

Consolidated Financial Statements
(Expressed in Canadian dollars)

TAJIRI RESOURCES CORP.

Years ended April 30, 2017 and 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Tajiri Resources Corp.

We have audited the accompanying consolidated financial statements of Tajiri Resources Corp., which comprise the consolidated statements of financial position at April 30, 2017 and 2016 and the consolidated statements of comprehensive loss, changes in shareholders' equity (deficiency) 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 as issued by the International Accounting Standards Board, 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 whether the consolidated financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained 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 consolidated financial position of Tajiri Resources Corp. as at April 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 1 and 2 to the consolidated financial statements which describe matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



Tajiri Resources Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	April 30, 2017	April 30, 2016
ASSETS			
Current assets			
Cash and cash equivalents	6	\$ 498,713	\$ 19,866
Receivables		17,730	4,838
		516,443	24,704
Non-current assets			
Property and equipment	8	8,963	-
Exploration and evaluation assets	9	1,137,249	1
TOTAL ASSETS		\$ 1,662,655	\$ 24,705
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10 & 14	\$ 322,958	\$ 188,307
Loan payable	11	-	50,000
TOTAL LIABILITIES		322,958	238,307
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	13	5,686,879	3,814,684
Obligation to issue shares		33,385	-
Share subscriptions receivable		(44,407)	-
Reserves	13	321,734	321,734
Deficit		(4,657,894)	(4,350,020)
TOTAL EQUITY (DEFICIENCY)		1,339,697	(213,602)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		\$ 1,662,655	\$ 24,705

Nature and continuance of operations (Note 1)

Approved by the Board of Directors and authorized for issue on August 28, 2017.

"Graham Keevil"

Graham Keevil, Director

"Bilal Bhamji"

Bilal Bhamji, Director

Tajiri Resources Corp.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Years ended	
		April 30, 2017	April 30, 2016
Expenses			
Consulting fees	14	\$ 30,950	\$ 32,660
Depreciation	8	1,000	-
Foreign exchange (gain)		(8,735)	-
Management fees	14	81,325	55,500
Office and miscellaneous	14	28,099	12,182
Professional fees	14	85,146	62,500
Shareholder information, transfer agent and filing fee		37,967	14,192
Travel and promotion		44,878	-
Website costs		4,506	1,092
LOSS FROM OPERATIONS		305,136	178,126
Impairment of exploration and evaluation asset		-	1,777,809
Write off of accounts receivable		2,738	-
Write off of marketable securities		-	3,000
Gain on settlement of debt		-	(35,630)
Net loss and comprehensive loss for the year		\$ 307,874	\$ 1,923,305
Loss per share – basic and diluted		\$ 0.01	\$ 0.09

Tajiri Resources Corp.
Consolidated Statements of Changes in Shareholders' Equity (deficiency)
(Expressed in Canadian dollars)

	Notes	Share capital		Obligation to Issue Share	Share Subscriptions Received	Reserves	Deficit	Total
		Number of Shares	Amount					
Balance at May 1, 2015		17,364,480	\$ 3,664,684	\$ -	\$ -	\$ 321,734	\$ (2,426,715)	\$ 1,559,703
Comprehensive loss		-	-	-	-	-	(1,923,305)	(1,923,305)
Shares issued for cash – private placement @ 0.015	13(c)	10,000,000	150,000	-	-	-	-	150,000
Balance at April 30, 2016		27,364,480	\$ 3,814,684	\$ -	\$ -	\$ 321,734	\$ (4,350,020)	\$ (213,602)
Comprehensive loss		-	-	-	-	-	(307,874)	(307,874)
Shares issued from warrants exercised	13(c)	9,333,333	466,667	-	-	-	-	466,667
Obligation to issue shares		-	-	33,385	-	-	-	33,385
Share subscriptions receivable		-	-	-	(44,407)	-	-	(44,407)
Shares issued for cash – private placement @ 0.10	13(c)	11,405,000	1,140,500	-	-	-	-	1,140,500
Shares issue cost		-	(24,402)	-	-	-	-	(24,402)
Shares issued for debt	13(c)	2,294,300	229,430	-	-	-	-	229,430
Shares issued per option agreement		500,000	60,000	-	-	-	-	60,000
Balance at April 30, 2017		50,897,113	\$ 5,686,879	\$ 33,385	\$ (44,407)	\$ 321,734	\$ (4,657,894)	\$ 1,339,697

See accompanying notes to the consolidated financial statements

Tajiri Resources Corp.
Consolidated Statements of Cash flows
(Expressed in Canadian dollars)

	Years ended	
	April 30, 2017	April 30, 2016
Operating activities		
Net loss for the year	\$ (307,874)	\$ (1,923,305)
Adjustments for:		
Depreciation	1,000	-
Write off of accounts receivable	2,738	-
Write off of marketable securities	-	3,000
Impairment of exploration and evaluation asset	-	1,777,809
Gain on settlement of debt	-	(35,630)
Changes in non-cash working capital items:		
Receivables	(15,630)	(1,065)
Prepaid expense and advances	-	1
Trade payables and accrued liabilities	34,782	45,245
Net cash flows used in operating activities	(284,984)	(133,945)
Investing activities		
Expenditures on exploration and evaluation assets	(856,739)	-
Purchase of property and equipment	(668)	-
Cash acquired on acquisition of subsidiary	49,495	-
Net cash flows used in investing activity	(807,912)	-
Financing activities		
Proceeds on issuance of common shares	1,562,760	150,000
Obligation to issue shares	33,385	-
Share issue costs	(24,402)	-
Net cash flows from financing activities	1,571,743	150,000
Increase in cash and cash equivalents	478,847	16,055
Cash and cash equivalents, beginning of year	19,866	3,811
Cash and cash equivalents, end of year	\$ 498,713	\$ 19,866

Supplemental cash flow information (Note 17)

1. Nature and continuance of operations

Tajiri Resources Corp. (the "Company") was incorporated under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and Guyana. The Company's shares are traded on the TSX Venture Exchange ("TSX.V") under the symbol "TAJ.V". The head office, principal address and records office of the Company are located at 409 Granville Street, Suite 608, Vancouver, British Columbia, Canada.

The Company is currently exploring its exploration and evaluation assets and has not yet determined the existence of economically recoverable reserves. The recoverability of the amounts shown for interests in mineral properties is dependent upon the discovery of economically recoverable reserves or proceeds from the disposition thereof, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain financing to complete development of the properties and on future profitable operations.

These 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 assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2017, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on August 28, 2017 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards

The financial statements of the Company have been prepared in accordance 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").

Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of \$307,874 during the year ended April 30, 2017 and, as of that date the Company's accumulated deficit was \$4,657,894. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value as explained in the accounting policies set out in Note 2. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

2. Significant accounting policies and basis of preparation (cont'd)

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. A subsidiary is an entity in which the Company has control, directly or indirectly. Control is defined as the investor being exposed, or having rights, to variable returns from its involvement with the investee and having the ability to affect those returns through its power over the investee.

All material intercompany transactions and balances have been eliminated on consolidation.

Details of the Company's subsidiary as at April 30, 2017 are as follows:

Name	Place of incorporation	Ownership %	Principle activity
Protean Mining (Guyana) Inc.	Guyana	100%	Exploration company

Functional and Presentation Currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of Tajiri Resources Corp. is the Canadian dollar. The functional currency of Protean Mining (Guyana) Inc. is also the Canadian dollar.

The presentation currency of the group is the Canadian dollar. All financial information has been presented in Canadian dollars in these consolidated financial statements, except when otherwise indicated.

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities are translated at the rate of exchange prevailing when the assets were acquired or the liabilities incurred. Revenue, expense items and capitalized exploration and evaluation expenditures are translated using the average rate of exchange during the financial statement periods, except for depreciation and amortization, which are translated at historic rates.

Foreign exchange gains and losses resulting from the translation of transactions and balances denominated in foreign currencies are included in the consolidated statement of operations and comprehensive loss.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets and the determination of the Company's ability to continue as a going concern. Actual results may differ from those estimates and judgments. See Note 4.

2. Significant accounting policies and basis of preparation (cont'd)

Property and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable. Costs relating to major upgrades are included in property and equipment if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation on property and equipment is recognized on a straight line basis to write down the cost or valuation less estimated residual value of equipment. The rates generally applicable are:

- Property and equipment – 25% straight line.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the equipment and are recognized in profit or loss within 'other income' or 'other expenses'.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess cash accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

2. Significant accounting policies and basis of preparation (cont'd)

Exploration and evaluation expenditures (cont'd)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Mineral exploration and evaluation expenditures are classified as intangible assets.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Impairment of assets

The carrying amount of the Company's assets (which include exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-based payments

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of the option is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

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 ("FVTPL") 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. The Company's cash and cash equivalents are classified as FVTPL.

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. The Company's receivables, excluding GST, are classified as loans and receivables.

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 on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's trade payables and accrued liabilities are classified as other financial liabilities.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group 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 instrument 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.

The Company does not have any derivative financial assets and liabilities.

2. Significant accounting policies and basis of preparation (cont'd)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments.

Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in 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 taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

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 arising from the decommissioning of plant and other site preparation work 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.

2. Significant accounting policies and basis of preparation (cont'd)

Restoration and environmental obligations (cont'd)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to exploration and evaluation 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 or 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 that were 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. As at April 30, 2017, the Company has no restoration and environmental obligations.

3. Accounting Standards and Interpretations Issued but Not Yet Adopted

- i) IFRS 9 Financial Instruments; tentatively effective for annual periods beginning on or after January 1, 2018. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 prohibits reclassifications except in rare circumstances when the entity's business model changes. The new standard removes the requirement to separate embedded derivatives from financial asset hosts. It requires a hybrid contract to be classified in its entirety at either amortized cost or fair value.
- ii) IFRS 15 Revenue from Contracts with Customers; is effective for annual periods beginning on or after January 1, 2017. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

Management is currently assessing the impact of these new standards on the Company's accounting policies and financial statement presentation.

4. Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the years of change, if the change affects that year only, or in the year of the change of future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

4. Critical Accounting Estimates and Judgments (cont'd)

Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Exploration and Evaluation Expenditures

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

Going Concern

The determination of the Company's ability to continue as a going concern requires significant judgment. Material adjustments to the financial statements would be required if the going concern assumption was not used.

5. Acquisition of Protean Mining (Guyana) Inc.

On December 31, 2016, the Company completed the acquisition of Protean Mining (Guyana) Inc. ("Protean") whereby the Company acquired all of the common shares of Protean for \$2,500. Protean was acquired from a director of the Company and holds all of the interest in the Kaburi Project (see Note 9(a)).

The Company has recorded the acquisition of Protean as an asset acquisition as follows:

Purchase Price consideration:

	\$
Cash paid	2,500
Total	2,500
Assets acquired and liabilities assumed	
Cash	49,495
Property and equipment	9,295
Kaburi Project – Note 9(a)	286,372
Total Assets	345,162
Liabilities	
Accounts payable and accrued liabilities	4,601
Due to related parties	338,061
Net Carrying Value	2,500

6. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	April 30, 2017	April 30, 2016
Cash at bank	\$ 498,713	\$ 19,866

7. Marketable Securities

On August 6, 2014, the Company received 60,000 EVI Global Developments Corp. (formerly Blackeagle Development Corp.) shares at a value of \$0.05 per share. See note 9(b). These shares stopped trading on April 8, 2016 and the carrying value was written off.

8. Property and equipment

	Property and equipment	Total
<u>Cost</u>		
April 30, 2016	-	-
Protean acquisition (see Note 5)	9,295	9,295
Additions	668	668
April 30, 2017	9,963	9,963
<u>Accumulated Amortization</u>		
April 30, 2016	-	-
Additions	1,000	1,000
April 30, 2017	1,000	1,000
<u>Net Book Value</u>		
April 30, 2016	-	-
April 30, 2017	8,963	8,963

9. Exploration and evaluation assets

The following is a description of the Company's exploration and evaluation assets and the related spending commitments as at April 30, 2017:

	Balance as at May 1, 2016	Mining property expenditures	Impairment	Balance as at April 30, 2017
Kaburi Project, Guyana, (a)				
Purchase price allocation - Note 5	\$ -	\$ 286,372	\$ -	\$ 286,372
Mineral rights acquisition	1	301,303	-	301,304
Consulting	-	17,050	-	17,050
Drilling	-	479,685	-	479,685
Exploration and labour	-	20,282	-	20,282
Fees, transport and camp	-	32,556	-	32,556
Total mineral properties	\$ 1	\$ 1,137,248	\$ -	\$ 1,137,249

9. Exploration and evaluation assets (cont'd)

The following is a description of the Company's exploration and evaluation assets and the related spending commitments as at April 30, 2016:

	Balance as at May 1, 2015	Mining property expenditures (recovery)	Impairment	Balance as at April 30, 2016
Kaburi Project, Guyana, (a)				
Mineral rights acquisition	\$ 522,500	\$ -	\$ (522,499)	\$ 1
Assay	105,730	-	(105,730)	-
Exploration and labour	661,967	(99,893)	(562,074)	-
Fees, transport and camp	382,506	-	(382,506)	-
	1,672,703	(99,893)	(1,572,809)	1
OGK Property, BC, Canada, (b)				
Mineral rights acquisition	31,150	-	(31,150)	-
Option payments received	(28,000)	-	28,000	-
Assay	15,139	-	(15,139)	-
Exploration and labour	152,772	-	(152,772)	-
Fees, transport and camp	33,939	-	(33,939)	-
	205,000	-	(205,000)	-
Total mineral properties	\$ 1,877,703	\$ (99,893)	\$ (1,777,809)	\$ 1

a. Kaburi Project, Guyana

On December 31, 2016, the Company acquired an option to acquire 6 mining permits (see Note 5). Under the terms of the agreement the Company will pay cash considerations to the vendor as follows :

Option Exercise Schedule	Make Payment (USD\$)
Upon signing (1)	\$ 100,000
October 31, 2019 (2)	100,000
October 31, 2020	100,000
October 31, 2021	2,000,000
Total	\$ 2,300,000

(1) Payment made during the 2017 year

(2) Vendors have the option to receive 300,000 shares of the Company instead

The Vendor will retain a 2% Net Smelter Return (NSR) royalty, of which the Company has the right to buy back the first 1.0% for \$1,000,000.

On January 30, 2017, the Company entered into another option agreement to acquire 36 mineral property claims for GYD \$100,000,000 (GYD \$10,000,000 paid).

These two agreements form the Kaburi Project.

9. Exploration and evaluation assets (cont'd)

b. Frenchman's Creek, Winter's Mine, Kanaimapu, Guyana

In February 2017 the Company entered into an agreement with the Pereira Group which grants the Company the option to earn 100% interest in three properties. The properties include the Frenchman's Creek Mine, the Winter's Mine and the Kanaimapu Mine. Under the terms of the agreement the Company will pay cash consideration and issue shares to the vendor as follows:

Option Exercise Schedule	Issue Shares	Make Payment
February 27, 2017	500,000(1)	\$ 30,000(1)
February 27, 2018	500,000	50,000
February 27, 2019	500,000	50,000
February 27, 2020	750,000	425,000
February 27, 2021	1,000,000	1,000,000
Total	3,250,000	\$ 1,555,000

(1) Shares issued and payment made

The Vendor will retain a 2% Net Smelter Return (NSR) royalty.

c. OGK Property, BC, Canada

On July 5, 2012, the Company entered into a Letter of Intent with four vendors ("Vendors") whereby the Company had an option to earn a 100% undivided interest in the OGK Property, Omineca Mining Division, British Columbia ("Original Option Agreement"). The Company would earn a 100% interest in the property by completing \$850,000 in exploration expenditures, issuing 180,000 common shares and making cash payments to the vendors of \$75,000 over a four year period.

On April 8, 2014, the Company entered into an option agreement, as amended and restated April 25, 2014, and June 26, 2014, between a private company ("Optionee") and the Vendors pursuant to which the Company granted the Optionee an option to acquire a 70% interest in the OGK property, subject to a 2% NSR royalty payable to the Vendors.

The Optionee could have earned a 70% interest in the property by paying \$75,000 in cash (\$25,000 paid), issuing one million common shares (60,000 shares issued), and incurring \$1.35-million in work expenditures over three years.

During the 2016 year, the Optionee decided to not proceed with the property. The Company in turn cancelled its option agreement with the Vendors and impaired the property.

10. Trade payables and accrued liabilities

	April 30, 2017	April 30, 2016
Trade payables and accrued liabilities	\$ 88,411	\$ 31,745
Amounts due to related party (see Note 14)	234,547	156,562
	\$ 322,958	\$ 188,307

11. Loan payable

On September 18, 2014, the Company received a \$50,000 loan from Dominic O'Sullivan, a director of the Company. The loan was non-interest bearing and unsecured with no fixed terms of repayment. In November 2016, the Company settled the loan by issuing 500,000 shares (see Note 13).

12. Income tax expense and deferred tax assets and liabilities

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

	Year ended April 30, 2017	Year ended April 30, 2016
Loss before income taxes	\$ (307,874)	\$ (1,923,305)
Statutory tax rate	25.96%	26.00%
Expected income tax recovery at the statutory tax rate	(80,000)	(500,000)
Non-deductible items	(3,900)	454,000
Share issuance costs	(6,200)	(7,000)
Change in valuation allowance	90,100	53,000
Income tax recovery	\$ -	\$ -

The components of the Company's deferred tax assets and liabilities are as follows:

	April 30, 2017	April 30, 2016
Exploration and evaluation assets	\$ 369,000	\$ 433,000
Loss carry-forwards	626,000	538,000
Share issuance costs	1,000	2,000
	1,001,000	973,000
Valuation allowance	(1,001,000)	(973,000)
Net deferred income tax liability	\$ -	\$ -

The Company has recorded a valuation allowance against deferred income taxes on the extent to which it is more likely than not that sufficient taxable income will not be realized during the carry forward period, to utilize all the deferred tax assets.

As at April 30, 2017, the Company's non-capital losses expire as follows:

2028	\$ 8,000
2029	69,000
2030	111,000
2031	76,000
2032	493,000
2033	628,000
2034	271,000
2035	211,000
2036	205,000
2037	334,000
	<u>\$ 2,406,000</u>

13. Share capital

a. Authorized share capital

Unlimited number of common shares without par value.

b. Issued share capital

At April 30, 2017, there were 50,897,113 issued and fully paid common shares (April 30, 2016 – 27,364,480).

13. Share capital (cont'd)

c. Private placements

- (i) On November 4, 2015, the Company completed a non-brokered private placement consisting of 10,000,000 units at \$0.015 per unit for proceeds to the Company of \$150,000. Each unit consisted of one common share and one half common share purchase warrant. Each warrant entitles the holder to purchase one common share at \$0.05 until November 4, 2016.
- (ii) On November 3, 2016, the Company completed a private placement of 3,655,000 units at \$0.10 per unit for gross proceeds of \$365,500. Each unit consists of one common share and one half (1/2) of one share purchase warrant. Each full share purchase warrant entitles the holder to purchase one common share at a price of \$0.20 per share until April 21, 2019. The Company paid share issue costs consisting of \$24,402 in finders' fees in connection with the financing.
- (iii) On November 22, 2016, the Company completed a non-brokered private placement consisting of 7,750,000 units at \$0.10 per unit for proceeds to the Company of \$775,000. Each unit consisted of one common share and one half common share purchase warrant. Each full share purchase warrant entitles the holder to purchase one common share at \$0.20 until April 21, 2019.
- (iv) During the 2017 year, 9,333,333 warrants were exercised for proceeds of \$466,667.
- (v) In November 2017, the Company issued 2,294,300 shares to settle debt of \$229,430 for amounts owing to officers and directors of the Company.

d. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the year ended April 30, 2017 was based on the loss attributable to common shareholders of \$307,874 (2016 - \$1,923,305) and the weighted average number of common shares outstanding of 37,962,444 (2016 – 22,022,014).

Diluted loss per share did not include the stock options or share purchase warrants as the effect would be anti-dilutive.

e. Stock options

The Company adopted a stock option plan whereby, the maximum number of shares reserved for issue under the plan shall not exceed 10% of the outstanding common shares of the Company, as at the date of the grant. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX.V). Options may be granted for a maximum term of five years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire within one year thereafter. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Unless otherwise stated, stock options vest when granted.

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13. Share capital (cont'd)

e. Stock options (cont'd)

The changes in options during the year ended April 30, 2017 are as follows:

Expiry	Price (\$)	Weighted Average Remaining Life (years)	Outstanding May 1, 2016	Granted	Exercised	Cancelled/ Forfeited	Outstanding April 30, 2017
January 12, 2017	0.50	-	187,000	-	-	(187,000)	-
October 27, 2017	0.50	0.49	300,000	-	-	-	300,000
			487,000	-	-	(187,000)	300,000
Weighted average exercise price			\$0.50	-	-	-	\$0.50
Exercisable			487,000				300,000

The changes in options during the year ended April 30, 2016 are as follows:

Expiry	Price (\$)	Weighted Average Remaining Life (years)	Outstanding May 1, 2015	Granted	Exercised	Cancelled/ Forfeited	Outstanding April 30, 2016
April 26, 2016	0.75	0.7	90,000	-	-	(90,000)	-
January 12, 2017	0.50	1.4	187,000	-	-	-	187,000
October 27, 2017	0.50	2.2	300,000	-	-	-	300,000
			577,000	-	-	(90,000)	487,000
Weighted average exercise price			\$0.54	-	-	-	\$0.50
Exercisable			577,000				487,000

f. Share purchase warrants

Outstanding share purchase warrants at April 30, 2017 were as follows:

Expiry	Price (\$)	Outstanding May 1, 2016	Issued	Exercised	Expired	Outstanding April 30, 2017
May 21, 2019	0.20	-	5,702,500	-	-	5,702,500
November 12, 2016	0.05	10,000,000	-	(9,333,333)	(666,667)	-
		10,000,000	5,702,500	(9,333,333)	(666,667)	5,702,500
Weighted average exercise price		\$0.05	\$0.20	\$0.05	\$0.05	\$0.20

13. Share capital (cont'd)

f. Share purchase warrants (cont'd)

Outstanding share purchase warrants at April 30, 2016 were as follows:

Expiry	Price (\$)	Outstanding May 1, 2015	Issued	Exercised	Expired	Outstanding April 30, 2016
September 27, 2015	0.50	1,700,000	-	-	(1,700,000)	-
October 30, 2015	0.50	916,000	-	-	(916,000)	-
March 10, 2016	0.10	4,210,000	-	-	(4,210,000)	-
November 12, 2016	0.05	-	10,000,000	-	-	10,000,000
		6,826,000	10,000,000	-	(6,826,000)	10,000,000
Weighted average exercise price		\$0.25	-	-	\$0.25	\$0.05

Reserves

Stock option reserve

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

Agent option reserve

The fair value of agent options is recognized as a charge to share capital until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

14. Related Party Transactions

Related party balances

The following amounts due to related parties are included in trade payables and accrued liabilities:

	April 30, 2017	April 30, 2016
Directors or companies controlled by directors of the Company	\$ 240,000	\$ 156,562

See also Note 11 and Note 12(c)(v).

Related party transactions

The Company had the following transactions in the normal course of operations with directors and companies with common directors:

	Year ended	
	April 30, 2017	April 30, 2016
Consulting fees capitalized	\$ 71,889	\$ -
Drilling and exploration fees	226,937	-
Management fees	81,325	55,500
Management fees capitalized	37,333	-
Professional fees	71,000	49,000
Professional fees capitalized	26,667	-
Office rent	-	10,000
	\$ 515,151	\$ 114,500

14. Related Party Transactions (cont'd)

Related party transactions (cont'd)

These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

- a. The Company paid \$81,325 (2016 - \$55,500) in management fees to its President and \$71,000 (2016 - \$49,000) in professional fees to its CFO;
- b. The Company paid \$226,937 (2016 - \$NIL) in exploration expenditures to a private company controlled by a director of the Company; the Company also paid \$37,333 (2016 - \$NIL) in management fees and \$26,667 in professional fees (2016 - \$NIL) to a private company controlled by a director of the Company; and
- c. The company paid \$71,889 (2016 \$NIL) in consulting fees to a private company controlled by a director of the company.

15. Financial risk 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 and cash equivalents. The majority of cash is deposited in bank accounts held at 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 a major bank that is considered a high credit quality financial institution as determined by rating agencies.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. As at April 30, 2017, the majority of the Company's cash is held in Canadian dollars, the Company's functional currency. The Company has operations in a foreign jurisdiction outside of Canada at this time and as such has currency risk associated with its operations.

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. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less. However, this risk is not significant.

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, net of cash and cash equivalents.

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.

15. Financial risk management (cont'd)

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 and cash equivalents.

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. The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at April 30, 2017:

	Within one year	Between one and five years	More than five years
Trade payables and accrued liabilities	\$ 322,958	\$ -	\$ -
	\$ 322,958	\$ -	\$ -

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at April 30, 2016:

	Within one year	Between one and five years	More than five years
Trade payables and accrued liabilities	\$ 188,307	\$ -	\$ -
Loan payable	50,000	-	-
	\$ 238,307	\$ -	\$ -

Classification of financial instruments

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

	April 30, 2017	April 30, 2016
Cash and cash equivalents	\$ 498,713	\$ 19,866

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

	April 30, 2017	April 30, 2016
Non-derivative financial liabilities:		
Trade payables and accrued liabilities	\$ 322,958	\$ 188,307
Loan payable	-	50,000
	\$ 322,958	\$ 238,307

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

15. Financial risk management (cont'd)

The following is an analysis of the Company's financial assets measured at fair value as at January 31, 2017 and April 30, 2016:

	As at April 30, 2017		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 498,713	\$ -	\$ -

	As at April 30, 2016		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 19,866	\$ -	\$ -

There were no transfers between levels during the year.

16. Segmented information

Operating segments

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

Geographic segments

The Company operates in two jurisdictions, Canada and Guyana. All the other Company's non-current assets are located in Canada.

April 30, 2017	Canada	Guyana	Total
Non-Current Assets	\$ 352,326	\$ 793,886	\$ 1,146,212
Net Loss	307,874	-	307,874

April 30, 2016	Canada	Guyana	Total
Non-Current Assets	\$ -	\$ 1	\$ 1
Net Loss	350,496	1,572,809	1,923,305

17. Non-cash transactions

During the year ended April 30, 2017 and 2016, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Year ended	
	April 30, 2017	April 30, 2016
Fair value of shares issued on acquisition of exploration and evaluation assets	\$ 60,000	\$ -
Included in accounts payable relating to exploration and evaluation assets	\$ 274,698	\$ -
Accounts payable and accrued liabilities eliminated by reducing exploration and evaluation assets.	\$ -	\$ 99,893