, Director

/s/ "James Yates"  
James Yates, Director

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

**CANYON COPPER CORP.**Consolidated statements of operations and comprehensive loss  
(Expressed in Canadian dollars)

	Year ended June 30, 2017 \$	Year ended June 30, 2016 \$
Expenses		
Investor relations	6,927	18,537
Management fees (Note 5)	81,000	60,000
Mineral exploration costs (Note 4)	53,245	109,728
Office and miscellaneous	38,908	71,208
Professional fees (Note 5)	83,206	71,174
Rent	39,458	38,382
Transfer agent and filing fees	21,322	18,658
<b>Total expenses</b>	<b>324,066</b>	<b>387,687</b>
<b>Loss before other income (expense)</b>	<b>(324,066)</b>	<b>(387,687)</b>
Other income (expense)		
Amortization of deferred financing costs	(13,560)	(20,628)
Interest expense	(47,432)	(32,076)
Mineral property option payments received in excess of capitalized costs (Note 4)	71,250	162,295
Realized loss on disposal of marketable securities	(431)	–
Unrealized gain (loss) on marketable securities	(132,139)	163,738
<b>Total other income (expense)</b>	<b>(122,312)</b>	<b>273,329</b>
<b>Net loss and comprehensive loss for the year</b>	<b>(446,378)</b>	<b>(114,358)</b>
<b>Loss per share, basic and diluted</b>	<b>(0.08)</b>	<b>(0.02)</b>
<b>Weighted average shares outstanding</b>	<b>5,930,299</b>	<b>4,903,267</b>

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

**CANYON COPPER CORP.**Consolidated statements of changes in equity  
(Expressed in Canadian dollars)

	Share capital		Contributed surplus \$	Deficit \$	Total shareholders' deficit \$
	Number of shares	Amount \$			
Balance, June 30, 2015	4,903,267	19,823,142	8,307,539	(28,343,853)	(213,172)
Net loss for the year	–	–	–	(114,358)	(114,358)
Balance, June 30, 2016	4,903,267	19,823,142	8,307,539	(28,458,211)	(327,530)
Shares issued for cash	1,333,333	100,000	–	–	100,000
Share issuance costs	–	(1,100)	–	–	(1,100)
Shares issued pursuant to mineral property option agreements	150,000	15,750	–	–	15,750
Shares issued as a bonus pursuant to loan agreement	200,000	27,000	–	–	27,000
Net loss for the year	–	–	–	(446,378)	(446,378)
Balance, June 30, 2017	6,586,600	19,964,792	8,307,539	(28,904,589)	(632,258)

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

**CANYON COPPER CORP.**

Consolidated statements of cash flows

(Expressed in Canadian dollars)

	Year ended June 30, 2017 \$	Year ended June 30, 2016 \$
Operating activities		
Net loss for the year	(446,378)	(114,358)
Items not involving cash:		
Amortization of deferred financing costs	13,560	20,628
Mineral property option payments received in excess of capitalized costs	(71,250)	(162,295)
Realized loss on disposal of marketable securities	(431)	–
Unrealized loss (gain) on marketable securities	132,139	(163,738)
Changes in non-cash operating working capital:		
Amounts receivable	(3,264)	–
Prepaid expenses and deposits	(2,591)	450
Accounts payable and accrued liabilities	7,882	(3,923)
Due to related parties	111,432	146,635
Net cash used in operating activities	(258,039)	(276,601)
Investing activities		
Proceeds from sale of marketable securities	159,462	–
Acquisition of mineral properties	(60,000)	–
Mineral property option payments received	–	25,000
Net cash provided by investing activities	99,462	25,000
Financing activities		
Proceeds from related party loan	100,000	150,000
Proceeds from issuance of common shares	100,000	–
Share issuance costs	(1,100)	–
Net cash provided by financing activities	198,900	150,000
Change in cash	40,323	(101,601)
Cash, beginning of year	41,321	142,922
Cash, end of year	81,644	41,321
Non-cash investing and financing activities:		
Marketable securities received pursuant to mineral property option agreement	71,250	171,250
Shares issued as a bonus pursuant to loan agreement	27,000	–
Shares issued pursuant to mineral property option agreement	15,750	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

## **CANYON COPPER CORP.**

Notes to the consolidated financial statements  
Years ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

### **1. Nature of Operations and Continuance of Business**

Canyon Copper Corp., (the "Company"), was incorporated in the State of Nevada, U.S.A. on January 21, 2000 under the name Aberdene Mines Limited. On August 7, 2006, the Company changed its name to Canyon Copper Corp. On May 31, 2013, the Company changed its incorporation jurisdiction to British Columbia, Canada. The Company's principal business plan is to acquire, explore and develop mineral properties and ultimately seek earnings by exploiting mineral claims. The Company's registered office is located at Suite 408, 1199 West Pender Street, Vancouver, British Columbia, V6E 2R1.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will realize the carrying value of its assets and discharge its liabilities in the normal course of business. As at June 30, 2017, the Company has not generated any revenue, has a working capital deficit of \$600,453, and has accumulated losses of \$28,904,589 since inception. There is no guarantee that the Company will be able to complete any of the above objectives. These factors indicate the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

### **2. Summary of Significant Accounting Policies**

#### **(a) Statement of Compliance and Basis of Presentation**

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Canyon Copper (USA) Ltd., a company incorporated in the state of Nevada. All inter-company balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis. These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

#### **(b) Use of Estimates and Judgments**

The preparation of these consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include fair value of marketable securities, recoverability of mineral properties, fair value of share-based payments, and unrecognized deferred income tax assets. Actual results could differ from those estimates.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available.

## **CANYON COPPER CORP.**

Notes to the consolidated financial statements  
Years ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

### **2. Summary of Significant Accounting Policies (continued)**

#### **(b) Use of Estimates and Judgments (continued)**

Judgments made by management include the factors used to determine the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

#### **(c) Cash and Cash Equivalents**

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

#### **(d) Mineral Property Costs**

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property exceeds the fair value of the property.

#### **(e) Mineral Exploration and Development Costs**

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

#### **(f) Impairment of Non-Current Assets**

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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Notes to the consolidated financial statements  
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### **2. Summary of Significant Accounting Policies (continued)**

#### **(f) Impairment of Non-Current Assets (continued)**

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the consolidated statement of operations.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the consolidated statement of operations.

#### **(g) Reclamation and Remediation Provisions**

The Company recognizes a provision for statutory, contractual, constructive or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant and equipment. These costs are depreciated using either the unit of production or straight line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the consolidated statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

#### **(h) Financial Instruments**

##### **(i) Non-derivative financial assets**

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

## **CANYON COPPER CORP.**

Notes to the consolidated financial statements  
Years ended June 30, 2017 and 2016  
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### **2. Summary of Significant Accounting Policies (continued)**

#### (h) Financial Instruments (continued)

##### (i) Non-derivative financial assets (continued)

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

##### *Financial assets at fair value through profit or loss*

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the consolidated statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company's cash and marketable securities are classified as fair value through profit or loss.

##### *Held-to-maturity investments*

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the consolidated statement of operations. The Company does not have any assets classified as available-for-sale.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company's amounts receivable is classified as loans and receivables.

##### *Impairment of financial assets*

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the consolidated statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

## CANYON COPPER CORP.

Notes to the consolidated financial statements  
Years ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

### 2. Summary of Significant Accounting Policies (continued)

#### (h) Financial Instruments (continued)

##### (i) Non-derivative financial assets (continued)

###### *Impairment of financial assets (continued)*

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the consolidated statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the consolidated statement of operations are not reversed through the consolidated statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

##### (ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, amounts due to related parties, accrued interest on loans payable to related parties, and loans payable to related parties.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

##### (iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

## CANYON COPPER CORP.

Notes to the consolidated financial statements  
Years ended June 30, 2017 and 2016  
(Expressed in Canadian dollars)

### 2. Summary of Significant Accounting Policies (continued)

#### (i) Foreign Currency Translation

The Company and its subsidiary's functional currency, being the currency of the primary economic environment in which the Company and its subsidiary operates, is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the consolidated statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the consolidated statement of operations.

#### (j) Income Taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the consolidated statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### (k) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations. As at June 30, 2017, and 2016, the Company had no items that represent comprehensive income or loss.

#### (l) Loss Per Share

Basic loss per share is computed using the weight average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at June 30, 2017, the Company had 323,333 (2016 - 2,930,000) potentially dilutive shares outstanding.

## CANYON COPPER CORP.

Notes to the consolidated financial statements  
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(Expressed in Canadian dollars)

### 2. Summary of Significant Accounting Policies (continued)

#### (m) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled, share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The fair value of the options is measured at the grant date using the Black-Scholes option pricing model. The fair value is recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are satisfied with a corresponding increase in equity. For awards with graded vesting, the fair value of each tranche is recognized over its respective vesting period. Non-market vesting conditions are considered in making assumptions about the number of awards that are expected to vest. When the options are exercised, any proceeds received are credited to share capital along with the amount reflected in contributed surplus.

#### (n) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2017, and have not been applied in preparing these consolidated financial statements.

##### New standard IFRS 9, "Financial Instruments"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

### 3. Marketable Securities

The Company holds shares and warrants in publicly traded companies. The fair value of common shares held has been determined by reference to public price quotations in an active market. The fair value of warrants has been determined using the Black-Scholes option pricing model.

	June 30, 2016 \$	Additions \$	Proceeds from sales \$	Realized losses \$	Unrealized loss \$	June 30, 2017 \$
Marketable securities	360,282	71,250	(159,462)	(431)	(132,139)	139,500

  

	June 30, 2015 \$	Additions \$	Proceeds from sales \$	Realized losses \$	Unrealized gain \$	June 30, 2016 \$
Marketable securities	25,294	171,250	–	–	163,738	360,282

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Notes to the consolidated financial statements  
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### 4. Mineral Properties

*Mineral property acquisition costs:*

	Samuels Lake Property \$	Bootleg Lake Property \$	New York Canyon Property \$	Moonlight Property \$	Total \$
Balance, June 30, 2015	–	–	–	33,955	33,955
Mineral property option payments received	–	–	(21,250)	(175,000)	(196,250)
Amount in excess of capitalized costs	–	–	21,250	141,045	162,295
Balance, June 30, 2016	–	–	–	–	–
Additions	57,000	18,750	–	–	75,750
Mineral property option payments received	–	–	–	(71,250)	(71,250)
Amount in excess of capitalized costs	–	–	–	71,250	71,250
Balance, June 30, 2017	57,000	18,750	–	–	75,750

*Mineral exploration costs:*

	Year ended June 30, 2017 \$	Year ended June 30, 2016 \$
Claims maintenance	16,933	104,219
General exploration	–	85
Geological and geophysics	6,205	–
Labour, field, and camp site	808	5,424
Staking	29,299	–
	53,245	109,728

#### (a) New York Canyon Property, Nevada, USA

The New York Canyon Project consists of 60 unpatented mineral claims covering approximately 1,200 acres and 21 patented mineral claims covering an area of approximately 780 acres, including the Jaycor claims as described below, located within the vicinity of the New York Canyon Claims area, Mineral County, Nevada. The New York Canyon Project is approximately five miles east of Luning and 30 miles east of Hawthorne, in the sparsely populated west central part of Nevada.

On March 6, 2014, the Company entered into a purchase agreement with the lessor of the Jaycor claims, which were leased by Canyon pursuant to the terms of a lease agreement with Jaycor dated July 21, 2004. The Company acquired a 100% interest in the 18 mineral claims described above for consideration of 200,000 common shares (issued) and the lease agreement was terminated. This agreement will continue to be subject to a 1.75% net smelter return royalty, which is payable up to US\$2,000,000.

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### 4. Exploration and Evaluation Assets (continued)

#### (b) Moonlight Property, California, USA – Metamin Agreement

On November 25, 2011, the Company entered into an Assignment Agreement with Metamin Enterprises Inc., a company controlled by the President of the Company, (the “Assignor”) and Metamin Enterprises USA Inc. (“Assignor Sub”), a wholly-owned subsidiary of the Assignor, to acquire the Assignor’s interest in an Option Agreement between the Assignor and Lester Storey (the “Optionor”), in respect of certain mineral claims, known as the Moonlight property, located in Plumas County, California. On January 19, 2012, the Company closed the Assignment Agreement with the Assignor and Assignor Sub. The Company has made all the required payments under the Assignment Agreement.

The Assignor will retain a 1% net smelter return on metals extracted from the property, which can be repurchased for US\$1,000,000, and a gross overriding royalty of 2.5% on receipts from the sale of industrial minerals.

Upon closing of the Assignment Agreement, the Company assumed all of the Assignor’s rights and obligations under the Option Agreement. The Optionor will retain a 1% net smelter return on the metals extracted from the Moonlight property, which can be repurchased for US\$1,000,000, and a gross overriding royalty of 2.5% on receipts from the sale of industrial minerals.

On August 20, 2014, the Company had made all of the required payments under the Option Agreement and exercised its option to acquire a 100% interest in the Moonlight Property pursuant to the terms of an Assignment Agreement with Metamin Enterprises Inc.

#### (c) New York Canyon Property, Nevada, USA – Falcon Option and Joint Venture Agreement

On June 6, 2014, the Company entered into an Option and Joint Venture Agreement (the “Agreement”) with Falcon Gold Corp. (“Falcon”), whereby the Company has agreed to option up to an 80% interest in its New York Canyon Project. Under the terms of the Agreement, Falcon may earn an initial 60% interest in the Property upon:

- (i) paying the Company:
  - US\$20,000 within seven business days of Exchange approval (received);
  - US\$20,000 on the first anniversary date of Exchange approval (refer to Limited Forbearance Agreement);
  - US\$20,000 on the second anniversary date of Exchange approval;
  - US\$40,000 on the third anniversary date of Exchange approval; and
  - US\$50,000 on the fourth anniversary date of Exchange approval.
- (ii) issuing the Company:
  - 50,000 common shares within seven business days of Exchange approval (received);
  - 100,000 share purchase warrants exercisable at \$0.10 per share expiring on the second anniversary date of Exchange approval (received);
  - 50,000 common shares on the first anniversary date of Exchange approval (received, refer to Limited Forbearance Agreement);
  - 100,000 common shares on the second anniversary date of Exchange approval (received, refer to Limited Forbearance Agreement); and
  - 100,000 common shares on the third anniversary date of Exchange approval.
- (iii) incurring exploration expenditures of:
  - US\$100,000 by the first anniversary date of Exchange approval (completed);
  - US\$500,000 on or before the second anniversary date of Exchange approval;
  - US\$500,000 on or before the third anniversary date of Exchange approval; and
  - US\$900,000 on or before the fourth anniversary date of Exchange approval.

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### 4. Exploration and Evaluation Assets (continued)

#### (c) New York Canyon Property, Nevada, USA – Falcon Option and Joint Venture Agreement (continued)

Falcon will also have the right to increase its interest to 80% upon issuing the Company an additional 1,000,000 common shares and completion of a preliminary economic assessment by the sixth anniversary of the Agreement. Under the terms of the Agreement, Falcon will also pay the Company a lease payment of US\$30,000 per year in connection with the patented claims and Falcon will be responsible for all BLM filing fees for the unpatented claims. If Falcon exercises an 80% interest or elects to proceed with a 60% interest, the parties will form a joint venture for the purpose of carrying out further exploration and development of the New York Canyon Project.

On August 27, 2015 (the “Effective Date”), the Company entered into a Limited Forbearance Agreement (“Forbearance Agreement”) with Falcon in regards to the New York Canyon Property. Falcon was unable pay the 2016 BLM filing fees, the US\$20,000 option payment due on the first anniversary date of Exchange approval, and the US\$30,000 2015 lease payment due to the Company pursuant to the Agreement dated June 6, 2014. Pursuant to the Forbearance Agreement, Falcon must deliver 150,000 shares to the Company on or before three business days after the Effective Date (received), must pay the Company the 2016 BLM filing fees on or before September 30, 2015, and must pay the Company the US\$20,000 option payment and the US\$30,000 lease payment on or before September 30, 2015. Falcon failed to remit the remainder of the payments by September 30, 2015. As a result, the Company and Falcon terminated the Agreement on October 16, 2015.

#### (d) Moonlight Property, California, USA – Crown Mining Corp. Agreement

On February 28, 2016, the Company entered into an option agreement with Crown Mining Corp. (“Crown”), whereby the Company agreed to option a 100% interest in the Moonlight Property to Crown. Under the terms of the option agreement, Crown may acquire a 100% interest in the Moonlight property by making the following payments:

##### (i) Cash payments:

- \$5,000 on execution of the option agreement (received);
- \$20,000 on or before June 1, 2016 (received); and
- \$350,000 on or before the third anniversary of the TSX Venture Exchange acceptance date (March 4, 2019).

##### (ii) Share payments:

- 2,000,000 common shares within five days of the TSX Venture Exchange acceptance date (received);
- 750,000 common shares if the \$350,000 option payment is not paid in full before the first anniversary of the TSX Venture Exchange acceptance date (March 4, 2017) (received); and
- 1,000,000 common shares if the \$350,000 option payment is not paid in full before the second anniversary of the TSX Venture Exchange acceptance date (March 4, 2018).

In connection with the option agreement, the Company and the advance royalty holders agreed to eliminate the advanced royalty payments, increase each of the advance royalty holder’s net smelter returns from 1% to 1.25%, and Crown agreed to issue 600,000 common shares to the advance royalty holders (issued).

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### 4. Exploration and Evaluation Assets (continued)

#### (e) Samuels Lake Property, Ontario, Canada

On September 21, 2016, the Company entered into an option agreement with ProAm Exploration Corporation ("ProAm") to earn a 71% interest in the Samuels Lake Property consisting of five claims located in Beaverhouse Lake and Factor Lake Areas of northwestern Ontario. Under the terms of the option agreement, the Company will exercise the option to acquire a 71% interest in the Samuels Lake Property by making the following cash payments, share issuances, and exploration expenditures:

#### Cash payments:

- \$50,000 within ten days from the date of Exchange acceptance on October 7, 2016 (paid);
- \$50,000 on or before September 21, 2018; and
- \$100,000 on or before September 21, 2019.

#### Share payments:

- 66,667 common shares within ten days from the date of Exchange acceptance on October 7, 2016 (issued);
- 66,667 common shares on or before September 21, 2018; and
- 66,667 common shares on or before September 21, 2019.

#### Exploration expenditures:

- \$500,000 before September 21, 2018;
- an additional \$500,000 on or before September 21, 2019; and
- an additional \$1,500,000 on or before September 21, 2022.

Under the terms of the option agreement, the Company will pay a 2.5% net smelter return to ProAm on commencement of commercial production. The Company will have the right, at any time, to purchase 1% of the net smelter return for \$1,500,000.

#### (f) Bootleg Lake Gold Property, Saskatchewan, Canada

On May 10, 2017, the Company entered into an option agreement ("Option Agreement") with New Moon Minerals Corp. ("New Moon") to earn up to a 75% interest in the Bootleg Lake Gold Property (the "Property") located near Creighton, Saskatchewan, Canada by making the following cash payments, share issuances and exploration expenditures:

- (i) Cash payment of \$5,000 upon signing of agreement (paid);
- (ii) Cash payment of \$5,000 and issuing 83,333 shares within 5 days of the date of TSX Venture Exchange (the "TSXV") acceptance (paid and issued);
- (iii) The Company will earn a 51% interest upon completing the following:
  - Cash payment of \$40,000 and issuing 83,333 shares before June 30, 2018;
  - Cash payment of \$50,000 and issuing 166,667 shares before June 30, 2019;
  - Incurring initial exploration expenditures of \$100,000 before December 31, 2018, and incurring further exploration expenditures of \$150,000 before December 31, 2019, for a cumulative total of \$250,000 of exploration expenditures; and
- (iv) The Company will earn a 75% interest upon completing the following:
  - Cash payment of \$50,000 and issuing 166,667 shares before June 30, 2020;
  - Cash payment of \$100,000 and issuing 166,667 shares before June 30, 2021;
  - Incurring additional exploration expenditures of \$200,000 before December 31, 2020, and incurring further exploration expenditures of \$300,000 before December 31, 2021, for a cumulative total of \$750,000 of exploration expenditures.

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### 4. Exploration and Evaluation Assets (continued)

#### (f) Bootleg Lake Gold Property, Saskatchewan, Canada (continued)

The Company can, at its option, accelerate the cash payments and common shares issuances described above. Any excess exploration expenditures incurred on the Property within an earn-in time period will be credited to successive earn-in time periods.

Under the terms of the Option Agreement, the Company will pay a 1% net smelter return royalty (the "NSR") to New Moon on commencement of commercial production. The Company will have the right, at any time, to purchase 0.5% of the first NSR for \$500,000. There is an existing 1% net smelter return royalty in favour of the underlying optionors.

### 5. Related Party Transactions

- (a) As at June 30, 2017, the Company was indebted to the Chief Executive Officer ("CEO") of the Company for \$9,280 (2016 - \$nil), of which \$4,280 is included in accounts payable and accrued liabilities. The amount is non-interest bearing, unsecured, and due on demand.
- (b) As at June 30, 2017, the Company was indebted to the former CEO of the Company for \$255,559 (2016 - \$210,559), which is non-interest bearing, unsecured, and due on demand.
- (c) As at June 30, 2017, the Company was indebted to the Chief Financial Officer ("CFO") of the Company for \$88,000 (2016 - \$74,000) which is non-interest bearing, unsecured, and due on demand.
- (d) On April 28, 2015, the Company entered into a loan agreement with a company controlled by the former CEO of the Company (the "Lender"), whereby the Lender agreed to loan the Company \$250,000 for a period of one year at an interest rate of 10% per annum. The amount is unsecured. As additional consideration for the loan, the Company issued 166,667 common shares to the Lender with a fair value of \$25,000. This amount was deferred and netted against the carrying value of the loan at issuance, and was amortized over the term of the loan. Effective May 3, 2016, the maturity date was extended to April 28, 2018. As at June 30, 2017, the Company owed accrued interest of \$54,221 (2016 - \$29,303).
- (e) On November 16, 2015, the Company entered into a loan agreement with a company controlled by the former CEO of the Company (the "Lender"), whereby the Lender agreed to loan the Company \$100,000 for a period of two years at an interest rate of 10% per annum. The amount is unsecured. As additional consideration for the loan, the Company issued 133,333 common shares to the Lender on the first anniversary of the loan agreement, at a fair value of \$20,000. This amount was deferred and netted against the carrying value of the loan at issuance, and is being amortized over the term of the loan. During the year ended June 30, 2017, the Company amortized \$12,548 (2016 - \$nil) of the deferred financing costs. As at June 30, 2017, the Company owed accrued interest of \$16,257 (2016 - \$6,284).
- (f) On May 3, 2016, the Company entered into a loan agreement with a company controlled by the former CEO of the Company (the "Lender"), whereby the Lender agreed to loan the Company \$50,000 for a period of two years at an interest rate of 10% per annum. The amount is unsecured. As additional consideration for the loan, the Company issued 66,667 common shares to the Lender on the first anniversary of the loan agreement, at a fair value of \$7,000. This amount was deferred and netted against the carrying value of the loan at issuance, and is being amortized over the term of the loan. During the year ended June 30, 2017, the Company amortized \$1,012 (2016 - \$nil) of the deferred financing costs. As at June 30, 2017, the Company owed accrued interest of \$5,778 (2016 - \$792).
- (g) On September 27, 2016, the Company entered into a loan agreement with a company controlled by the former CEO of the Company (the "Lender"), whereby the Lender agreed to loan the Company \$100,000 for a period of three years at an interest rate of 10% per annum. The amount is unsecured. As additional consideration for the loan, the Company agreed to issue 133,333 common shares to the Lender on the first anniversary of the loan agreement. As at June 30, 2017, the Company owed accrued interest of \$7,555. Refer to Note 13(e).

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### 5. Related Party Transactions (continued)

- (h) During the year ended June 30, 2017, the Company incurred management fees of \$12,000 (2016 - \$nil) to the CEO of the Company.
- (i) During the year ended June 30, 2017, the Company incurred management fees of \$45,000 (2016 - \$60,000) to a company controlled by the former CEO of the Company.
- (j) During the year ended June 30, 2017, the Company incurred professional fees of \$37,775 (2016 - \$31,500) and management fees of \$24,000 (2016 - \$nil) to a company controlled by the CFO of the Company.

### 6. Share Capital

Authorized: Unlimited common shares without par value  
Unlimited preferred shares without par value

- (a) On October 13, 2016, the Company issued 66,667 common shares with a fair value of \$7,000 pursuant to the mineral property option agreement described in Note 4(e).
- (b) On November 2, 2016, the Company completed a private placement of 1,333,333 shares at \$0.075 per share for gross proceeds of \$100,000. In connection with the private placement, the Company incurred share issuance costs of \$1,100.
- (c) On November 2, 2016, the Company issued 133,333 common shares with a fair value of \$20,000 to the former CEO of the Company. Refer to Note 5(e).
- (d) On May 18, 2017, the Company issued 66,667 common shares with a fair value of \$7,000 to the former CEO of the Company. Refer to Note 5(f).
- (e) On May 18, 2017, the Company issued 83,333 common shares with a fair value of \$8,750 pursuant to the mineral property option agreement described in Note 4(f).
- (f) Subsequent to June 30, 2017, the Company completed a 3-for-1 share consolidation of its common shares. All share and per share amounts have been retroactively restated to reflect the share consolidation. Refer to Note 13(b).

### 7. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, June 30, 2015 and 2016	2,600,000	0.15
Expired	(2,600,000)	0.15
Balance, June 30, 2017	–	–

### 8. Stock Options

On August 21, 2009 (as amended on May 4, 2011), the Board of Directors of the Company adopted the Company's 2009 Stock Option Plan (the "Plan"). The Plan is administered by the Board of Directors. Stock options granted under the Plan have a maximum term of five years. The aggregate number of shares of the Company's common stock available for issuance under the 2009 Plan is 10% of the Company's issued and outstanding shares.

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### 8. Stock Options (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, June 30, 2015 and 2016	330,000	0.33
Expired	(6,667)	0.33
Outstanding, June 30, 2017	323,333	0.33

Additional information regarding stock options outstanding as at June 30, 2017, is as follows:

Range of exercise prices \$	Outstanding and exercisable		
	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.33	323,333	1.8	0.33

### 9. Financial Instruments

#### (a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at June 30, 2017, as follows:

	Fair value measurements using			Balance, June 30, 2017 \$
	Quoted prices in active markets for identical instruments (Level 1) \$	Significant other observable inputs (Level 2) \$	Significant unobservable inputs (Level 3) \$	
Cash	81,644	—	—	81,644
Marketable securities	139,500	—	—	139,500
	221,144	—	—	221,144

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, amounts due to related parties, accrued interest on loans payable to related parties, and loans payable to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

#### (b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

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### 9. Financial Instruments (continued)

#### (c) Foreign Exchange Rate Risk

The Company operates in Canada and United States. Future exploration programs and option payments may be denominated in U.S. dollars. Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies. The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

#### (d) Interest Rate Risk

The Company's cash may contain highly liquid investments that earn interest at market rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

#### (e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

#### (f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities. The Company is exposed to price risk with the marketable securities held in publicly-traded companies. The Company's marketable securities are subject to risks associated with fluctuations in the market price of the marketable securities.

### 10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and contributed surplus.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended June 30, 2016.

### 11. Segmented Information

The Company operates in one reportable segment, being the acquisition, exploration, and development of mineral properties, with all current exploration activities conducted in Canada and the United States.

	June 30, 2017		
	Canada	United States	Total
	\$	\$	\$
Mineral properties	75,750	–	75,750

The Company had no non-current assets as at June 30, 2016.

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Notes to the consolidated financial statements

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### 12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2017 \$	2016 \$
Statutory income tax rate	26%	26%
Income tax recovery at statutory rate	(116,059)	(29,733)
Tax effect of:		
Permanent differences and other	18,567	(66)
Change in enacted tax rates	329,729	–
Change in unrecognized deferred income tax assets	(232,237)	29,799
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities are as follows:

	2017 \$	2016 \$
Deferred income tax assets		
Non-capital losses carried forward	2,881,002	2,971,162
Share issuance costs	1,070	1,587
Marketable securities	8,698	(26,861)
Exploration and evaluation assets	2,494,793	2,671,912
Total gross deferred income tax assets	5,385,563	5,617,800
Unrecognized deferred income tax assets	(5,385,563)	(5,617,800)
Net deferred income tax asset	–	–

As at June 30, 2017, the Company has non-capital losses carried forward of \$11,759,192, which are available to offset future years' taxable income. These losses expire as follows:

	\$
2026	5,459,624
2027	849,655
2028	1,011,826
2029	508,857
2030	789,075
2031	454,592
2032	779,885
2033	495,371
2034	379,276
2035	320,625
2036	378,761
2037	331,645
	11,759,192

The Company also has available mineral resource related expenditure pools totaling \$10,258,580, which may be deducted against future taxable income on a discretionary basis.

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### 13. Subsequent Events

- (a) On July 19, 2017, the Company entered into an option agreement (“Option Agreement”) with 2333382 Ontario Inc., a private company, to earn up to a 100% interest in the Munro Warden Copper Nickel Cobalt Property (the “Property”) located in the eastern part of the Kidd-Munro assemblage of the Abitibi Greenstone Belt in Ontario.

Under the terms of the Option Agreement, the Company has the option to acquire up to a 100% interest in Property by making the following cash payments, share issuances and exploration expenditures:

- (i) Cash payment of \$5,000 (paid) and issuing 100,000 common shares within 20 days of the date of TSX Venture Exchange (the “TSXV”) acceptance (issued on August 23, 2017).
- (ii) The Company will earn a 51% interest upon completing the following:
  - Cash payment of \$20,000 and issuing 150,000 common shares before June 30, 2018;
  - Cash payment of \$25,000 and issuing 150,000 common shares before December 31, 2019; and
  - Incurring initial exploration expenditures of \$500,000 before December 31, 2019.
- (iii) The Company will earn a 75% interest upon completing the following:
  - Cash payment of \$50,000 and issuing 200,000 common shares before December 31, 2020;
  - Cash payment of \$50,000 and issuing 200,000 common shares before December 31, 2021; and
  - Incurring additional exploration expenditures of \$1,000,000 before December 31, 2021, for a cumulative total of \$1,500,000 of exploration expenditures.
- (iv) The Company will earn a 100% interest upon completing the following:
  - Cash payment of \$100,000 and issuing 200,000 common shares before December 31, 2023; and
  - Incurring additional exploration expenditures of \$1,000,000 before December 31, 2023, for a cumulative total of \$2,500,000 of exploration expenditures.

The Company can, at its option, accelerate the cash payments and common shares issuances described above. Any excess exploration expenditures incurred on the Property within an earn-in time period will be credited to successive earn-in time periods.

Under the terms of the Option Agreement, the Company will pay a 2% net smelter return royalty to 2333382 Ontario Inc. on commencement of commercial production. The Company will have the right, at any time, to purchase 1% of the net smelter return for \$1,000,000.

The Option Agreement and the transactions contemplated were accepted by the TSXV on August 18, 2017.

- (b) On August 16, 2017, the Company completed a 3-for-1 share consolidation of its common shares.
- (c) On September 27, 2017, the Company completed a private placement of 15,000,000 units at \$0.10 per unit for gross proceeds of \$1,500,000. Each unit consisted of one common share and one-half non-transferable share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.15 per share for a period of two years. In connection with this private placement, the Company paid finder’s fees of \$57,600 and issued 576,000 broker warrants, with each broker warrant entitling the holder to purchase an additional share at a price of \$0.15 for a period of two years.
- (d) On September 29, 2017, the Company granted 1,525,000 stock options to officers, directors, and consultants of the Company. The options are exercisable at \$0.20 per share and expire on September 29, 2022.
- (e) On October 2, 2017, the Company issued 133,333 common shares to the former CEO of the Company. Refer to Note 5(g).
- (f) Subsequent to June 30, 2017, 50,000 stock options exercisable at \$0.33 per share were cancelled.