TARKU
RESOURCES

Condensed Consolidated Interim Financial Statements

June 30, 2017

(Unaudited - Prepared by Management

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management.

The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	June 30, 2017 (Unaudited)	September 31, 2016 (Audited)
Current		
Cash and cash equivalents	$ 104,771	$ 246,625
Trade and other receivables	16,176	10,153
Prepaid	89,971	12,100
Quebec mining tax credit receivable	-	58,100
	210,918	326,978
Non-current		
Exploration and evaluation assets (note 3)	801,179	186,356
Total assets	$ 1,012,097	$ 513,334
Liabilities		
Current		
Trade and other payables (note 7)	$ 148,297	$ 110,625
	148,297	110,625
Equity		
Share capital (note 5)	3,009,491	2,249,706
Contributed surplus	137,250	-
Deficit	(2,282,941)	(1,846,997)
	863,800	402,709
Total liabilities and equity	$ 1,012,097	$ 513,334

Nature of business and continuance of operations (note 1)
Events after the reporting period (note 13)

APPROVED ON BEHALF OF THE BOARD

"Sylvain Laberge"	**"Tim Termuende"**
Sylvain Laberge, Director	**Tim Termuende, Director**

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2017	2016	**2017**	2016
Expenses				
Administrative expenses (note 7)	**$14,956**	$10,300	**$44,465**	$22,475
Consulting fees (note 7)	**50,690**	18,850	**111,689**	21,350
Exploration costs (notes 4 and 7)	**8,000**	-	**34,280**	224
Investor Relations expenses	**8,444**	280	**47,535**	819
Listing and filing fees	**6,625**	14,156	**26,547**	29,970
Professional fees	**21,338**	1,480	**47,678**	9,872
Share-based compensation (note 5)	**-**	-	**123,750**	-
	(110,053)	(45,066)	**(435,944)**	(84,710)
Loss and Comprehensive loss for the period	**$(110,053)**	**$(45,066)**	**$(435,944)**	$(84,710)
Basic and diluted loss per share	**(0.00)**	(0.00)	**(0.01)**	(0.00)
Weighted average number of shares outstanding basic and diluted	**36,355,778**	26,849,771	**33,569,527**	22,417,963

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

For the nine months ended June 30,	2017	2016
Operating activities		
Loss for the period	$(435,944)	$(84,710)
Adjustments:		
Share based compensation (note 5)	123,750	-
Interest accrued on related party loans	-	5,647
Changes in non-cash working capital items:		
Prepaid	(77,871)	-
Trade and other receivables	(4,020)	(3,084)
Quebec mining tax credit receivable	58,100	-
Trade and other payables	15,476	38,720
	(320,509)	(43,427)
Financing activities		
Cash received from related parties	-	23,210
Cash added on consolidation	4,870	-
Cash paid to related parties	-	(24,432)
Cash received from share issuance	193,500	262,700
Share issue costs	(19,715)	(12,558)
	178,655	248,920
Increase (decrease) in cash and cash equivalents	(141,854)	205,493
Cash and cash equivalents, beginning of period	246,625	5,598
Cash and cash equivalents, end of period	$ 104,771	$ 211,091
Cash and Cash Equivalents consists of:		
Cash	$ 87,171	$ 209,991
Term Deposit	17,600	1,100
	$ 104,771	$ 211,091

Supplemental cash flow information (Note 12)

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital		Contributed Surplus	Deficit	Equity
Balance, September 30, 2015	**20,214,167**	**$**	**1,771,430**	**$**	**-**	**$ (1,628,208)**	**$ 143,222**
Private placement	7,104,000		355,200		-	-	355,200
Share issue costs	-		(12,558)			-	(12,558)
Net loss and comprehensive loss	-		-		-	(84,710)	(84,710)
Balance, June 30, 2016	**27,318,167**	**$**	**2,114,072**	**$**	**-**	**$ (1,712,918)**	**$ 401,154**

	Number of Common Shares		Share Capital		Contributed Surplus	Deficit	Equity
Balance, September 30, 2016	**30,418,167**	**$**	**2,249,706**	**$**	**-**	**$ (1,846,997)**	**$ 402,709**
Private placement	3,870,000		193,500		-	-	193,500
Share issue costs	-		(19,715)		-	-	(19,715)
Shares issued for mineral property	2,800,000		136,000		-	-	136,000
Shares issued to purchase subsidiary	10,000,000		450,000		13,500	-	463,500
Share based compensation	-		-		123,750	-	123,750
Net loss and comprehensive loss	-		-		-	(435,944)	(435,944)
Balance, June 30, 2017	**47,088,167**	**$**	**3,009,491**	**$**	**137,250**	**$ (2,282,941)**	**$ 863,800**

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

(Expressed in Canadian dollars)

1. Nature of business and continuance of operations

The Company's principal business activity is the exploration for mineral resources in the provinces of Saskatchewan and Quebec. The Company's corporate office is located at Suite 602, 224 4th Ave S., Saskatoon, Saskatchewan.

The financial statements have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. As a result, there exists material uncertainty which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Acquisition of Eureka Exploration Ltd.

On June 1, 2017 ("the transaction date") the Company acquired all of the issued and outstanding common shares of Eureka Exploration Ltd. ("Eureka") through a share purchase agreement (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, Eureka shareholders received 10,000,000 shares of the Company in exchange for their Eureka shares. In addition the Eureka warrant holders received 900,000 warrants of the Company and the warrants in Eureka were cancelled. The warrants issued by the Company expire June 29, 2018 and are exercisable at a price of $0.10 per warrant.

Eureka does not qualify as a business according to the definition in IFRS 3, since this transaction does not constitute a business combination; it is treated as an asset acquisition. Accordingly, the consideration paid by the Company for Eureka's net assets is measured by calculating the fair value of the consideration paid and allocating such to the net assets of Eureka.

The consideration paid by the Company to acquire Eureka's net assets is summarized as follows:

Issuance of 10,000,000 common shares	$ 450,000
Share-based payments on equity instruments issued (900,000 warrants)	13,500
	$ 463,500

The consideration paid has been assigned based on the relative fair values of the assets acquired and the liabilities assumed as at June 1, 2017

Cash	$ 4,870
Receivables	2,002
Exploration and evaluation assets (Note 4)	463,824
Accounts payable	(7,196)
	$ 463,500

3. Significant Accounting Policies

The significant accounting policies used in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all the periods presented.

(a) Statement of compliance

The These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation and described in Note 2 of the annual audited financial statements as at and for the year ended September 30, 2016. Accordingly, these condensed interim financial statements for the three and six month periods ended March 31, 2017 and 2016 should be read together with the annual financial statements as at and for the year ended September 30, 2016.

These financial statements were authorized for issue by the Board of Directors on May 12, 2017.

(b) Basis of preparation

These financial statements have been prepared on a historical cost basis and are prepared and presented in Canadian dollars, which is the Corporation's functional currency. In addition, these financial statements are based on the accrual method of accounting, with the exception of cash flow information.

(c) Principles of consolidation

The condensed consolidate interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Eureka. All significant intercompany balances and transactions have been eliminated.

4. Exploration and evaluation assets

Chateau Fort gold property, Quebec

On March 24, 2015, Anthem Resources Inc. ("Anthem"), a company related by a common director, signed a binding letter of intent ("LOI") to option its Chateau Fort gold property in central Quebec to the Company.

On July 27, 2015, Boss Power Corp. completed the acquisition of Anthem and changed its name to Eros Resources Corp. ("Eros"). The option agreement continues with Eros.

The Chateau Fort property comprises of 241 claims covering 12,721 hectares in the Bay James area along the all season road 167 to the Renard diamond mine.

The Company will have the option to acquire a 100% interest in the property, subject to reservations of diamonds on the claims identified as Melkior OJV and royalty interests on the property, by funding expenditures on the property, issuing shares and making cash payments, according to the following schedule:

(i) $5,000 deposit payable on execution of the LOI (paid);

(ii) make total cash payments of $95,000 and issue a total of 8,000,000 shares of Tarku as follows:

- (1) on approval of the TSX Venture Exchange, no later than April 21, 2015, or such later date as mutually agreed upon, $10,000 in cash (paid) and 2,000,000 shares (issued);
- (2) on or before March 31, 2016, $20,000 in cash (unpaid) and 1,500,000 shares (unissued);
- (3) on or before March 31, 2017, $20,000 in cash and 1,500,000 shares;
- (4) on or before March 31, 2018, $20,000 in cash and 1,500,000 shares;
- (5) on or before March 31, 2019, $25,000 in cash and 1,500,000 shares;

(iii) fund expenditures of not less than $200,000 and renew claims in the amount of $25,000 (completed) on or before July 10, 2015 which expenditures will be a firm commitment.

The Company also has a requirement to complete a private placement financing of not less than $400,000 by April 21, 2015, of which Eros has deemed satisfied by way of the Company's private placement financing of $219,450 completed in June 2015.

Eros retains a 2% net smelter return royalty on claims not subject to other underlying agreements. The Company will have the right to buy down the royalty to 1% for $2,000,000 on or before commencement of commercial production. In addition, Eros retains the right to maintain its pro rata percentage ownership of the Company via future financings, and first right of refusal on third party offers to purchase the property.

On July 29, 2016, the property option agreement was amended as follows: 100% of the property was transferred to the Company with no other liabilities or consideration or commitments and the right to buy down the royalty to 1% was reduced from $2,000,000 to $500,000.

During the period ended June 30, 2017 the Company incurred $34,280 (2015 - nil) in exploration expenditures in connection with this property.

4. Exploration and evaluation assets (continued)

Berthiaume gold property, Quebec

On March 29, 2017, the Company acquired 29 mineral claims, 1,623 hectares, in the municipality of Matagami, Quebec, from Marche des Capitaux The Ask (the "Ask") and Syndicated Capital Corp ("Syndicated"), two arms-length parties, subject to the following terms:

(i) $15,000 cash payment ($11,250 to the Ask, $3,750 to Syndicated) - (accrued)
(ii) 800,000 common shares (600,000 shares to the Ask, 200,000 to Syndicated) - (issued)
(iii) 1% net smelter royalty (0.75% to the Ask, .25% to Syndicated

The Berthiaume property is subject to a 1% NSR royalty (0.75 % NSR to The Ask) and 0.25% NSR to Syndicated, half of which may be bought back by the Company for $500,000 ($375,000 to The Ask and $125,000 to Syndicated).

Richardson gold property, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (Note 2), which owns 42 mining claims covering 2,319 hectares located 20 kilometres north-northeast of Chibougamau. In addition to gold, the Richardson property has the potential to host zinc, copper, and silver mineralization.

Bullion gold property, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (Note 2), which owns 26 mining claims covering 1,435 hectares located 25 kilometres north-northeast of Chibougamau.

Apollo gold property, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (Note 2), which owns 104 mining claims covering 5,495 hectares located 50 kilometres east from Matagami.

Admiral gold property, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (Note 2), which owns 24 mining claims covering 1,334 hectares located 25 kilometres east from Matagami.

Atlas gold property, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (Note 2), which owns 89 claims covering 4,870 hectares located 50 kilometres east from Matagami. In addition to gold, the Atlas property has the potential to host zinc, copper, and silver mineralization.

Net Smelter Royalty

Each of the Eureka properties is subject to

a. 1% net smelter royalty in favour of Julien Davy, a director and officer of the Company, half of which can be bought back by the Company for $500,000.

b. 1% net smelter royalty in favour of Benoit Lafrance, a director and exploration manager of the Company; half of which can be bought back by the Company for $500,000.

4. Exploration and evaluation assets (continued)

Virgin River property, Saskatchewan

On January 15, 2014, the Company entered into an option agreement with Eagle Plains Resources Ltd. ("Eagle Plains") (related by virtue of common directors) to earn an undivided 60% interest in the Virgin River property situated in Saskatchewan subject to the following terms:

(i) make total cash payments of $500,000 to the Eagle Plains as follows:

(1) $10,000 within 5 business days of the execution of the option agreement (paid);
(2) $25,000 on or before May 21, 2014 (paid);
(3) $50,000 on or before May 21, 2015 (unpaid);
(4) $75,000 on or before May 21, 2016 (unpaid);
(5) $100,000 on or before May 21, 2017;
(6) $120,000 on or before May 21, 2018;
(7) $120,000 on or before May 21, 2019;

(ii) issue a total of 1,200,000 common shares of the Company to the Optionor as follows:

(1) 200,000 on or before May 21, 2014 (issued);
(2) 200,000 on or before May 21, 2015 (unissued);
(3) 200,000 on or before May 21 2016 (unissued);
(4) 200,000 on or before May 21, 2017;
(5) 200,000 on or before May 21, 2018;
(6) 200,000 on or before May 21, 2019;

(iii) incur total expenditures of $5,000,000 on the Virgin River Property as follows:

(1) $200,000 on or before May 21, 2015 (incurred);
(2) $500,000 on or before May 21, 2016 (not incurred);
(3) $800,000 on or before May 21, 2017;
(4) $1,500,000 on or before May 21, 2018;
(5) $2,000,000 on or before May 21, 2019;

On August 16, 2016, the property option agreement was amended as follows: 100% of the property was transferred to the Company with no other liabilities or commitments. In consideration the Company issued 2,000,000 common shares. Eagle Plains will maintain a 2% net smelter royalty, whereby the Company will have the right to buy down such royalty to 1% for $1,000,000 on or before commencement of commercial production.

The Company wrote down the property by nil during the period ended March 31, 2017 ($96,677 during the year ended September 30, 2015 as there was no exploration work planned for the property at that stage).

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

The following is a summary of changes to exploration and evaluation assets:

Property	Balance at Sept. 30, 2015	Acquisitions and renewals	Balance at June 30, 2016
Chateua Fort	$ 179,320	$ -	$ 179,320
Bertiaume	-	-	-
Richardson	-	-	-
Bullion	-	-	-
Apollo	-	-	-
Admiral	-	-	-
Atlas	-	-	-
Virgin River	1	-	1
	$ 179,321	**$ -**	**$ 179,321**

Property	Balance at Sept. 30, 2016	Acquisitions and renewals	Balance at June 30, 2017
Chateua Fort	$ 186,355	$ -	$ 186,355
Bertiaume	-	51,000	51,000
Richardson	-	70,829	70,829
Bullion	-	43,829	43,829
Apollo	-	162,488	162,488
Admiral	-	40,744	40,744
Atlas	-	145,933	145,933
Virgin River	1	100,000	100,001
	$ 186,356	**$ 614,823**	**$ 801,179**

5. Share capital

(a) Authorized

Unlimited common shares with no par value

Issued

(i) During the year ended September 30, 2016, the Company completed a private placement for gross proceeds of $510,200 as follows: issued 10,204,000 non-flow-through units at a price of $0.05 per unit. Each unit consists of one non-flow-through common share and one share purchase warrant. No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $31,924.

(ii) On September 21, 2016, 2,000,000 common shares were issued at a fair value of $0.05 per share to Eagle Plains pursuant to the amended option agreement in respect of the Virgin river property, Saskatchewan (Note 4).

(iii) On March 29, 2017, 800,000 common shares were issued at a fair value of $0.045 per share to The Ask and Syndicated, in total, pursuant to a property purchase agreement in respect of the Berthiaume property, Quebec (Note 4).

(Expressed in Canadian dollars)

5. Share capital (continued)

(iv) On April 20, 2017, the Company completed a private placement for gross proceeds of $193,500 as follows: issued 3,870,000 non-flow-through units at a price of $0.05 per unit. Each unit consists of one non-flow-through common share and one-half share purchase warrant. No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $19,715.

(v) On June 1, 2017, 10,000,000 common shares were issued at a fair value of $0.045 per share to the shareholders of Eureka pursuant to a share purchase agreement (Note 2).

(b) Stock option Plan

The Company has a stock option plan whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding common shares. Options granted under this plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities.

A summary of the status of the stock option plan and changes to outstanding and exercisable stock option during the year is presented below.

	June 30, 2017		September 30, 2016	
	Options	Price	Options	Price
Beginning of period	-	$ -	-	$ -
Options granted	2,750,000	0.10	-	-
End of period	**2,750,000**	**$ 0.10**	**-**	**$ -**

As at June 30, 2017, the weighted average remaining life of stock options is 4.29 years.

On October 26, 2016, the board of directors of the Corporation approved the grant of 2,750,000 stock options pursuant to the Option Plan. 2,250,000 of the options were granted to directors and executive officers with the balance granted to consultants and the advisory board. The options are exercisable at $0.10 per share, vest immediately and, if not exercised, expire October 26, 2021, subject to earlier expiration in accordance with the Option Plan and applicable policies of the TSX-V.

The value of options issued on October 26, 2016, using the Black-Scholes option pricing model, was $123,750 which was allocated to the share based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 0.62%, expected life of 5 years, annualized volatility 159.32% and dividend rate of nil.

(Expressed in Canadian dollars)

5. Share capital (continued)

(c) Warrants

During the period ended June 30, 2017 the Company had the following warrant activities:

Total issued and outstanding	Number of Warrants	Exercise Price	Weighted Avg. Exercise Price
Balance, September 30, 2015	2,659,167		$0.20
Issued	10,204,000	$0.10	
Balance, September 30, 2016	12,863,167		$0.12
Issued (Note 2)	900,000	$0.10	
Balance, June 30, 2017	**13,763,167**		**$0.11**

At June 30, 2017, the following table summarizes information about warrants outstanding:

Total issued and outstanding	Warrants Outstanding	Expiry Date	Exercise Price
	2,659,167	June 3, 2017	$0.20
	7,104,000	June 24, 2018	$0.10
	900,000	June 29, 2018	$0.10
	3,100,000	July 21, 2018	$0.10
Balance, March 31, 2017	**13,763,167**		**$0.12**

(d) Escrow shares

At June 30, 2017, a total of nil common shares are held in escrow (September 30, 2016 - 2,867,250).

6. Commitments and contingencies

As of June 30, 2017, the Company had $17,600 (September 30, 2016 - $17,600) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

Under the terms of the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company. The claims covered by such indemnifications are subject to statutory and other legal limitation periods.

(Expressed in Canadian dollars)

7. Related party transactions

The Company had the following related party transactions during the nine months ended June 30, 2017:

(a) A former director and officer of the Company provided consulting services to the Company. Fees incurred during the year were $12,500 (2016 - $2,500).

(b) An officer and director of the Company provided consulting services to the Company. Fees incurred during the year were $16,000 (2016 - $nil). At June 30, 2017, $18,396 (2016 - $nil) is recorded in trade and other payables.

(c) An officer and director of the Company provided consulting services to the Company. Fees incurred during the year were $45,000 (2016 - $nil). At June 30, 2017, $29,238 (2016 - $nil) is recorded in trade and other payables.

(d) An officer and director of the Company provided consulting services to the Company. Fees incurred during the year were $18,000 (2016 - $nil). At June 30, 2017, $9,450 (2016 - $nil) is recorded in trade and other payables.

(e) An officer and director of the Company provided exploration consulting services to the Company. Fees incurred during the year were $8,000 (2016 - $nil). At June 30, 2017, $9,904 (2016 - $nil) is recorded in trade and other payables.

(f) The Company paid $1,450 (2015 - $nil), which were recorded to administrative expenses, to Eagle Plains which has common directors with the Company.

Key Management Compensation

Nine months Ended June 30,	2017	2016
Consulting fees	$ 103,500	$ 10,000
Exploration expense	8,000	-
Share based compensation to directors and officers	101,250	-
	212,750	10,000

8. Segmented information

The Company operates in one operating segment, being the exploration of mineral properties. The Company's exploration and evaluation assets by geographic location are as follows:

	June 30, 2017	September 31, 2016
Saskatchewan, Canada	$ 100,001	$ 1
Quebec, Canada	701,178	186,355
	$801,179	$186,356

9. Capital management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital.

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 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 upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds 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 period ended June 30, 2017. The Company was not subject to any externally imposed capital requirements, other than maintained term deposits for the guarantee of business cards (note 6).

10. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements. The Company had a cash infusion from directors and officers subsequent to year end to provide working capital. The Company believes that these sources will be sufficient to cover the likely short term cash requirements.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. For the period ended June 30, 2017, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

(Expressed in Canadian dollars)

10. Financial risk management (continued)

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables and trade and other payables.

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

June 30, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 104,771	$ -	$ -	$ 104,771

September 30, 2016	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 246,625	$ -	$ -	$ 246,625

11. Income taxes

The significant components of the Corporation's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

As at September 31,	2016	Expiry Date Range	2015	Expiry Date Range
Exploration and evaluation assets	$ 323,000	No expiry date	$ 266,000	No expiry date
Share issue costs	$ 59,000	2017 to 2020	$ 48,000	2016 to 2020
Non-capital losses available for future period	$ 1,459,000	2017 to 2036	$ 1,278,000	2016 to 2035

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(Expressed in Canadian dollars)

12. Supplemental cash flow information

Additional cash flow information	2017	2016
Interest received in cash	$ -	$ -
Interest paid in cash	$ -	$ 1,222
Income taxes paid in cash	$ -	$ -

Non-cash investing and financing activities

During the nine month period ended June 30, 2017, the Company issued;

- 2,800,000 (June 30, 2016 – nil) common shares with a value of $136,000 (June 30, 2016 - nil) pursuant to a mineral property option agreement and property acquisition agreement.
- 10,000,000 (June 30, 2016 - nil) common shares with fair value of $450,000 (June 30, 2016 - nil) pursuant to a share purchase agreement.
- 900,000 (June 30, 2016 - nil) warrants with fair value of $13,500 (June 30, 2016 - nil) pursuant to a share purchase agreement.

13. Events after the reporting period

On July 26, 2017, the Company completed a private placement for gross proceeds of $486,998 as follows: issued 6,533,300 non-flow-through units at a price of $0.06 per unit and 1,187,500 flow through common shares at a price of $0.08 per flow through share. Each non-flow through unit consists of one non-flow-through common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.08, expiring July 26, 2020. No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $14,374.