



VENERABLE VENTURES LTD.

VENERABLE VENTURES LTD.

Financial Statements
March 31, 2016 and 2017
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Venerable Ventures Ltd.

We have audited the accompanying financial statements of Venerable Ventures Ltd., which comprise the statement of financial position as at March 31, 2017, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also 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 in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Venerable Ventures Ltd. as at March 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

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

Other Matter

The financial statements of Venerable Ventures Ltd. for the year ended March 31, 2016 were audited by another auditor who expressed an unmodified opinion on those statements on July 6, 2016.

/s/ DMCL

**DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS**

Vancouver, Canada
July 31, 2017

VENERABLE VENTURES LTD.**Statements of Financial Position****As at March 31,**

(Expressed in Canadian Dollars)

| | 2017 | 2016 |
|---|---------------------|---------------------|
| Assets | | |
| Current | | |
| Cash | \$ 213,850 | \$ 41,749 |
| Other receivable | 635 | 1,070 |
| Prepaid expenses (note 6) | 53,900 | 3,900 |
| | 268,385 | 46,719 |
| Equipment (note 7) | 377 | 10,303 |
| Mineral properties (note 8) | 1,340,087 | 1,332,051 |
| Reclamation deposit (note 9) | - | 13,000 |
| Total assets | \$ 1,608,849 | \$ 1,402,073 |
| Liabilities and shareholders' equity | | |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 20,724 | \$ 11,316 |
| Due to related party (note 11) | - | 1,507 |
| | 20,724 | 12,823 |
| Shareholders' Equity | | |
| Capital stock (note 10) | 2,382,418 | 2,130,351 |
| Reserves (note 10) | 133,326 | 116,170 |
| Deficit | (927,619) | (857,271) |
| | 1,588,125 | 1,389,250 |
| Total liabilities and shareholders' equity | \$ 1,609,849 | \$ 1,402,073 |

Approved on behalf of the board:

"Robert Baker"

..... Director

Robert Baker

"Alan Macdonald"

..... Director

Alan Macdonald

The accompanying notes are an integral part of these financial statements.

VENERABLE VENTURES LTD.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

| | Years Ended March 31 | |
|---|-----------------------------|------------------|
| | 2017 | 2016 |
| Expenses | | |
| Amortization | \$ 1,461 | \$ 3,752 |
| Professional fees | 23,088 | 21,420 |
| Consulting (note 11) | 10,000 | 21,000 |
| Listing and filing fees | 20,034 | 13,843 |
| Travel and expenses | 7,951 | 2,219 |
| Office and administration | 4,542 | 1,856 |
| Shareholder relations | 504 | 214 |
| | 67,580 | 64,304 |
| Interest income | - | (14) |
| Loss on disposal of equipment (note 7) | 2,768 | - |
| Net loss and comprehensive loss for the year | \$ 70,348 | \$ 64,290 |
| Basic and diluted loss per share | \$ (0.02) | \$ (0.04) |
| Weighted average number of common shares outstanding | 2,838,910 | 1,688,828 |

The accompanying notes are an integral part of these financial statements.

VENERABLE VENTURES LTD.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

| | Capital Stock | | Reserves | Deficit | Total |
|---|------------------|--------------|------------|--------------|--------------|
| | Number of Shares | Amount | | | |
| Balance, March 31, 2015 | 1,632,937 | \$ 2,090,351 | \$ 148,535 | \$ (825,346) | \$ 1,413,540 |
| Shares issued for mineral property (notes 8 and 10) | 400,000 | 40,000 | - | - | 40,000 |
| Expiry of stock options (note 10) | | | (32,365) | 32,365 | - |
| Net loss for year | - | - | - | (64,290) | (64,290) |
| Balance, March 31, 2016 | 2,032,937 | 2,130,351 | 116,170 | (857,271) | 1,389,250 |
| Private placement (note 10) | 2,500,000 | 275,000 | - | - | 275,000 |
| Share issue costs (note 10) | 160,000 | (25,933) | 17,156 | - | (8,777) |
| Shares issued for mineral property (notes 8 and 10) | 20,000 | 3,000 | - | - | 3,000 |
| Net loss for year | - | - | - | (70,348) | (70,348) |
| Balance, March 31, 2017 | 4,712,937 | \$ 2,382,418 | \$ 133,326 | \$ (927,619) | \$ 1,588,125 |

The accompanying notes are an integral part of these financial statements.

VENERABLE VENTURES LTD.**Statements of Cash Flows**

(Expressed in Canadian Dollars)

| | Years Ended March 31 | |
|--|----------------------|------------------|
| | 2017 | 2016 |
| Operating activities | | |
| Net loss for the year | \$ (70,348) | \$ (64,290) |
| Item not involving cash | | |
| Amortization | 1,461 | 3,752 |
| Loss on disposal of equipment | 2,768 | - |
| Changes in non-cash working capital | | |
| Other receivable | 435 | 4,000 |
| Prepaid expenses | (50,000) | - |
| Accounts payable and accrued liabilities | 9,409 | (7,375) |
| Due to related party | (1,507) | 1,507 |
| Cash used in operating activities | (107,782) | (62,406) |
| Investing activities | | |
| Mineral property expenditures | (5,036) | (11,783) |
| Proceeds on sale of equipment | 5,697 | - |
| Reclamation deposit | 13,000 | - |
| Cash provided by (used in) investing activities | 13,661 | (11,783) |
| Financing Activities | | |
| Issue of shares for cash, net of issuance costs | 266,222 | - |
| Cash provided by financing activities | 266,222 | - |
| Increase (decrease) in cash | 172,101 | (74,189) |
| Cash, beginning of the year | 41,749 | 115,938 |
| Cash, end of the year | \$ 213,850 | \$ 41,749 |
| Supplemental cash flow information | | |
| Shares issued for mineral properties | \$ 3,000 | \$ 4,000 |

The accompanying notes are an integral part of these financial statements.

VENERABLE VENTURES LTD.
Notes to Financial Statements
For the years ending March 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. NATURE AND GOING CONCERN

Venerable Ventures Ltd. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on January 11, 2010. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “VLV”.

The principal address of the Company is 666 Burrard Street, Suite 500, Vancouver, British Columbia, Canada, V3C 3P6.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral properties, is dependent on the Company’s ability to obtain the necessary financing.

Several conditions cast significant doubt on the validity of the going concern assumption. For the year ended March 31, 2017, the Company has incurred an operating loss of \$70,348 (2016 - \$64,290), and as at March 31, 2017 has an accumulated deficit of \$927,619 (2016 - \$857,271). The Company has limited resources and there is no assurance that sufficient funding will continue to be available to conduct further exploration and development of its mineral property interests.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying value of the Company’s mineral property interests does not reflect current or future values. The financial statements do not include adjustments, which could be material, which may be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International reporting Interpretation Committee (“IFRIC”) for all periods presented. These financial statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

VENERABLE VENTURES LTD.
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2. BASIS OF PRESENTATION (Continued)

(a) Statement of compliance (continued)

The significant accounting policies set out in note 3 have been applied consistently to all periods presented. The Company's functional and reporting currency is the Canadian dollar.

(b) Approval of the financial statements

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

(c) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods.

Significant estimates

(i) Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement. At March 31, 2017 and 2016, the Company has not recognized any deferred tax assets.

(ii) Provision for closure and reclamation

The Company assesses its provisions for closure and reclamation on an annual basis or when new material information becomes available. Provisions for closure and reclamation require management to make estimates of the future costs of the work required to comply with legal or constructive obligations. Actual costs incurred may differ from those amounts estimated. At March 31, 2017 and 2016, the Company has not recognized any provision for closure and reclamation.

(iii) Impairment of equipment and mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's equipment and mineral properties.

VENERABLE VENTURES LTD.
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2. BASIS OF PRESENTATION (Continued)

(c) Use of estimates and judgments (continued)

Significant estimates (continued)

(iii) Impairment of equipment and mineral properties (continued)

In respect of costs incurred for its mineral properties, management has determined that exploratory drilling, evaluation, development and related costs incurred, which have been capitalized, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economics assessment/studies, accessible facilities and existing permits.

Management determined that there are no indicators of impairment on equipment and mineral properties as at March 31, 2017 and 2016.

Significant judgments

(i) Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

(d) Share consolidation

On October 4, 2016, the Company consolidated its issued and outstanding common shares such that every 10 existing shares have been consolidated into 1 new share. The Company's stock options and warrants have also been adjusted to account for the 10:1 consolidation in accordance with the terms and conditions of such options and warrants. All current and comparative references to the number of shares, stock options, warrants, weighted average number of common shares and loss per share reflect the consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial instruments

(i) Financial assets

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

VENERABLE VENTURES LTD.
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (continued)

(i) Financial assets (continued)

Fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is held-for-trading or it is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future; it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss on receivables is based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate method.

Held-to-maturity

Held-to-maturity financial assets are recognized on a trade-date basis and are initially measured at fair value using the effective interest rate method.

Available-for-sale

AFS financial assets are non-derivatives that are either designated as AFS or not classified in any of the other financial assets categories. Changes in the fair value of AFS financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity.

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Notes to Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Financial instruments (continued)

(ii) Financial liabilities

Other financial liabilities

Other financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the statements of loss and comprehensive loss over the period to maturity using the effective interest method.

Other financial liabilities are classified as current or non-current based on their maturity date.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(b) Mineral properties

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal right to explore a property has been acquired. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the unit-of-production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received are recorded as a gain on option or disposition of mineral property.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Equipment

Equipment is carried at cost, less accumulated amortization and any impairment in value.

Amortization of equipment is calculated on a declining-balance basis at the following annual rates:

| | |
|-------------------------|-------|
| Communication equipment | - 30% |
| Vehicles | - 30% |
| Trailer | - 20% |

(d) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(e) Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation 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 Company's estimates of reclamation 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 the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

VENERABLE VENTURES LTD.
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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in profit and loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(g) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral properties with a corresponding increase in reserves. The amount recognized as expenses is adjusted to reflect the number of stock options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in reserves is transferred to capital stock. For those options that expire or are forfeited after vesting, the recorded value is transferred to deficit.

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(i) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to capital stock based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

4. STANDARDS AND INTERPRETATIONS ISSUED AND NOT YET ADOPTED

At the date of the approval of the financial statements, a number of standards and interpretations with future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company classifies its cash as FVTPL; and accounts payable and accrued liabilities and due to related party, as other financial liabilities.

The carrying values of accounts payable and accrued liabilities and due to related party approximate their fair values due to the short-term maturity of these financial instruments.

Cash, as recorded, is at fair value in accordance with level 1 of the fair value hierarchy.

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5. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) 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. Concentration of credit risk exists with respect to the Company's cash, as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

| | 2017 | 2016 |
|------|-------------|-------------|
| Cash | \$ 213,850 | \$ 41,749 |

Credit risk is minimized by ensuring that this financial asset is placed with a major Canadian financial institution with a strong investment-grade rating by a primary ratings agency.

(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's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements.

At March 31, 2017, the Company had cash of \$213,850 (2016 - \$41,749) available to meet short-term business requirements and current liabilities of \$19,223 (2016 - \$12,823). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to market risk.

6. PREPAID EXPENSES

| | 2017 | 2016 |
|----------------------------------|-------------|-------------|
| Advance for property exploration | \$ 50,000 | - |
| Other prepaid | 3,900 | 3,900 |
| | \$ 53,900 | 3,900 |

VENERABLE VENTURES LTD.
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7. EQUIPMENT

| Cost | Communication | | Vehicles | | Trailer | | Total |
|---------------------------------|---------------|--------------|-----------|----------|-----------|----------|-----------------|
| As at March 31, 2016 and 2015 | \$ | | \$ | | \$ | | |
| | | 2,653 | | 20,801 | | 8,070 | \$ 31,524 |
| Disposals | | - | | (20,801) | | (8,070) | (28,871) |
| As at March 31, 2017 | \$ | 2,653 | \$ | - | \$ | - | \$ 2,653 |
| Accumulated Amortization | | | | | | | |
| As at March 31, 2015 | \$ | 1,880 | \$ | 12,167 | \$ | 3,422 | \$ 17,469 |
| Amortization | | 232 | | 2,590 | | 930 | 3,752 |
| As at March 31, 2016 | | 2,112 | | 14,757 | | 4,352 | 21,221 |
| Amortization | | 164 | | 739 | | 558 | 1,461 |
| Disposals | | - | | (15,496) | | (4,910) | (20,406) |
| As at March 31, 2017 | \$ | 2,276 | \$ | - | \$ | - | \$ 2,276 |
| Carrying Value | | | | | | | |
| As at March 31, 2016 | \$ | 541 | \$ | 6,044 | \$ | 3,718 | \$ 10,303 |
| As at March 31, 2017 | \$ | 377 | \$ | - | \$ | - | \$ 377 |

During the year ended March 31, 2017, the Company recognized a loss of \$2,768 (2016 - \$nil) in connection with the disposal of vehicles and a trailer.

8. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

| | Trout Property | | Grub Property | | Total |
|---------------------------------|----------------|------------------|---------------|--------------|---------------------|
| Balance, March 31, 2015 | \$ | 1,280,268 | \$ | - | \$ 1,280,268 |
| Acquisition costs | | 50,000 | | - | 50,000 |
| Assays | | 1,039 | | - | 1,039 |
| Exploration | | 451 | | - | 451 |
| Permitting | | 740 | | - | 740 |
| Total changes during the year | | 52,230 | | - | 52,230 |
| Mineral exploration tax credits | | (447) | | - | (447) |
| Balance, March 31, 2016 | | 1,332,051 | | - | 1,332,051 |
| Acquisition costs | | - | | 3,000 | 3,000 |
| Assays | | - | | 846 | 846 |
| Geological | | - | | 4,190 | 4,190 |
| Total changes during the year | | - | | 8,036 | 8,036 |
| Balance, March 31, 2017 | \$ | 1,332,051 | \$ | 8,036 | \$ 1,340,087 |

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8. MINERAL PROPERTIES (Continued)

Trout Property

In 2011, the Company acquired an option (the "First Option") with Robert Carmichael and Landmark Geological Inc. (the "First Optionors") to acquire a 100% right, title and interest in and to certain mining claims known as the Trout Claims, located in the Nechako Plateau area, Omineca Mining Division, near Vanderhoof, British Columbia (the "Trout"). The original agreement required initial cash payments and share issuances to the First Optionors and during the first three years, the Company paid an aggregate of \$255,000 and issued an aggregate 60,000 shares.

On May 15, 2014, the Company entered into an amended agreement with the First Optionors of the Property resulting in the addition of new claims and the extension of the option agreement. In consideration, the Company made additional payments totaling \$20,000 and issued 40,000 shares to the First Optionors.

On November 23, 2015, the Company entered into a Mineral Property Purchase Agreement (the "Purchase Agreement") with the First Optionors of the Trout Property that has completed the purchase of the Trout Property. Pursuant to the Purchase Agreement, the Company made a final payment of \$10,000 and issued 400,000 shares of the Company. The Trout is subject to a 2% net smelter royalty and a repurchase agreement in the event of a change business or insolvency and other conditions.

As a result of these agreements, the Company has paid an aggregate of \$285,000 and issued an aggregate of 500,000 shares to the First Optionors.

On March 9, 2012, the Company signed an option agreement (the "Second Option") with BCT Mining Corp. (the "Second Optionors"), whereby the Company could earn up to a 100% right, title and interest in and to mining claims known as the Trout Claims, located adjacent to the Property. The Company completed the option agreement by paying an aggregate of \$60,000 and issuing an aggregate of 22,500 shares.

Grub Property

On July 26, 2016, the Company announced that it entered into a Grubstake agreement with Landmark Geological Inc. in relation to staking the Grub Property and paying approved expenditures in relation to the staking. In consideration of the Grubstake agreement the Company issued 20,000 shares to Landmark Geological Inc. In addition, the Company will pay \$20,000 if a drill program is initiated on this property and pay an additional \$50,000 if the exploration expenditures exceed \$1,000,000.

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8. MINERAL PROPERTIES (Continued)

Realization

The Company's investment in and expenditures on the mineral properties comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interest, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interest, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

9. RECLAMATION DEPOSIT

The Company paid a security deposit in the amount of \$nil (2016 - \$13,000) for a Notice of Work and Reclamation Program on the Trout Property.

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10. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) Issued and outstanding

On December 13, 2016, the Company completed a non-brokered private placement financing issuing 2,500,000 units at a price of \$0.11 per unit for gross proceeds of \$275,000. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.15 for two years. The proceeds from the private placement have been allocated using the residual value method, with 100% of the proceeds being allocated to the common shares. Pursuant to the private placement, the Company issued 160,000 units valued at a price of \$0.11 and 16,000 broker warrants, exercisable at a price of \$0.15 for two years, valued at \$17,156. The fair value of the broker warrants were valued using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.80%, dividend yield of nil, volatility of 117% and an expected life of two years.

On September 1, 2016, the Company issued 20,000 common shares in connection with the Grubstake agreement dated May 8, 2016 (note 8). The Company valued the shares at a price of \$0.015 per share, the closing price prior to issuance, for a total of \$3,000.

On February 9, 2016, the Company issued 400,000 common shares in connection with the Purchase Agreement dated November 23, 2015 (note 8). The Company valued the shares at a price of \$0.10 per share, the closing price prior to issuance, for a total of \$40,000.

(c) Stock options

The Company has adopted a stock option plan (the "Plan") that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the shares (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the TSX-V rules. Stock options granted under the Plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

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10. CAPITAL STOCK (Continued)

(c) Stock options (continued)

Stock option transactions are summarized as follows:

| | Number of Options | Weighted Average Exercise Price |
|-----------------------------|----------------------|---------------------------------------|
| Outstanding, March 31, 2015 | 110,000 | \$ 1.80 |
| Expired* | (50,000) | \$ 1.00 |
| Outstanding, March 31, 2016 | 60,000 | \$ 2.50 |
| Issued | 16,000 | \$ 0.15 |
| Outstanding, March 31, 2017 | 76,000 | \$ 2.00 |

A summary of all stock options outstanding and exercisable is as follows:

| Number of Options | Exercise Price | Expiry Date |
|-------------------|----------------|--------------------|
| 60,000 | \$2.50 | September 25, 2017 |
| 16,000 | \$0.15 | December 31, 2018 |
| 76,000 | | |

* On expiry of these options, the associated value of \$32,365 was transferred from reserves to deficit.

(d) Warrants

A summary of all warrants outstanding is as follows:

| Number of Warrants | Exercise Price | Expiry Date |
|--------------------|----------------|-------------------|
| 2,676,000 | \$0.15 | December 15, 2018 |

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11. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

Key management compensation

The key management personnel of the Company are the directors and officers of the Company. Key management compensation comprises:

| | 2017 | 2016 |
|------------------|-------------|-------------|
| Consulting fees* | \$ 10,000 | \$ 21,000 |

* \$10,000 (2016 - \$21,000) paid to Wodan Investments Inc, a company controlled by the Chief Executive Officer.

As at March 31, 2017, there was \$nil (2016 - \$1,507) owing to directors or officers of the Company.

Other related party transactions

During the year ended March 31, 2017, the Company completed a private placement of which 200,000 units for gross proceeds of \$22,000 were issued to directors and officers of the Company.

12. INCOME TAXES

The reconciliation of income tax provision computed at the combined federal and provincial statutory rate of 26% (2016 - 26%) for the year ended March 31, 2017 to the reported income tax expense is as follows:

| | 2017 | 2016 |
|--|-------------|-------------|
| Net loss for the year | \$ (70,348) | \$ (64,290) |
| Statutory income tax rate | 26.00% | 26.00% |
| Income tax recovery at Canadian statutory rate | (18,290) | (16,715) |
| Temporary differences | 720 | 3,071 |
| Adjustment to prior years provision versus statutory tax returns and other | 123,861 | - |
| Unrecognized tax benefits | (106,290) | 13,644 |
| Total income tax expense | \$ - | \$ - |

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12. INCOME TAXES (Continued)

Significant unrecognized tax benefits and unused tax losses for which no deferred tax asset is recognized as of March 31, 2017 and 2016 are as follows:

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Tax loss carry-forwards | \$ 744,392 | \$ 705,319 |
| Share issuance costs | 5,394 | - |
| Allowable capital losses | 11,587 | - |
| Non-refundable input tax credits | 148,520 | 248,792 |
| Equipment | 5,171 | 21,219 |
| Unrecognized deductible temporary differences | \$ 915,064 | \$ 975,330 |

At March 31, 2017, the Company has tax loss carry-forwards of approximately \$744,000. The operating losses expire between 2030 and 2036.

13. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest 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 pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended March 31, 2017. The Company is not subject to externally imposed capital requirements.