

EASTFIELD RESOURCES LTD.

Condensed Consolidated Interim Financial Statements

August 31, 2017

(Unaudited)

(Expressed in Canadian Dollars)

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a member of **THE EASTFIELD GROUP**

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Eastfield Resources Ltd. as at August 31, 2017 and 2016, notes to interim condensed consolidated financial statements and related Management Discussion and Analysis have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Eastfield Resources Ltd.
Condensed Consolidated Interim Balance Sheets
(Unaudited – Expressed in Canadian Dollars)

	August 31, 2017	February 28, 2017
		(Audited)
Assets		
Current		
Cash and cash equivalents	\$ 616,564	\$ 746,774
Accounts receivable	58,874	42,844
Receivable from related parties (Note 9)	41,828	28,649
Investments (Note 6)	303,349	323,731
	1,020,615	1,141,998
Project Deposits	70,500	70,500
Mineral Property Interests (Note 7)	962,059	960,779
Promissory note receivable (Note 9)	451,145	432,619
Equipment (Note 8)	2,260	2,260
	\$ 2,506,579	\$ 2,608,156
Liabilities		
Current		
Accounts payable and accrued liabilities	41,210	36,850
Payable to related parties (Note 9)	16,517	6,905
Project Deposits Payable	6,500	6,500
	\$ 64,227	\$ 50,255
Shareholders' Equity		
Share Capital (Note 10)	4,220,272	4,220,272
Warrant reserve (Note 10)	57,168	57,168
Options reserve (Note 10)	791,528	791,528
Deficit	(2,362,605)	(2,306,913)
Accumulated Other Comprehensive Income	(264,011)	(204,154)
	\$ 2,442,352	\$ 2,557,901
	\$ 2,506,579	\$ 2,608,156

Nature and Continuation of Operations (Note 1)

Approved by the Board:

"Donald Sharp" Director
Donald Sharp

"J. William Morton" Director
J. William Morton

See notes to condensed consolidated interim financial statements.

Eastfield Resources Ltd.**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss****(Unaudited – Expressed in Canadian Dollars)**

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2017	2016	2017	2016
General and Administrative Expenses				
Bank Charges	\$ 451	\$ 461	\$ 881	\$ 994
Consulting	7,596	2,851	11,605	10,689
Dues and licenses	-	650	500	650
Investor relations	10,878	5,526	13,624	13,278
Legal and Audit	14,044	7,500	21,544	15,354
Office	968	957	1,860	1,667
Rent	6,513	4,928	13,005	11,235
Salaries and benefits	4,244	3,872	8,498	8,220
Telephone	452	422	885	830
Transfer and filing fees	3,427	2,834	5,555	4,960
	48,573	30,001	77,957	67,877
Loss before the following				
Other (Income) Expense				
Interest Income	(9,528)	(7,815)	(22,526)	(19,867)
Other (income)	-	-	-	(953)
Mineral property option proceeds	-	-	-	-
Impairment of mineral property interests	-	-	-	-
(Gain) loss on sale of investments	-	-	-	(125,000)
(Gain) loss on sale of property	-	-	-	-
	(9,528)	(7,815)	(22,265)	(145,820)
Net (Income) Loss	39,045	22,186	55,692	(77,973)
Other Comprehensive (income) loss				
Unrealized (gain) loss on investments, net of realized amounts	22,783	(132,307)	59,857	(168,304)
Comprehensive (Income) Loss	\$ 66,828	\$ (110,121)	\$ 115,549	\$ (246,247)
(Gain) Loss Per Share, basic and fully diluted	\$ 0.002	\$ 0.0005	\$ 0.003	\$ (0.002)
Weighted Average Number of Common Shares Outstanding – basic and diluted	44,894,919	44,894,919	44,894,919	44,894,919

See notes to condensed consolidated interim financial statements.

Eastfield Resources Ltd.**Condensed Consolidated Interim Statements of Operations and Comprehensive Loss****(Unaudited – Expressed in Canadian Dollars)**

	For the Three Months Ended August 31		For the Six Months Ended August 31	
	2017	2016	2017	2016
Deficit, Beginning of Period	\$ 2,323,560	\$ 2,233,693	\$ 2,306,913	\$ 2,333,822
Net loss / (income)	39,045	22,186	55,692	(77,943)
Deficit, End of Period	\$ 2,362,605	\$ 2,255,879	\$ 2,362,605	\$ 2,255,879
Accumulated Other Comprehensive Income (Loss), Beginning of Period	\$ (241,228)	\$ (450,573)	\$ (204,154)	\$ (486,570)
Change in unrealized income (loss) on investments	(22,783)	132,307	(59,857)	168,304
Accumulated Other Comprehensive Income (Loss), End of Period	\$ (264,011)	\$ (318,266)	\$ (264,011)	\$ (318,266)

See notes to condensed consolidated interim financial statements.

Eastfield Resources Ltd.
(An Exploration Stage Company)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Amount	Warrants Reserve	Share-based Payments Reserve	Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance, February 29, 2016	44,894,919	\$ 4,220,272	\$ 57,168	\$ 786,528	\$ (2,333,822)	\$ (486,570)	\$ 2,243,576
Issued for mineral properties	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	168,304	168,304
Net income (loss) for period	-	-	-	-	77,943	-	77,943
Balance, August 31, 2016	44,894,919	\$ 4,220,272	\$ 57,168	\$ 786,528	\$ (2,255,879)	\$ (318,266)	\$ 2,489,823
Share-based compensation	-	-	-	5,000	-	-	5,000
Net realized gain included in operations	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	114,112	114,112
Net income (loss) for period	-	-	-	-	(51,034)	-	(51,034)
Balance, February 28, 2017	44,894,919	\$ 4,220,272	\$ 57,168	\$ 791,528	\$ (2,306,913)	\$ (204,154)	\$ 2,557,901
Issued for mineral properties	-	-	-	-	-	-	-
Other Comprehensive income (loss)	-	-	-	-	-	(59,857)	(59,857)
Net income (loss) for period	-	-	-	-	(55,692)	-	(55,692)
Balance, August 31, 2017	44,894,919	\$ 4,220,272	\$ 57,168	\$ 791,528	\$ (2,362,605)	\$ (264,011)	\$ 2,442,352

See notes to condensed consolidated interim financial statements.

Eastfield Resources Ltd.
Condensed Consolidated Interim Statement of Cash Flows
(Unaudited – Expressed in Canadian Dollars)

	For the Six Months Ended August 31	
	2017	2016
Cash provided by (used in)		
Operating Activities		
Net income (loss)	\$ (55,692)	\$ 77,943
Items not requiring (providing) cash		
Mineral property option proceeds	-	-
Mineral properties written off	-	-
	(55,692)	77,943
Changes in non-cash working capital		
Term deposits	-	-
Accounts receivable	(38,546)	(385)
Investments – Short Term	(24,860)	8,855
Accounts payable and accrued liabilities	11,943	(44,754)
	(107,155)	(41,659)
Investing Activities		
Computer software	-	-
Project deposits		(2,500)
Mineral property acquisition costs	-	(209)
Recovery of cost of expropriated mineral properties	-	38,342
Expenditures on mineral properties	(13,855)	(37,103)
	(13,855)	(1,470)
Financing Activity		
Loan to related party	(9,200)	(64,730)
Shares issued for mineral properties	-	-
(Decrease) Increase in Cash and Cash Equivalents	(130,210)	(24,541)
Cash and Cash Equivalents, Beginning of Period	746,774	687,723
Cash and Cash Equivalents, End of Period	\$ 616,564	\$ 663,182

See notes to condensed consolidated interim financial statements

Eastfield Resources Ltd.

Notes to Condensed Consolidated Interim Financial Statements

For the Six Months Ended August 31, 2017

(Unaudited – Expressed in Canadian Dollars)

1. NATURE AND CONTINUATION OF OPERATIONS

Eastfield Resources Ltd. (the “Company”) was incorporated in British Columbia, and the common shares are listed for trading on the TSX Venture Exchange – Tier One: symbol: ETF. The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow. The Company’s head office and principal address is 110-325 Howe Street, Vancouver, British Columbia V6C 1Z7.

These consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect the adjustments or reclassifications that would be necessary if the Company was unable to continue operations. Such adjustments and reclassifications could be material.

2. BASIS OF PREPARATION

These consolidated condensed interim financial statements were authorized for issue on October 10, 2017 by the directors of the Company.

Statement of Compliance

These condensed interim financial statements for the Company’s reporting period ended August 31, 2017 have been prepared in accordance with and using accounting policies which are, without reservation, in full compliance with IAS 34 as issued by the International Accounting Standards Board (“IASB”) as required by National Instrument 52-107 sec. 3.2(1)(b)(ii) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), and as set out in the Handbook of the Chartered Professional Accountants of Canada (“CPA Handbook”).

Basis of Measurement

These consolidated interim financial statements have been prepared on a historical cost basis, except for cash and cash equivalents and other financial instruments classified as fair value through profit or loss or available-for-sale that have been measured at fair value, and are presented in Canadian dollars, the Company’s reporting currency and the functional currency of all of its operations.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated condensed interim financial statements have been prepared in accordance with IFRS, and reflect the accounting policies, which have been applied consistently with those of the previous financial year.

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has classified its financial instruments as follows:

- Cash and cash equivalents as FVTPL
- Accounts receivable (excluding taxes receivable) as loans and receivables
- Deposits for reclamation as held-to-maturity
- Accounts payable and accrued liabilities and flow-through share premium as other financial liabilities.

The carrying values of cash and cash equivalents, accounts receivables and accounts payable (excluding due to related parties) approximate their fair values due to the short-term maturity of these financial instruments. The carrying value of reclamation deposits approximates fair value since amounts held earn interest at market rates. The fair value of amounts due to related parties included in accounts payable and accrued liabilities have not been disclosed as their fair values cannot be reliably measured since there is no quoted market prices for such instruments. The Company’s risk exposure and the impact on the Company’s financial instruments are summarized below:

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(a) Credit risk

Credit risk refers to the potential that a counter party to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by holding these at major Canadian financial institutions. In regards to accounts receivable, the Company is not exposed to significant credit risk. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at a major Canadian financial institution.

	August 31, 2017	February 28, 2017
Cash held in accounts with Bank of Montreal	\$ 616,564	\$ 746,774

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains sufficient cash at August 31, 2017 in the amount of \$616,564, receivables of \$100,702 and marketable investments valued at \$303,349 in order to meet short-term liabilities. At August 31, 2017, the Company had accounts payable and accrued liabilities of \$64,227, which are expected to be paid within the next 90 days.

(c) 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. The Company is exposed to interest rate and foreign currency risk as follows:

(i) Interest rate risk

The Company's cash held in bank accounts earns interest at variable interest rates. Due to the short-term nature of these financial instruments and the prevailing interest rate environment, fluctuations in market rates do not have a significant impact on estimated fair values as of August 31, 2017.

(ii) Foreign currency risk

The Company's operations are located in Canada with substantially all transactions denominated in Canadian dollars and, accordingly, the Company is not exposed to significant foreign currency risk.

5. CAPITAL MANAGEMENT

The Company's primary source of funds has been obtained through the issuance of capital stock. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as all components of shareholders' equity. Capital requirements are determined by the Company's exploration activities on its mineral property interests and administrative overhead. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet strategic goals.

The Company periodically invests its capital in liquid investments to obtain returns that are considered reasonable under prevailing market conditions. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns of unused capital.

Although the Company has been successful at raising funds in the past through the issuance of capital stock, there can be no assurance that it will continue into the future.

6. INVESTMENTS

	Aug. 31, 2017 No. of shares	Aug. 31, 2017 Market Price \$	Aug. 31, 2017 Fair Value \$	Feb. 28, 2017 Fair Value \$
Cariboo Rose Resources Ltd.	156,500	0.09	14,085	21,060
Consol. Woodjam Copper Corp.	3,229,245	0.055	177,608	226,047
Ely Gold & Minerals Inc.	300,000	0.135	40,500	
Fort St. James Nickel Corp.	57	0.20	10	5
Lorraine Copper Corp.	1,094,560	0.065	71,146	76,619
			<u>\$ 303,349</u>	<u>\$ 323,731</u>

During the quarter the Company purchased 48,500 shares of Cariboo Rose Resources Ltd. at an average cost of \$0.10 per share. During the quarter the Company received 300,000 shares of Ely Gold and Minerals Inc. as partial consideration for the sale of certain Tonopah patented claims.

7. EXPLORATION AND EVALUATION ASSETS

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2017 are as follows:

	<u>Six Months Ended August 31, 2017</u>			
	<u>Indata</u>	<u>Zymo</u>	<u>Other*</u>	<u>Total</u>
<u>Acquisition Costs</u>				
Balance, beginning of period	\$ 140,483	\$ 310,984	\$ 52,482	\$ 503,949
Incurred during period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>140,483</u>	<u>310,984</u>	<u>52,482</u>	<u>503,949</u>
<u>Exploration Expenditures</u>				
Professional fees, field crews	2,400	14,200	58,354	74,954
Geological	-	-	-	-
Rental of Vehicles & Equipment	-	4,162	6,583	10,745
Transportation and Fuel	-	-	2,095	2,095
Field Equipment	-	-	1,054	1,054
Communications	-	-	672	672
Food and Accommodation	-	-	4,528	4,528
Assaying	-	-	6,277	6,277
Other	<u>-</u>	<u>63</u>	<u>-</u>	<u>63</u>
Total Expenditures for the period	2,400	18,425	79,563	100,388
Balance, beginning of the period	<u>134,221</u>	<u>451,339</u>	<u>641,667</u>	<u>1,227,227</u>
Total Expenditures	<u>136,621</u>	<u>469,764</u>	<u>721,230</u>	<u>1,327,615</u>
<u>Option Proceeds</u>				
Balance, beginning of period	(211,250)	(461,000)	(64,891)	(737,141)
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of period	<u>(211,250)</u>	<u>(461,000)</u>	<u>(64,891)</u>	<u>(737,141)</u>
<u>Mineral Property (METC)</u>	<u>(2,770)</u>	<u>(14,036)</u>	<u>(31,058)</u>	<u>(47,864)</u>
<u>Sale of Mineral Property</u>	<u>-</u>	<u>-</u>	<u>(84,500)</u>	<u>(84,500)</u>
Cumulative mineral property Costs	<u>\$ 63,084</u>	<u>\$ 305,712</u>	<u>\$ 593,263</u>	<u>\$ 962,059</u>

* - Other projects include the Iron Lake, Hidden One, Naggie, Hedge Hog, Antler Gold, CR and Tonopah properties

7. EXPLORATION AND EVALUATION ASSETS (continued)

Acquisition and exploration expenditures incurred on mineral properties for the six months ended August 31, 2016 are as follows:

	<u>Six Months Ended August 31, 2016</u>			<u>Total</u>
	<u>Indata</u>	<u>Zymo</u>	<u>Other*</u>	
<u>Acquisition Costs</u>				
Balance, beginning of period	\$ 140,483	\$ 310,984	\$ 106,559	\$ 558,027
Incurred during period	-	-	209	209
Mineral properties abandoned	-	-	<u>(40,000)</u>	<u>(40,000)</u>
Balance, end of period	<u>140,483</u>	<u>310,984</u>	<u>66,768</u>	<u>518,236</u>
<u>Exploration Expenditures</u>				
Professional fees, field crews	4,800	10,400	16,800	32,000
Geological	72	-	31	103
Rental of Vehicles and Equipment	-	4,323	106	4,429
Field Equipment	-	-	63	63
Communications	363	-	-	363
Freight	-	9	-	9
Assaying	-	<u>168</u>	-	<u>168</u>
Total Expenditures for the period	5,235	14,900	17,000	37,135
Balance, beginning of the period	<u>127,385</u>	<u>416,033</u>	<u>720,345</u>	<u>1,263,763</u>
Total Expenditures	<u>132,620</u>	<u>430,933</u>	<u>737,345</u>	<u>1,300,898</u>
<u>Option Proceeds</u>				
Balance, beginning of period	(181,250)	(461,000)	(168,967)	(811,217)
Additions	<u>(30,000)</u>	-	-	<u>(30,000)</u>
Balance, end of period	<u>(211,250)</u>	<u>(461,000)</u>	<u>(168,967)</u>	<u>(841,217)</u>
Mineral Property (METC)	<u>(1,570)</u>	<u>(2,353)</u>	<u>(4,451)</u>	<u>(8,374)</u>
Cumulative mineral property Costs	<u>\$ 60,283</u>	<u>\$ 278,564</u>	<u>\$ 630,696</u>	<u>\$ 969,543</u>

* - Other projects include the Iron Lake, OK, Hidden One, Naggie, Hedge Hog, Antler Gold, CR and Tonopah properties

Jointly Controlled Exploration and Evaluation Assets Okeover Property, Vancouver Mining Division, British Columbia

On October 31, 2008, the Company earned a 100% interest in the property, subject to a 2.5% net smelter royalty. On March 8, 2006 the Company entered into an option agreement with Prophecy Coal Corp. ("Prophecy"), which allowed Prophecy to earn a 60% interest in the property by incurring an additional \$1,000,000 in mineral exploration costs by March 8, 2010 (completed) and making \$110,000 in cash or share option payments (received). On March 8, 2010, Prophecy fulfilled all the terms of its option agreement and earned a 60% interest in the Okeover property. On April 28, 2016, Lorraine Copper Corp entered into an agreement with the Company to acquire the Company's remaining 40% interest in the OK (Okeover) copper molybdenum project located near Powell River on the southern British Columbia coast. Under the terms of the agreement Lorraine Copper issued \$40,000 payable in cash and/or shares (valued at \$0.05/share) to the Company and assumed responsibilities to cover its proportionate share of assessment work requirements on the property. The Company will additionally be entitled to 20% of any option payments resulting from third party agreements with the project for a period of three years.

Other Exploration and Evaluation Assets

Iron Lake Property, Clinton Mining Division, British Columbia

The Company acquired 100% of the Iron Lake property from Canevex Resources Ltd., and a director of the Company. Canevex Resources Ltd. is owned by two other directors of the Company. The Company has reserved a 1.5% net smelter royalty for the vendors. The Company has also entered into an option agreement, as amended on February 21, 2010, under which Calico Resources Corp. ("Calico") has the option to earn a 60% interest in the Iron Lake property by making staged share issuances totalling \$100,000 in value and 666,666 shares (633,333 now issued), option payments totalling \$175,000 (\$45,000 received to date) in cash and completing exploration work totalling \$1,600,000 over a five-year term to September 1, 2013 (\$175,000 received to date). On May 21, 2012, Calico terminated its option agreement.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Zymo Property, Skeena Mining Division, British Columbia

On June 20, 2011, the Company entered into an option agreement with Bearing Resources Ltd. (“Bearing”). Under the terms of the agreement, Bearing had an option to earn 65% interest in the Zymo property. To earn an initial 51% interest, Bearing could make cash payments totaling \$500,000 (\$200,000 received), issue 500,000 shares (200,000 shares received) and complete exploration expenditures of \$8,000,000 over a five year period. Assessment work has now been filed to keep the property in good standing until 2022. On November 5, 2012, Bearing delivered to the Company a notice of termination of the Zymo option agreement. The Company now holds a 100% interest in the Zymo property and is seeking an option partner to continue exploration at Zymo.

Indata Property, Omineca Mining Division, British Columbia

The Company has a 90.7% interest in the Indata property located northwest of Fort St. James in central British Columbia.. Another company, Imperial Metals Corporation (“Imperial Metals”), owns the remaining 9.3% interest in the Indata property; this interest will be reduced if Imperial Metals fails to make its proportionate share of exploration and other payments on the property.

In 2015 the Company granted Rise Resources Inc. (“Rise”) an option on the 91% owned Indata property. The option allowed Rise to earn an initial 60% interest by paying \$350,000 and completing exploration expenditures of \$2,000,000 over a four-year period. Rise terminated the option during the quarter.

Other Properties, British Columbia

In fiscal 2013, the Company staked claims on the Naggie and Hidden One properties. In 2014, the Company staked claims on the Hedge Hog property and entered into a joint venture agreement with a private company, Badger Minerals Ltd. in which Badger participated as to 30% of the joint venture until this joint venture was terminated in April, 2015.

Patented Claim Assets

Tonopah Project, Nevada

The Company holds a 100% interest in 25 patented claims in the Tonopah district, Nevada, U.S.A., subject to certain royalty interests. The Company recently received a \$125,000 payment from West Kirkland Mining Ltd. in partial compensation for the sale of eight of Eastfield’s claims adjacent to West Kirkland’s Three Hills gold deposit located near Tonopah Nevada. A further \$130,000 was received this year which completed the sale. Eastfield also sold a 100% interest in the remaining 18 patented claims and fractions to Ely Gold & Minerals Inc. in consideration of a payment of \$50,000 (received) and 300,000 shares of Ely Gold (received).

8. EQUIPMENT

	<u>Technical Equipment</u>	<u>Office Equipment</u>	<u>Computer Software</u>	<u>Furniture and Fixtures</u>	<u>Total</u>
COST					
Balance, February 28, 2016	\$ 8,936	\$ 49,759	\$ 2,390	\$ 19,654	\$ 80,739
Additions	-	-	886	-	886
Balance, February 28 and Aug. 31, 2017	8,936	49,759	3,276	19,654	81,625
ACCUMULATED AMORTIZATION					
Balance, February 28, 2016	8,413	48,288	1,966	19,377	78,044
Amortization	105	294	867	55	1,321
Balance, February 28 and Aug. 31, 2017	8,518	48,582	2,833	19,432	79,365
Net Book Value, February 28, 2016	\$ 523	\$ 1,471	\$ 424	\$ 277	\$ 2,695
Net Book Value, February 28 and Aug. 31, 2017	\$ 418	\$ 1,177	\$ 443	\$ 222	\$ 2,260

9. RELATED PARTY TRANSACTIONS

During the quarter ended August 31, 2017 geological services totaling \$42,585 [year ended February 28, 2017 - \$116,887] were provided to the Company by Mincord Exploration Consultants Ltd. (“Mincord”), a geological service company owned by two directors of the Company. Mincord’s relationship with the Company is non-exclusive and without retainer, and Mincord is used on a project by project basis.

Services provided include the hiring of field and professional personnel, rental of vehicular, camp and technical equipment, transportation and mobilization costs. The amounts for geological and exploration services also include payments for services on properties managed by the Company on behalf of joint venturers.

In the normal course of business, the Company enters into transactions with a related company for the use of equipment, services and rental of office space. The Company is related to Eastfield Resources Ltd. (“Eastfield”) through common directors. These transactions were measured at the exchange amounts agreed to by the parties.

From December 2014, the Company has issued to Consolidated Woodjam Copper Corp. promissory notes have a term of 36 months and bear interest at a rate of 10% per annum, due and repayable at the end of the term together with the principal. The accumulated amount of principal and interest receivable as at August 31, 2017 is \$259,298. From 2016, the Company has advanced loans to Lorraine Copper as an unsecured promissory note. The promissory notes have a term of 24 months and bear interest at a rate of 10% per annum, due and repayable at the end of the term together with the principal which, as of August 31, 2017 totals \$191,847.

10. SHARE CAPITAL

Authorized

Unlimited common shares without par value; Unlimited preferred shares without par value

Share Purchase Options

The Company issues options to directors, officers, and employees of the Company, and persons who provide ongoing services to the Company, under an incentive stock option plan. Under the plan, the Company may issue up to 4,489,491 options. Options will normally vest entirely at the date of grant for directors, officers and employees and at the rate of 25% on the date of the grant and 25% every three months thereafter for consultants. Options will expire no later than ten years from the grant date, except that they will expire within ninety days when the holder is no longer qualified to hold the option (other than for cause, when the option will expire immediately).

Common share purchase options and weighted average exercise prices are as follows:

	2017		2016	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Balance, beginning of the year	4,430,000	\$ 0.10	4,430,000	\$ 0.10
Granted	100,000	0.10	-	-
Cancelled	(270,000)	0.10		
Balance, end of the year	4,260,000	0.10	4,430,000	0.10
Options exercisable, end of the year	4,260,000	\$ 0.10	4,430,000	\$ 0.10

10. SHARE CAPITAL (continued)

Share Purchase Options (continued)

The following common share purchase options were outstanding at August 31, 2017:

Expiry Date	Options Outstanding		Weighted Average Remaining Life	Options Exercisable	
	Number of shares	Exercise price (\$)		Number of shares	Exercise price (\$)
19-Dec-18	1,270,000	0.10	1.81	1,270,000	0.10
31-Jul-21	1,240,000	0.13	4.42	1,240,000	0.13
30-Apr-23	700,000	0.10	6.17	700,000	0.10
24-Nov-24	950,000	0.05	7.74	950,000	0.05
17-Jan-27	100,000	0.10	9.89	100,000	0.10
	4,260,000		4.80	4,260,000	

The Company determines the fair value of the options granted using the Black-Scholes option pricing model. No options were granted during the year to date. The weighted average grant date fair value of options granted during 2017 was \$0.02 using the following assumptions:

	2017
Share price	\$0.04
Exercise price	\$0.10
Risk-free interest rate	0.91%
Expected share price volatility	120.7%
Expected average period until exercise	3 years
Expected dividend yield	-

The effects of early exercise were incorporated in the estimate of the expected life of the common share purchase options. Expected volatility was determined based on historic volatility of the Company's share price over a period ending on the grant date of the instrument and commensurate with the instruments expected life. Other features of common share purchase options granted did not affect the calculation of grant date fair value.

11. SEGMENTED DISCLOSURES

The Company operates in one industry segment within two geographical areas, Canada and the United States.