CRYSTAL EXPLORATION INC.

Condensed Interim Financial Statements

For the three months ended May 31, 2017 and 2016

To the shareholders of Crystal Exploration Inc:

The condensed interim financial statements of Crystal Exploration Inc. (the “Company”) for the three months ended May 31, 2017 and 2016 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

CRYSTAL EXPLORATION INC.
Condensed Interim Statements of Financial Position
As of May 31, 2017 and February 28, 2017
Expressed in Canadian Dollars *(unaudited)*

		May 31, 2017		February 28, 2017
Assets				
Current				
Cash	$	42,655	$	76,734
Amounts receivable		5,361		12,659
Prepaid expenses and deposits		10,742		34,065
		58,758		123,458
Exploration and evaluation assets (note 3)		1,032,170		937,792
Total Assets	**$**	**1,090,928**	**$**	**1,061,250**
Liabilities				
Current				
Accounts payable and accrued liabilities (note 6)	$	208,682	$	141,292
Deferred flow-through liability (note 7)		6,724		11,881
Total Liabilities		**215,406**		**153,173**
Equity				
Share capital (note 4)		2,575,843		2,515,843
Share subscription received (note 4)		20,000		-
Option and warrant reserve (note 4)		455,430		455,430
Deficit		(2,175,751)		(2,063,196)
Total Equity		**875,522**		**908,077**
Total Liabilities and Equity	**$**	**1,090,928**	**$**	**1,061,250**

NATURE OF OPERATIONS AND GOING CONCERN (note 1)

SUBSEQUENT EVENT (note 9)

Authorized for issuance on behalf of the Board on July 22, 2017

Director (signed by) *“Jim Greig”*

Director (signed by) *“Sean Mager”*

The accompanying notes form an integral part of these condensed interim financial statements.

Expressed in Canadian Dollars (unaudited)

		Three months ended May 31, 2017		Three months ended May 31, 2016
Expenses				
Investor relations expenses	$	18,641	$	33,581
Management and consulting fees		72,750		5,051
Office and administration		698		1,844
Professional fees		9,124		6,450
Regulatory and filing fees		16,499		1,839
Loss before other items		(117,712)		(48,765)
Other items:				
Settlement of flow-through liability (note 7)		5,157		753
Net loss and comprehensive loss for the period	**$**	**(112,555)**	**$**	**(48,012)**
Loss per share – basic and diluted	**$**	**(0.00)**	**$**	**(0.00)**
Weighted average number of common shares outstanding		**30,767,255**		**19,885,833**

The accompanying notes form an integral part of these condensed interim financial statements.

Expressed in Canadian Dollars (unaudited)

	Number of shares (#)	Share capital ($)	Share subscription received ($)	Option and warrant reserve ($)	Deficit ($)	Total equity ($)
Balance at February 29, 2016	**19,885,833**	**1,435,160**	**-**	**343,871**	**(1,421,802)**	**357,229**
Comprehensive loss	-	-	-	-	(48,012)	(48,012)
Balance at May 31, 2016	**19,885,833**	**1,435,160**	**-**	**343,871**	**(1,469,814)**	**309,217**
Shares issued for cash (note 4)	10,071,639	1,177,680	-	-	-	1,177,680
Share subscription receivable	-	(6,750)	-	-	-	(6,750)
Value of attached warrants	-	(12,260)	-	12,260	-	-
Flow-through premium liability	-	(69,800)	-	-	-	(69,800)
Shares issued for exploration and evaluation assets (note 3)	500,000	75,000	-	-	-	75,000
Share issuance costs	-	(65,181)	-	-	-	(65,181)
Finders warrants issued	-	(18,006)	-	18,006	-	-
Share based payments	-	-	-	81,293	-	81,293
Comprehensive loss	-	-	-	-	(593,382)	(593,382)
Balance at February 28, 2017	**30,457,472**	**2,515,843**	**-**	**455,430**	**(2,063,196)**	**908,077**
Shares issued for exploration and evaluation assets (note 3)	500,000	60,000	-	-	-	60,000
Share subscription received (note 4)	-	-	20,000	-	-	20,000
Comprehensive loss	-	-	-	-	(112,555)	(112,555)
Balance at May 31, 2017	**30,457,472**	**2,575,843**	**20,000**	**455,430**	**(2,175,751)**	**875,522**

The accompanying notes form an integral part of these condensed interim financial statements.

Expressed in Canadian Dollars (unaudited)

		Three months ended May 31, 2017		Three months ended May 31, 2016
Cash provided by (used in):				
Operating activities				
Net loss for the period	$	(112,555)	$	(48,012)
Items not affecting cash:				
Settlement of flow-through liability		(5,157)		(753)
Changes in non-cash working capital items:				
Amounts receivable		7,298		(1,259)
Prepaid expenses and deposits		23,323		-
Accounts payable and accrued liabilities		67,390		22,177
Cash used in operating activities		(19,701)		(27,847)
Investing activity				
Exploration and evaluation expenditures		(34,378)		(4,792)
Cash used in investing activity		(34,378)		(4,792)
Financing activity				
Share subscription received		20,000		-
Cash provided by financing activity		20,000		-
Net decrease in cash for the period		(34,079)		(32,639)
Cash, beginning of period		76,734		45,006
Cash, end of period	**$**	**42,655**	**$**	**12,367**
Non-cash transactions and supplemental disclosures				
Shares issued for E&E	$	60,000	$	-

The accompanying notes form an integral part of these condensed interim financial statements.

1. Nature of operations and going concern

Crystal Exploration Inc. (formerly Trigold Resources Inc.) ("Crystal" or the "Company") was incorporated under the British Columbia Business Corporations Act on November 9, 2010 and has its shares listed for trading on the TSX Venture Exchange under the symbol "CEI". The Company's head office is located at suite 800-1199 West Hastings Street, Vancouver V6E 3T5, Canada. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. Crystal is an exploration stage company and is in the process of identifying and acquiring mineral properties.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable amount of time. At May 31, 2017, the Company had working capital deficit of $156,648 (February 28, 2017 - $29,715) and an accumulated deficit of $2,175,751 (February 28, 2017 - $2,063,196). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Basis of presentation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended February 28, 2017, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on July *, 2017.

These condensed interim financial statements are presented in Canadian Dollars, and the use of the symbol "$" herein is in reference to Canadian Dollars. Disclosures for amounts denominated in currencies other than Canadian Dollars use the International Standards Organization 3-letter symbol for such foreign currency.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's financial statements for the year ended February 28, 2017, unless otherwise stated.

Expressed in Canadian Dollars (unaudited)

3. Exploration and evaluation assets

Diamond Permits in Nunavut, Canada

Total costs incurred on the Diamond Permits are summarized as follows:

	Acquisition	Exploration	Total
Balance, February 29, 2016	**$ 150,881**	**$ 213,848**	**$ 364,729**
Acquisition costs	125,000	-	125,000
Fieldwork	-	97,305	97,305
Geology	-	165,210	165,210
Community relations	-	5,511	5,511
Assay	-	179,787	179,787
Permits	-	250	250
Balance, February 28, 2017	275,881	661,911	937,792
Geology	-	34,378	34,378
Balance, May 31, 2017	**$ 275,881**	**$ 696,289**	**$ 972,170**

During the year ended February 29, 2016, the Company signed a property purchase agreement ("Agreement") to acquire a 100% interest in eight Prospecting Permits (the 'Property') totaling 1,150 km2 located in Nunavut, Canada from private owners (the "Vendor"). As consideration, the Company paid a total of $75,000 in cash and issued 1,000,000 common shares of the Company with a fair value of $125,000.

During the year ended February 29, 2016, the Company capitalized certain acquisition costs of $25,881 in relation to the Agreement. The Company has also agreed to pay the Vendor a 1% royalty interest on the Property. The Company also has the sole and exclusive option to purchase the NSR royalty interest at a purchase price of $3,000,000 at any time.

The Company has also agreed to make the following additional performance payments to the Vendor, upon the completion of the following milestones:

- annual payments of $50,000 on each anniversary date, August 5th, for the first four years, payable by the Company in either cash or common shares of the Company ("Performance Shares"), or any combination thereof, in its sole discretion (paid in cash);
- payment of $50,000 for each new discovery of a kimberlite pipe or dyke on the Property, payable by the Company in either cash or Performance Shares, or any combination thereof, in its sole discretion;
- issue 500,000 Performance Shares on completion of an inferred mineral resource estimate by a qualified independent geologist or mining engineer of not less than 5,000,000 tonnes on each kimberlite pipe or dyke; and
- issue 500,000 Performance Shares upon completion of a feasibility study.

During the year ended February 29, 2016, the Company incurred $12,820 in exploration costs on the property before the Agreement was entered into. Therefore, these costs have been expensed on the statement of comprehensive loss.

Expressed in Canadian Dollars (unaudited)

3. Exploration and evaluation assets (continued)

Contwoyto Property in Nunavut, Canada

During the period ended May 31, 2017, the Company signed a property purchase agreement to acquire an undivided interest in the Contwoyto Property that contains the potential for diamond-bearing kimberlites along with historical gold occurrences from North Arrow Minerals Inc., in consideration for $100,000 total Cash Payments and the issuance of 1,000,000 shares of the Company on the following schedule:

- On Closing : $50,000 cash (paid subsequent to the period); and 500,000 common shares (issued)
- On or before December 15, 2018: $50,000 cash; and 500,000 common shares

In further consideration of the Contwoyto Property, the Company agreed to:

- grant North Arrow a 1-per-cent GOR/NSR (gross overriding royalty/net smelter return) and purchase half the royalty (0.5 per cent) for $1-million at any time;
- issue 500,000 common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces within an already established mineralized zone; and
- issue 500,000 common shares to North Arrow upon reporting an inferred resource greater than 250,000 gold ounces outside of the established mineralized zone, but within the area of interest.

		Total
Balance, February 28, 2017	$	-
Acquisition		60,000
Balance, May 31, 2017	**$**	**60,000**

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of Class "A" common shares without par value. A summary of changes in common share capital in the period is as follows:

	Number of shares		Amount
Balance, February 29, 2016 and May 31, 2016	**19,885,833**	**$**	**1,435,160**
Shares issued for cash	10,071,639		1,177,680
Subscriptions receivable	-		(6,750)
Value of attached warrants	-		(12,260)
Flow-through premium liability	-		(69,800)
Shares issued for exploration property	500,000		75,000
Share issuance costs	-		(65,181)
Finders warrants issued	-		(18,006)
Balance, February 28, 2017	**30,457,472**		**2,515,843**
Shares issued for exploration property (note 3)	500,000		60,000
Balance, May 31, 2017	**30,957,472**	**$**	**2,575,843**

Expressed in Canadian Dollars (unaudited)

4. Share capital (continued)

a) Common shares (continued)

During the three months ended May 31, 2017, the Company issued 500,000 common shares for property acquisition (note 3).

During the three months ended May 31, 2017, the Company received $20,000 in share subscriptions toward a private placement which has not closed at May 31, 2017.

Share capital transactions during the year ended February 28, 2017:

On August 12, 2016, the Company closed a non-brokered private placement of 6,609,639 non-flow-through units (“NFT Units”) at a price of $0.11 per NFT Unit for gross proceeds of $727,060 and 1,010,000 flow-through units (“FT Units”) at a price of $0.135 per FT unit for gross proceeds of $136,350. Each NFT Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 for a period of twelve months from the date of issuance of the warrant. Each FT Unit consists of one common share and one-half of one common share purchase warrant.

Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 for a period of twelve months from the date of issuance of the warrant.

On December 19, 2016, the Company issued 670,000 non-flow-through common share units (“NFT Units”) at a price of $0.11 per unit for gross proceeds of $73,700 and 1,782,000 flow-through units (“FT Units”) at a price of $0.135 cents per share for gross proceeds of $240,570. Each NFT and FT Units consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $0.15 per share for 12 months from the date of issue, expiring on December 19, 2017.

b) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	**Weighted average exercise price**
Balance, February 29, 2016 and May 31, 2016	1,397,300	$ 0.15
Expired	(1,397,300)	0.15
Issued	5,353,225	0.15
Balance, February 28, 2017 and May 31, 2017	**5,353,225**	**$ 0.15**

As part of the August 12, 2016 NFT Unit and FT unit private placement, the Company issued 3,809,819 warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 until August 12, 2017. In connection with this private placement the Company issued an aggregate of 199,666 finders' warrants. The finders' warrants entitle the finders to purchase one common share of the Company at a price of $0.15 until August 12, 2017. The fair value of finders’ fees granted was $14,379 and was recorded as offset against share capital during year ended February 28, 2017.

Expressed in Canadian Dollars (unaudited)

4. Share capital (continued)

b) Warrants (continued)

As part of the December 19, 2016 NFT Unit and FT unit private placement, the Company issued 1,226,000 warrants. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.15 until December 19, 2017. In connection with this private placement the Company issued an aggregate of 117,740 finders' warrants. The finders' warrants entitle the finders to purchase one common share of the Company at a price of $0.15 until December 19, 2017. The fair value of finders' fees granted was $3,627 and was recorded as offset against share capital during year ended February 28, 2017.

A summary of the warrants outstanding and exercisable is as follows:

May 31, 2017				February 28, 2017			
	Exercise price	Number of warrants	Weighted average remaining life (years)		Exercise price	Number of warrants	Weighted average remaining life (years)
$	0.15	3,809,819	0.14	$	0.15	3,809,819	0.32
	0.15	199,666	0.01		0.15	199,666	0.02
	0.15	1,226,000	0.13		0.15	1,226,000	0.18
	0.15	117,740	0.01		0.15	117,740	0.02
$	**0.15**	**5,353,225**	**0.29**	**$**	**0.15**	**5,353,225**	**0.54**

c) Stock options

Pursuant to the Company's stock option plan (the "Plan") for directors, officers, employees, and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares; the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 90 days following the date the optionee ceases to be a director, officer, consultant or employee of the Company for reasons other than death, one year after the death of an optionee or on the fifth anniversary of the date the option was granted. All options vest when granted unless otherwise specified by the Board of Directors.

A summary of stock option activity in the periods is as follows:

	Number of options		Weighted average exercise price
Balance, February 29, 2016 and May 31, 2016	**1,900,000**	**$**	**0.110**
Issued	550,000		0.145
Balance, February 28, 2017 and May 31, 2017	**2,450,000**	**$**	**0.120**

On August 22, 2016, the Company granted incentive stock options consultants to acquire an aggregate of 300,000 common shares, vesting 1/4 on November 23, 2016, 1/4 on February 23, 2017, 1/4 on May 23, 2017 and 1/4 on August 23, 2017. The options are exercisable at a price of $0.145 cents per share for a period of five years.

Expressed in Canadian Dollars (unaudited)

4. Share capital (continued)

c) Stock options (continued)

On October 24, 2016, the Company granted incentive stock options a director to acquire an aggregate of 50,000 common shares, vesting 1/3 on grant date, 1/3 on October 25, 2017 and 1/3 on October 25, 2018. The options are exercisable at a price of $0.145 cents per share for a period of five years.

On October 24, 2016, the Company granted incentive stock options consultants to acquire an aggregate of 200,000 common shares, vesting 1/4 on January 25, 2017, 1/4 on April 25, 2017, 1/4 on July 25, 2017 and 1/4 on October 25, 2017. The options are exercisable at a price of $0.145 cents per share for a period of five years.

These incentive stock options have been granted in accordance with the Company's stock option plan. The estimated fair value of these options was recognized as share-based payment expense in the amount of $37,250. During the year ended February 28, 2017, $44,043 was recognized as share-based payment expense in connection with options granted in the prior year, which vest in the current year.

On January 15, 2016, the Company's Board of Directors granted stock options to acquire up to an aggregate 1,900,000 common shares of the Company under the Plan, vesting 2/3 on grant and 1/3 on January 15, 2017. The stock options were exercisable at a price of $0.11 per common share and had an expiry date of on January 15, 2021 or earlier in accordance with the terms of the Plan. The estimated fair value of these options was recognized as share-based payment expense in the amount of $106,606.

The fair values of the options granted during the years ended February 28, 2017 and February 29, 2016 were calculated using Black-Scholes model with the following weighted average assumptions:

	February 28, 2017	**February 29, 2016**
Weighted average assumptions:		
Risk-free interest rate	0.92%	0.48%
Forfeiture rate	0%	0%
Expected dividend yield	0%	0%
Expected option life (years)	5.00	1.14
Expected stock price volatility	118%	143%
Share price on grant date	$0.12	$0.09
Fair market value of the option on grant date	$0.10	$0.08

A summary of the options outstanding and exercisable is as follows:

May 31, 2017			**February 28, 2017**		
Exercise price	**Number of options**	**Weighted average remaining life (years)**	**Exercise price**	**Number of options**	**Weighted average remaining life (years)**
$ 0.110	1,900,000	2.82	$ 0.110	1,900,000	3.88
0.145	550,000	1.02	0.145	550,000	1.02
$ 0.120	**2,450,000**	**3.84**	**$ 0.120**	**2,450,000**	**4.91**

5. Financial instruments and risk management (continued)

The Company is exposed to the following financial risks:

i) Market risk
ii) Credit risk
iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, commodity price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian dollars. Management has assessed that the Company's current exposure to currency risk is low, but acknowledges this may change in the future.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be minimal.

5. Financial instruments and risk management (continued)

Market Risk (continued)

Commodity price risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash.

The Company has assessed its exposure to credit risk on its cash and has determined that such risk is minimal. The majority of the Company's cash are held with financial institutions in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at May 31, 2017, all of the Company's account payable and accrued liabilities of $208,682 is due within one year.

Determination of fair value

The statement of financial position carrying amounts for cash and accounts payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities measured at fair value are grouped into three Levels or a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: unobservable inputs for the asset or liability.

Expressed in Canadian Dollars (unaudited)

5. Financial instruments and risk management (continued)

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

As at May 31, 2017:

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 42,655	-	-	$ 42,655

As at February 28, 2017

Asset:	Level 1	Level 2	Level 3	Total
Cash	$ 76,734	-	-	$ 76,734

6. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended May 31,	**2017**	**2016**
Management fees paid to companies controlled by directors, officers, and former officers	$ 36,000	$ 4,500
Professional fees paid to companies controlled by an officer and a former officer	7,500	6,450
Geological consultation fees capitalized - companies controlled by an officer and a director	34,378	-
	$ 77,878	**$ 10,950**

Key management compensation

Key management includes directors and key officers of the Company, including the President, Chief Executive Officer and Chief Financial Officer. The remuneration of key management personnel is summarized below:

For the three months ended May 31,	**2017**	**2016**
Short term benefits	$ 36,000	$ 4,500
	$ 36,000	**$ 4,500**

At May 31, 2017, accounts payable and accrued liabilities include $73,252 (February 28, 2017 - $100,421) due to key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment.

7. Flow-through premium liability

During the year ended February 28, 2017, the Company issued 2,792,000 flow-through units (Note 4 (a)) for gross proceeds of $376,920 and recognized a deferred flow-through premium of $69,800, noncash, as the difference between the amounts recognized in common shares and the amounts the investors paid for the units. As at February 28, 2017, the flow-through premium liability outstanding relating to these flow-through shares was $11,881. The Company is still required to spend approximately $63,800 in eligible exploration expenditures as at February 28, 2017 relating to these flow-through shares.

As at May 31, 2017, the flow-through premium liability outstanding relating to these flow-through shares was $6,724. The Company is still required to spend $29,421 in eligible exploration expenditures as at May 31, 2017 relating to these flow-through shares.

8. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and development of various businesses. The Company does not have any externally imposed capital requirements to which it is subject.

As at May 31, 2017, the Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash on hand.

9. Subsequent events

On June 29, 2017, the Company closed the first tranche financing previously reported on June 12, 2017, for gross proceeds totalling $629,500. The Company issued 6,295,000 common share units at a price of 10 cents per unit. Each unit will consist of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at an exercise price of 18 cents per share, expiring on June 28, 2019. In the event that the shares of the Company trade at a price greater than 25 cents per share for a period of 20 consecutive days, then the Company may deliver a notice to the warrant holders that they must exercise the warrants with the next 30 days, or the warrants will expire.

In connection with this private placement the Company issued an aggregate of 206,100 finders' warrants and paid a total of $30,010 in finders' fees.