HARVEST GOLD CORPORATION

(An Exploration Stage Company)

Consolidated Financial Statements

Year Ended March 31, 2017

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Harvest Gold Corporation:

We have audited the accompanying consolidated financial statements of Harvest Gold Corporation, which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Harvest Gold Corporation as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Harvest Gold Corporation's ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 31, 2017

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	March 31, 2017	March 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents	5	$ 722,760	$ 15,559
Marketable securities		-	333
GST receivable		-	5,116
Prepaids		3,679	917
		726,439	21,925
Reclamation bond	7	15,983	15,983
Exploration and evaluation assets	6	982,743	100,000
TOTAL ASSETS		**$ 1,725,165**	**$ 137,908**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8,10	$ 76,662	$ 157,444
Advances payable	9	65,500	-
TOTAL LIABILITIES		**142,162**	**157,444**
SHAREHOLDERS' EQUITY			
Share capital	11	12,341,663	10,476,249
Share-based payment reserve	11	1,572,378	1,329,398
Investment revaluation reserve		-	187
Deficit		(12,331,038)	(11,825,370)
TOTAL SHAREHOLDERS' EQUITY		**1,583,003**	**(19,536)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 1,725,165**	**$ 137,908**

Nature and continuance of operations (Note 1)
Commitment (Note 10)
Subsequent event (Note 15)

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Years ended	
	Notes	March 31, 2017	March 31, 2016
Expenses			
Consulting	10	$ 61,785	$ 781
Management fees	10	62,600	48,000
Office and miscellaneous		13,768	12,285
Professional fees		118,292	71,635
Share-based payment	10,11	213,595	-
Transfer agent, filing fees and shareholder relations		35,225	19,042
Travel		6,647	-
		(511,912)	(151,743)
Other items			
Foreign currency gain (loss)		(52)	4,468
Gain (loss) on sale of available-for-sale investments		(146)	7,885
Option payments received on exploration and evaluation assets	6	6,442	6,475
Write-down of exploration and evaluation assets	6	-	(539,659)
		6,244	(520,831)
Net loss for the year		**(505,668)**	**(672,574)**
Items that may be reclassified subsequently to profit or loss			
Change in fair value of available-for-sale investments		-	45
Comprehensive loss for the year		**$ (505,668)**	**$ (672,529)**
Net loss per share – basic and diluted		**$ (0.02)**	**$ (0.08)**

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Share capital: Number of shares	Share capital: Amount	Share-based payment reserves	Investment revaluation reserve	Deficit	Total
Balance at March 31, 2015		**8,111,325**	**$ 10,476,249**	**$ 1,329,398**	**$ 142**	**$ (11,152,796)**	**$ 652,993**
Comprehensive loss:							
Net loss for the year		-	-	-	-	(672,574)	(672,574)
Transactions with owners, in their capacity as owners, and other transfers:							
Available-for-sale investment		-	-	-	45	-	45
Balance at March 31, 2016		**8,111,325**	**10,476,249**	**1,329,398**	**187**	**(11,825,370)**	**(19,536)**
Comprehensive loss:							
Net loss for the year		-	-	-	-	(505,668)	(505,668)
Transactions with owners, in their capacity as owners, and other transfers:							
Available-for-sale investment		-	-	-	(187)	-	(187)
Share-based payment	11	-	-	213,595	-	-	213,595
Shares issued for private placement	11	25,824,000	1,292,450	-	-	-	1,292,450
Shares issuance costs	11	25,000	(99,938)	29,385	-	-	(70,553)
Shares issued for acquisition of Canasur	4,11	16,822,539	672,902	-	-	-	672,902
Balance at March 31, 2017		**50,782,864**	**$ 12,341,663**	**$ 1,572,378**	**$ -**	**$ (12,331,038)**	**$ 1,583,003**

See accompanying notes to the consolidated financial statements

Harvest Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended March 31, 2017	March 31, 2016
Operating activities		
Net loss for the year	$ (505,668)	$ (672,574
Adjustments for:		
Share-based payment	213,595	-
Gain on sale of marketable securities	146	(7,885)
Write-down of exploration and evaluation assets	-	539,659
Changes in non-cash working capital items:		
GST receivable	5,116	(3,378)
Prepaids	(2,762)	(917)
Trade payables and accrued liabilities	(145,962)	64,354
Net cash flows used in operating activities	(435,535)	(80,741)
Investing activities		
Cash (deficiency) acquired on acquisition of Canasur	(640)	-
Marketable securities	-	8,385
Expenditures on exploration and evaluation assets	(167,931)	(11,885)
Option payment on exploration and evaluation assets	100,000	32,298
Reclamation bond	-	9,917
Net cash flows provided by (used in) investing activities	(68,571)	38,715
Financing activities		
Advances	(10,590)	-
Common shares issued for cash, net	1,221,897	-
Net cash flows provided by financing activities	1,211,307	-
Effect of foreign exchange	-	(4,041)
Change in cash and cash equivalents	707,201	(46,067)
Cash and cash equivalents, beginning	15,559	61,626
Cash and cash equivalents, ending	**$ 722,760**	**$ 15,559**
Supplemental cash flow information:		
Fair value of agent warrants (Note 11)	$ 29,385	$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

Harvest Gold Corporation (the "Company" or "Harvest") was incorporated on June 28, 2005, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties. The Company is a Tier 2 Mining Issuer listed and trading on the TSX Venture Exchange ("TSX-V").

The head office, principal address, records office and registered address of the Company are located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7.

On July 27, 2016, the Company completed the acquisition of all of the issued and outstanding common shares of Canasur Gold Limited ("Canasur"), which included the accounts of Canasur Goldmines N.V., Canasur Gold Limited N.V. and Carminco N.V. As outlined in Note 4.

The Company's principal business activities is the exploration of natural resource properties. The recovery of the Company's investment in resource properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition. The Company has not earned any revenues to date and is considered to be in the exploration stage.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

The exploration and evaluation properties in which the Company currently has an interest in are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

These financial statements do not include any adjustments relating 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.

The financial statements were authorized for issue on July 31, 2017 by the Board of Directors of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance with International Financial Reporting Standards
The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation
These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars, which unless otherwise noted, is the Company's functional currency.

Basis of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Harvest Gold Corporation (US), Canasur, Canasur Goldmines N.V., Canasur Gold Limited N.V. and Carminco N.V. All intercompany transactions and balances have been eliminated upon consolidation.

Significant estimates and assumptions
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgement in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the determination of whether an acquisition constitutes a business combination or an acquisition of assets;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the determination of the functional currency of the Company and its subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Foreign currency translation

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the Company's subsidiary is the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into their functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events for exploration and evaluation asset impairment are defined in *IFRS 6 Exploration and evaluation of mineral resources* and are as follows:

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

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Exploration and evaluation assets (cont'd)

Assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the statement of comprehensive loss in the period the new information becomes available.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

Impairment of assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs and for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments

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

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Loss per share

Basic loss per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. If the calculation results in an anti-dilutive effect then only basic income or loss per share is presented.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it arises in a business combination, or from items recognized directly in equity or other comprehensive loss/income.

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, in the countries where the Company operates and generates taxable income.

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 profit or loss. 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 is provided using the asset and liability method of 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 profit 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, only 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.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods and services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share based payments are reflected in share-based payments reserve, until exercised. Upon exercise shares are issued from treasury and the amount reflected in share-based payments reserve is credited to share capital along with any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to an employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share warrants are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Proceeds received on the issuance of units, consisting of common shares and warrants are allocated to share capital.

3. ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

IFRS 9, "Financial Instruments"

The Company has not early adopted this standard, however the Company is currently assessing what impact the application of this standard will have on the consolidated financial statements of the Company.

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

4. ACQUISITION OF CANASUR

On July 27, 2016, the Company completed the acquisition of all the outstanding common shares of Canasur. The acquisition was conducted by way of an Amalgamation Agreement (the "Amalgamation Agreement") and resulted in Canasur becoming a wholly-owned subsidiary of the Company.

For accounting purposes, the acquisition of Canasur has been recorded as an asset acquisition as Canasur did not have the necessary inputs and processes capable of producing outputs required to meet the definition as defined by *IFRS 3, Business Combinations*.

The consideration paid was the issuance of 16,822,539 common shares of the Company to the shareholders of Canasur, which were recorded at a fair value of $672,902.

The fair value of identifiable assets acquired and liabilities assumed resulting from the acquisition of Canasur were as follows:

Assets acquired and liabilities assumed from Canasur		
Exploration and evaluation assets	$	1,281,254
Bank indebtedness		(640)
Trade payables and accrued liabilities		(65,180)
Advances payable		(76,090)
Net assets acquired from Canasur		1,139,344
Net assets acquired in excess of consideration		(466,442)

(Expressed in Canadian Dollars)

Consideration	$	672,902

4. ACQUISITION OF CANASUR (cont'd)

The net assets acquired in excess of the consideration was recorded as a reduction of the carrying value of the exploration and evaluation assets acquired (Note 6).

5. CASH AND CASH EQUIVALENTS

	March 31, 2017	March 31, 2016
Cash	$ 22,760	$ 15,559
Short-term deposits	700,000	-
	$ 722,760	$ 15,559

6. EXPLORATION AND EVALUATION ASSETS

	Rosebud Gold Mine
Acquisition:	
Total, March 31, 2015 and 2016	$ 648,058
Exploration:	
Balance, March 31, 2015	12,014
Claim fees	11,885
Total, March 31, 2016	23,899
Option payments received	(32,298)
Write-down	(539,659)
Balance, March 31, 2016	**$ 100,000**

	Rosebud Gold Mine	Goliat-Tibiti	Total
Acquisition:			
Balance, March 31, 2016	$ 100,000	$ -	$ 100,000
Additions (Note 4)	-	814,812	814,812
Total, March 31, 2017	100,000	814,812	914,812
Exploration:			
Balance, March 31, 2016	-	-	-
Geological and field costs	-	167,931	167,931
Total, March 31, 2017	-	167,931	167,931
Option payments received	(100,000)	-	(100,000)
Balance, March 31, 2017	**$ -**	**$ 982,743**	**$ 982,743**

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Rosebud Gold Mine Property, Nevada, USA

On November 16, 2006, the Company signed a letter of intent to acquire a 100% interest in certain mining claims comprising the Rosebud Gold Mine Property located in Nevada, USA.

Upon earning a 100% interest, on December 15, 2011, the Company was obligated on an annual basis to pay an advance royalty payment of US$50,000 (the "Newmont Royalty") until the property is placed into production and is to be recovered from any actual future mineral production royalty payments.

The Rosebud Gold Mine Property is subject to a 3% Net Smelter Royalty ("NSR"), which the Company has the option to purchase 1.5% of the NSR for $2,250,000.

On November 23, 2015, the Company entered into an option agreement with Rosebud Exploration LLC ("RE"), a private Nevada corporation, whereby RE was granted an option to acquire a 100% right to the Rosebud Gold Mine Property as follows:

Date	Payment
Upon execution of the agreement	US$25,000 (CDN$32,298 received)
Within 10 days of execution of the agreement	US$50,000 towards the Newmont Royalty (paid)
On or before July 31, 2016	All filing fees (paid)

At March 31, 2016, the Company wrote-down the Rosebud Gold Mine Property to $100,000 to reflect its net recoverable value. During the year ended March 31, 2017, RE exercised its option to purchase the Rosebud Gold Mine Property and paid to the Company CDN$100,000.

As RE has exercised its option to purchase, it will also be committed to paying CDN$1,000,000 to the Company within 30 days of RE receiving funding designed to commission and construct a mine on the Rosebud Gold Mine Property. Upon exercising is option, RE has assumed all obligations of the Company in respect of the Newmont Royalty, filing fees and the 3% NSR.

Goliat-Tibiti, Suriname

Pursuant to the Amalgamation Agreement, the Company acquired Canasur's 100% exploration interest in the Goliat-Tibiti property located in Suriname (Note 4). The property is subject to an agreement requiring the Company to, among other conditions:

a) Pay an annual fee equal to 12% of certain exploration costs, subject to an annual maximum of US $50,000; and
b) A net smelter royalty of 1.0%, which can be repurchased by the Company at any time for US $1,800,000.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Hunt Property

By an option agreement effective June 28, 2005, the Company acquired a 40% interest in certain claims comprising the Hunt Property located in Manitoba, Canada.

During the year ended March 31, 2015, the Company sold its 40% interest in the Hunt Property to VMS Ventures Inc. ("VMS") for consideration of $140,457, payable as to settlement of its related party debt in the amount of $90,307 and cash of $50,150 (received). VMS will issue to the Company 100,000 common shares upon the earliest to occur of the completion by VMS of a Preliminary Economic Assessment, Pre-Feasibility Study or a Feasibility Study. VMS will issue a further 100,000 common shares upon commencement of commercial production from a portion of the mineral claims.

RW Claims, Nevada, USA

On November 19, 2010, the Company staked certain mining claims comprising the RW Claims located in Eureka County, Nevada.

On January 1, 2012, as amended on September 5, 2013, the Company entered into a mining lease and option to purchase agreement with Kinetic Gold (US) Inc. ("Kinetic"), whereby Kinetic agreed to lease the RW Claims for a period of 6 years.

On August 13, 2015, the agreement was further amended whereby Kinetic paid US$5,000 (CDN $6,475; received) during the year ended March 31, 2016 and will pay US$15,000 thirty days after Kinetic assigns the property to a third party. During the year ended March 31, 2017, the Company received a further US$5,000 (CDN $6,442) from Kinetic. Kinetic will also pay a further US$30,000 on the first anniversary and US$40,000 on the second anniversary of assigning the property to a third party.

Kinetic will also pay a 2% NSR to the Company from the production or sale of minerals from the RW Claims.

7. RECLAMATION BOND

As March 31, 2017, the Company had a reclamation bond issued with the Nevada Division of Minerals in the amount of US$12,322 (CDN - $15,983) (2016 - US$12,322 (CDN - $15,983)) to guarantee reclamation of the environment of the Rosebud Gold Mine Property.

8. TRADE PAYABLES AND ACCRUED LIABILITIES

	March 31, 2017	March 31, 2016
Trade payables	$ 24,662	$ 109,444
Accrued liabilities (Note 10)	52,000	48,000
	$ 76,662	$ 157,444

(Expressed in Canadian Dollars)

9. ADVANCES PAYABLE

At March 31, 2017, recorded in advances payable is $65,500 of which $15,000 and US$4,131 (CDN $5,000) are due to a related party (Note 10) and US$35,000 (CDN $45,500) due to an arm's length party. The advances are non-interest bearing, unsecured and repayable from proceeds of future financing in excess of $1,000,000. The advances have a term of two years, at which time the advances are extinguishable at the Company's discretion, if financing efforts have not been successful.

10. RELATED PARTY TRANSACTIONS

a. Contractual commitment with related parties

On January 1, 2015, the Company entered into a management agreement with an officer and director to fulfil the role as Chief Executive Officer for a period of 5 years for a monthly rate of $4,000 per month. In October 2016, the contract was renewed at a new monthly rate of $5,000.

b. Transactions with related parties

During the year ended March 31, 2017, the Company paid or accrued $13,737 (2016 - $6,000) of consulting fees and $55,600 (2016 - $48,000) of management fees to companies controlled by officers and directors of the Company. The Company also paid or accrued management fees of $7,000 (2016 - $Nil) to directors of the Company.

As at March 31, 2017, included in trade payables and accrued liabilities was $16,000 (2016 - $69,267), owing for fees owing to certain officers and directors of the Company (Note 8). These amounts are non-interest bearing, unsecured and have no fixed terms of repayment.

As at March 31, 2017, included in advances payable is $20,000 owing to a director of the Company (Note 9).

c. Transactions with key management personnel

	Year ended	
	March 31, 2017	**March 31, 2016**
Management and consulting fees	$ 76,337	$ 54,000
Share-based payments	$ 149,637	$ -

11. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

(Expressed in Canadian Dollars)

During the year ended March 31, 2017, the Company issued 16,822,539 common shares valued at $672,902 pursuant to the Amalgamation Agreement (Note 4).

11. SHARE CAPITAL (cont'd)

Issued share capital (cont'd)

During the year ended March 31, 2017, the Company completed a private placement of 25,824,000 units at $0.05 per unit for gross proceeds of $1,292,450. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share for a two year period at $0.10 per share. As part of the private placement, the Company issued 25,000 common shares at a fair value of $1,250 and 1,256,800 Agent Warrants at a fair value at $29,385 using the Black-Scholes Option Pricing Model. The assumptions included volatility of 153.7%, a risk-free interest rate of 0.58% and a two year term. The Company also incurred share issuance costs of $69,303.

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 5 years from the date of grant. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. Vesting periods are determined by the Board of Directors.

During the year ended March 31, 2017, the Company granted 4,425,000 stock options, exercisable at a price of $0.06 per common share, expiring on December 8, 2021. The estimated grant date fair value of these options was $213,595 using the Black-Scholes Option Pricing Model. The assumptions included volatility of 190.8%, a risk-free interest rate of 1.65% and a five year term.

The changes in options during the years ended March 31, 2017 and 2016 are as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of year	-	$ -	205,433	$ 1.32
Options granted	4,425,000	0.06	-	-
Options cancelled / expired	-	-	(205,433)	1.50
Options outstanding, end of year	4,425,000	$ 0.06	-	$ -

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (cont'd)

Warrants

During the year ended March 31, 2017, the Company issued 25,824,000 warrants and 1,256,800 Agent Warrants as part of its private placement. 25,780,800 warrants are exercisable at $0.10 per warrant until September 9, 2018, 100,000 warrants are exercisable at $0.10 until October 7, 2018 and 1,200,000 warrants are exercisable at $0.10 per warrant until October 18, 2018.

The changes in warrants during the years ended March 31, 2017 and 2016 are as follows:

	Year ended March 31, 2017		Year ended March 31, 2016	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of year	-	$ -	1,130,000	$ 0.10
Warrants issued	27,080,800	0.10	-	-
Warrants expired	-	-	(1,130,000)	0.10
Warrants outstanding, end of year	27,080,800	$ 0.10		$ -

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Investment revaluation reserve

The investment revaluation reserve records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses and foreign exchange gains and losses.

12. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its GST receivable. This risk is minimal as GST receivable are refundable from the Government of Canada.

(Expressed in Canadian Dollars)

12. FINANCIAL RISK AND CAPITAL MANAGEMENT

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Foreign exchange risk

Foreign exchange risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to currency risks as it incurs expenditures that are denominates in the United States dollar while its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates. The Company's exposure to foreign currency risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at March 31, 2017, the Company did not have any cash equivalents or interest bearing debt and is not subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the consolidated statement of financial position are as follows:

	March 31, 2017	March 31, 2016
Loans and receivables:		
Cash and cash equivalents	$ 722,760	$ 15,559
Available-for-sale financial assets:		
Marketable securities	-	333

(Expressed in Canadian Dollars)

	$ 722,760	$ 15,892

Financial liabilities included in the consolidated statement of financial position are as follows:

	March 31, 2017	March 31, 2016
Non-derivative financial liabilities:		
Trade payables	$ 24,662	$ 109,444

13. SEGMENTED INFORMATION

Operating segments

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

Geographic segments

	March 31, 2017	March 31, 2016
Total assets		
Canada	$ 726,439	$ 21,925
Suriname	982,743	-
United States	15,983	115,983
	$ 1,725,165	$ 137,908
Exploration and evaluation assets		
Suriname	$ 982,743	$ -
United States	-	100,000

14. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	March 31, 2017	March 31, 2016
Net income (loss)	$ (505,668)	$ (672,574)
Statutory tax rate	26%	26%
Expected income tax recovery	(131,474)	(174,869)
Impact of acquisition of Canasur	(450,508)	-
Permanent differences	37,290	(33,901)
Change in valuation allowance	544,692	208,770
Deferred income tax recovery		$ -

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	March 31, 2017	March 31, 2016
Exploration and evaluation assets	$ 1,551,337	$ 1,551,337
Non-capital losses	1,770,276	1,295,560

(Expressed in Canadian Dollars)

Tax basis of investments in excess of book value	4,248	4,205
Share issuance costs	14,737	644
Equipment	57,513	1,673
	3,398,111	2,853,419
Valuation allowance	(3,398,111)	(2,853,419)
Net deferred tax asset	$ -	$ -

14. INCOME TAXES (cont'd)

The tax pools relating to the significant deductible temporary differences expire as follows:

	Exploration and evaluation assets	Non-capital losses	Share issuance costs
2018	$ -	$ -	$ 56,684
2024	-	42,765	
2025	-	1,159,621	
2026	-	476,004	-
2027	-	389,334	-
2028	-	446,659	-
2029	-	417,721	-
2030	-	1,886,830	-
2031	-	511,929	-
2032	-	265,632	-
2033	-	202,863	-
2034	-	109,188	-
2035	-	(24,305)	-
2036	-	134,341	-
2037	-	307,360	-
No expiry	5,244,352	-	-
Deferred income tax recovery	$ 5,244,352	$ 6,316,942	$ 56,684

15. SUBSEQUENT EVENT

Subsequent to March 31, 2017, the Company entered into an Option Agreement (the "Option Agreement") to earn up to an 80% interest in the Cerro Cascaron Project located in Mexico. The Cerro Cascaron Project is subject to a 2% NSR. Under the terms of the Option Agreement, the Company can earn an initial 70% interest (the "Initial Interest") in the Cerro Cascaron Project by incurring $6 million in exploration expenditures, making $900,000 in cash payments and issuing 2,000,000 common shares over a four year period, of which 1,000,000 common shares were issued subsequent to March 31, 2017. During the Initial Interest period, the Company can defer exploration expenditures at the end of the first, second or third anniversary for 12 months by making quarterly cash payments of $25,000 and maintaining all other cash payments and claim maintenance costs.

Once the Company has earned its Initial Interest, it will have a 90 day period during which it can elect to earn an additional 10% in the Cerro Cascaron Project by making a cash payment of $200,000 (or issuing 200,000 common shares) and fund a 43-101 compliant feasibility study ("Feasibility Study") over a five year period. Minimum annual exploration expenditures of $2 million are required during this period and a $200,000 cash payment is to be made if the minimum expenditures are not met by the Company.

The Option Agreement is subject to approval by the TSX-V.