Transition Metals Corp.

Condensed Interim Consolidated financial statements for the six months ended February 28, 2017
(expressed in Canadian dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

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Transition Metals Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	February 28, 2017	August 31, 2016
		$	$
Assets			
Current assets			
Cash		1,734,063	1,616,132
Restricted cash equivalents	4	48,983	48,839
Amounts receivable	6	125,104	280,943
Investment in marketable securities	5	65,000	65,000
Prepaid expenses		14,264	25,825
Total current assets		1,987,414	2,036,739
Non-current assets			
Investment in SPC	6	3,471,821	4,021,350
Mineral exploration property acquisition costs	11	858,005	858,005
Equipment	8	30,104	34,630
Total assets		6,347,345	6,950,724
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	414,557	468,157
Total liabilities		414,557	468,157
Equity			
Share capital	9(a,b)	8,864,858	8,864,858
Share-based payment reserve	9(c)	1,355,699	1,355,699
Deficit		(4,640,098)	(3,783,474)
Equity attributable to shareholders		5,580,459	6,437,083
Net assets attributed to non-controlling interest	7	278,829	45,484
Options and warrants of subsidiary	7	73,500	-
Equity attributable to non-controlling interest		352,329	45,484
Total equity		5,932,788	6,482,567
Total liabilities and equity		6,347,345	6,950,724

Going concern (Note 2)

Commitments and contingencies (Notes 11 and 14)

Transition Metals Corp. (formerly HTX Minerals Corp.)
Condensed Interim Consolidated Statements of loss and Comprehensive loss
(Unaudited and Expressed in Canadian dollars)

	Notes	Three Months Ended February 29, 2017	Three Months Ended February 29, 2016	Six Months Ended February 29, 2017	Six Months Ended February 29, 2016
				$	$
Revenues					
Revenues from strategic alliances	10	4,000	141,600	4,000	141,600
Management fee	10	39,834	14,160	88,401	14,160
Total revenues		43,834	155,760	92,401	155,760
Expenses					
Exploration and evaluation expenditures	10	130,626	322,774	372,635	758,826
Consultant fees		59,429	16,017	118,128	46,076
Depreciation		2,263	3,046	4,526	6,093
Investor relations		23,558	14,177	55,672	30,425
Professional fees		40,238	65,324	76,021	90,887
Stock Based Compensation		-	-	70,000	--
Office and general		65,071	52,784	118,874	89,635
Rent		13,254	15,387	26,621	31,000
Total expense		334,439	489,509	842,477	1,052,942
Other Items					
Share of loss of investment accounted for using the equity method		(115,445)	-	(549,529)	-
Interest income		1,151	3,518	2,232	5,920
Gain on sale of equipment		-	-	-	714
Other income		2,488	-	3,594	-
Total other items		(111,806)	3,518	(543,703)	6,634
Net (loss) from continuing operation		(402,411)	(330,231)	(1,293,779)	(890,548)
Loss from SPC operations		-	(92,145)	-	(251,317)
Net (loss) and comprehensive (loss) for the period		(402,411)	(422,376)	(1,293,779	(1,141,865)
Net (loss) and comprehensive (loss) for the period attributable to:					
Non-controlling interest		(30,640)	(54,411)	(97,532)	(137,530)
Common shareholders		(371,771)	(367,965)	(1,196,247)	(1,004,335)
Net (loss) and comprehensive (loss) for the period		(402,411)	(422,376)	(1,293,779)	(1,141,865)
Loss per share from continuing operations:					
Basic and diluted		(0.01)	(0.01)	(0.04)	(0.03)
Weighted average number of shares outstanding:					
Basic and diluted		33,719,433	33,060,838	33,719,433	32,732,791

Please see accompanying notes to the condensed interim consolidated financial statements

Transition Metals Corp. (formerly HTX Minerals Corp.)
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Note	Common shares	Share capital	Share-based payment reserve	Warrants	Deficit	Total	Options and warrants of subsidiary	Non-controlling interest	Total
		#	$	$	$	$	$	$	$	$
Balance, August 31, 2015		32,731,541	8,765,033	1,316,699	1,168,118	(8,793,278)	2,456,572	847,947	315,470	3,619,989
Shares issued for property acquisitions		987,892	99,825	-	-	-	99,825	-	-	99,824
Warrants of subsidiary expired	6	-	-	-	-	652,652	652,652	(652,652)	-	-
Issuance of units by subsidiary, net of costs		-	-	-	-	17,836	17,836	-	30,548	48,384
Net loss for the period		-	-	-	-	(1,004,335)	(1,004,335)	-	(137,530)	(1,141,865)
Balance, February 28, 2016		32,731,541	8,864,858	1,316,699	1,168,118	(9,127,125)	2,222,550	195,295	208,488	2,626,333
Balance, August 31, 2016		33,719,433	8,864,858	1,355,699	-	(3,783,474)	6,437,083	-	45,484	6,482,567
Issuance of Options by subsidiary	7	-	-	-	-	(25,737)	(25,737)	73,500	25,737	73,500
Issuance of shares by subsidiary, net of costs	7	-	-	-	-	365,360-	365,360-	-	305,140	670,500
Net loss for the period		-	-	-	-	(1,196,247)	(1,196,247)	-	(97,532)	(1,293,779)
Balance, February 28, 2017		33,719,433	8,864,858	1,355,699	-	(4,640,098)	5,580,459	73,500-	278,829	5,932,788

Please see accompanying notes to the consolidated financial statements

Transition Metals Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For The Six Months Ended February 28,	Notes	2017 $	2016 $
Operating Activities			
Net loss for the period		(1,293,779)	(1,141,865)
Add items not affecting cash			
Shares issued for property acquisitions			99,825
Depreciation		4,526	6,093
Gain on sale of equipment		-	(714)
Subsidiary shares issued for property acquisitions	7	225,000	-
Subsidiary share based compensation	7	73,500	-
Share of loss of investment accounted for using the equity method		549,529	-
Write down of mineral exploration property		-	160,000
Net change in non-cash working capital		108,049	(34,019)
Cash flows from operating activities		(333,175)	(910,680)
Investing Activities			
Purchase of equipment		-	(1,600)
Proceeds on sale of equipment		-	1,500
Restricted cash equivalents	5	(144)	(214)
Cash flows from investing activities		(144)	(314)
Financing Activities			
Issuance of non-controlling interest		451,250	48,384
Repayment of lease payable		-	(1,344)
Cash flows from financing activities		451,250	(664)
Decrease in cash		117,931	(863,954)
Cash, beginning of period		1,616,132	2,297,929
Cash, end of period		1,734,063	1,433,975
Supplemental information		-	-

Please see accompanying notes to the consolidated financial statements

1. Nature of Operations

Transition Metals Corp. ("TMC") and its Canadian subsidiaries, HTX Minerals Corp. ("HTX"), Sudbury Platinum Corp. ("SPC") to date of loss of control, and Canadian Gold Miner Corp. ("CGM") (collectively referred to as the "Company") are engaged in the acquisition and exploration of mineral exploration properties in Canada and the United States. The Company's registered office is 77 King Street West – Suite 400, Toronto, Ontario, M5K 0A1.

On August 14, 2013, TMC completed a plan of arrangement with HTX pursuant to which TMC acquired all of the issued and outstanding shares of HTX in exchange for 15,391,200 common shares of TMC. As a result of the transaction, the former shareholders of HTX became the majority shareholders of TMC and the transaction was accounted for as a reverse acquisition with HTX identified as the accounting acquirer. The consolidated entity continued under the name of Transition Metals Corp.

On September 9, 2013, the Company incorporated a private company, SPC and transferred to it two properties being Aer Kidd and Owen Nickel in exchange for 15,000,000 common shares in SPC, representing 100% of the common stock of SPC. SPC issued a further 26,403,195 common shares to outside parties since incorporation resulting in the Company owning 36% of SPC at November 30, 2016 (August 31, 2016 - 36%). SPC was included in the consolidated financial statement until March 23, 2016 at which time it was deconsolidated and became an associate.

On October 27, 2015, the Company incorporated a wholly owned subsidiary CGM and on February 15, 2016, transferred five property groupings that are part of the Abitibi Greenstone Belt Gold portfolio including; West Matachewan, Jumping Moose, Elephant Head, Golden Elk and New Kirkland to CGM in consideration of 15 million common shares of CGM. As at February 28, 2017, the Company held approximately 54% of the common shares of CGM.

2. Going Concern

These interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they become due. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programmes will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those presented in these interim consolidated financial statements.

2. Going Concern - Continued

The Company in part, raises capital and equity for working capital and exploration and development of its properties. Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. Management believes that it has sufficient working capital to support operations for the next 12 months. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future. Accordingly, these financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these interim consolidated financial statements.

3. Summary of Significant Accounting Policies

Statement of Compliance

These interim consolidated financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The accounting policies are based on the IFRS standards and International Reporting Interpretations Committee ("IFRIC") interpretations and are in compliance with IAS 34 Interim Financial Reporting.

Basis of Measurement and Presentation

These interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets which are carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim consolidated financial statements are presented in Canadian dollars which is also the Company's functional currency.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These interim consolidated financial statements reflect the following accounting policies which have been applied consistently to all periods presented, except where disclosed.

Principles of Consolidation

These interim consolidated financial statements include the accounts of HTX, SPC until March 23, 2016 (the date of loss of control) and CGM. All intercompany transactions and resulting balances have been eliminated on consolidation. As at February 28, 2017, the Company held a 100% interest in HTX (August 31, 2016 – 100%) and a 54% interest in CGM (August 31, 2016 – 64%).

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

3. Summary of Significant Accounting Policies - Continued

Principles of Consolidation (Continued)

For non-wholly owned, controlled subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated statement of financial position. Profit for the period that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary. Warrants and stock options issued by subsidiaries, exercisable into subsidiary shares, are presented as a component of non-controlling interest in the consolidated statement of financial position.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The partial disposal of an interest resulting in loss of control meets the definition of a disposal group. A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of income or loss. Additional disclosures are provided in Notes 6 and 16. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

Financial Instruments

<u>Financial Assets</u>
Financial assets are initially recorded at fair value and designated upon inception into one of the following categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss. Financial assets are recognized on the trade date at which the Company becomes party to the contractual provisions of the instrument.

A financial asset is classified at fair value through profit or loss (“FVTPL”) if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the statement of comprehensive loss. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. The Company has designated its restricted cash equivalents and its investments in marketable securities as FVTPL.

3. Summary of Significant Accounting Policies - Continued

Financial Instruments (Continued)

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are de-recognized or impaired, as well as through the amortization process. The Company has designated its cash and amounts receivable as loans and receivables.

Available-for-sale instruments are non-derivative financial assets that do not meet the definition of loans and receivables, are classified as available-for-sale. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. The Company did not have any available-for-sale instruments during the periods ended February 28, 2017 and August 31, 2016.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transactions costs associated with all other financial assets are included in the initial carrying amount of the asset.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognized in the statement of income (loss) and comprehensive income (loss).

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been, had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in the statement of income (loss) and comprehensive income (loss).

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). During the periods ended February 28, 2017 and August 31, 2016, the restricted cash equivalents have been classified as Level 2 of the fair value hierarchy, and investments in marketable securities have been classified as Level 1 for publicly traded securities.

3. Summary of Significant Accounting Policies - Continued

Financial Instruments (Continued)

Financial Liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as other financial liabilities. Accounts payable and accrued liabilities, and lease payable are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Accounts payable and accrued liabilities and lease payable are classified as other financial liabilities. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

Cash and Cash Equivalents

Cash and cash equivalents include cash-on-hand and balances with banks and short-term investments with original maturities of three months or less.

Revenue Recognition

Revenues received from strategic alliances are recognized in the period in which they are earned and collectability is reasonably assured. The strategic alliance agreements allow for either the Company or the strategic partner to terminate the agreement at any time.

Management fee revenue is recognized when the services are rendered and collectability is reasonably assured.

Interest income and other income are recorded on an accrual basis.

Investments in Associates

Associates are entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments over which the Company has the ability to significantly influence are initially recorded at cost. When the initial recognition of the investment in the associate occurs as a result of a loss of control of a former subsidiary, the fair value of the retained interest in the former subsidiary on the date of the loss of control is deemed to be the cost on initial recognition. Investment income (loss) is calculated using the equity method.

The Company's share of the associate's profit or loss is recognised in the statement of income (loss), and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of income (loss).

3. Summary of Significant Accounting Policies - Continued

Investments in Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Company and its associate are recognised in the Company's financial statements only to the extent of unrelated investors' interests in the associate. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in associates are recognised in the statement of income (loss).

The investment account of the investor reflects:
i) the cost of the investment in the investee;
ii) the investment income or loss (including the investor's proportionate share of discontinued operations and extraordinary items) relating to the investee subsequent to the date when the use of the equity method first became appropriate; and
iii) the investor's proportion of dividends paid by the investee subsequent to the date when the use of the equity method first became appropriate.

During the year ended August 31, 2016, the Company deconsolidated its former subsidiary SPC, and now classifies SPC as an Investment in Associate as the Company's direct ownership has been diluted to 36% and the Company no longer has control over SPC.

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred other than property interests acquired in a business combination, which are capitalized. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and exploration and evaluation activity. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized into property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Joint Ventures

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations ("JO") and joint ventures ("JV"). A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A JV is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. The Company did not have any joint arrangements during the periods ended February 28, 2017 and 2016.

3. Summary of Significant Accounting Policies - Continued

Equipment

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss. Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in profit or loss over the estimated useful lives as follows:

Computer equipment and software	-	2 year straight line
Exploration equipment	-	30% diminishing balance
Furniture	-	20% diminishing balance
Vehicles	-	30% diminishing balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Impairment of Non-Financial Assets

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

Where it is not possible to estimate the recoverable amount of individual assets, the impairment test is carried out on the asset's cash-generation unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely dependent of the cash inflows from other assets. An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income/loss.

3. Summary of Significant Accounting Policies - Continued

Income Taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to 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 for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized tax deferred assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Share-Based Payments and Warrants

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

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period. When stock options and warrants are granted by TMC the corresponding increase is recorded to share based payment reserve and when granted by a subsidiary the corresponding increase is recorded to non-controlling interest and classified as stock options and warrants.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on the grant date.

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

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

3. Summary of Significant Accounting Policies - Continued

Share-Based Payments and Warrants - Continued

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

Where cash-settled share-based payments are granted, the goods or services acquired and the liability incurred is measured at the fair value of the liability. Until the liability is settled, the fair value is re-measured at the end of each reporting period and at the date of settlement, by applying an option pricing model, with any changes in fair value recognized in profit or loss for the period. The measurement of the liability takes into account, the terms and conditions on which the share appreciation rights were granted and to the extent to which the employees or consultants have rendered service to the date of measurement.

Foreign Currency Transactions and Translation

The functional currency and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates in effect on the date of the transactions. Exchange gains and losses arising on translation are included in income/loss.

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under contract. At each statement of financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation. The Company had no material provisions as at February 28 2017 and August 31, 2016.

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3. Summary of Significant Accounting Policies - Continued

Decommissioning Liabilities

A legal or constructive obligation to incur decommissioning liabilities may arise when environmental disturbance is caused by the exploration, development or mining of a mineral property interest. Such costs arising from the decommissioning of plant and other site work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material decommissioning liabilities as at February 28, 2016 and August 31, 2016

Income (Loss) per Share

Basic income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted income (loss) per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted income (loss) per share calculation. The diluted income (loss) per share calculation excludes any potential conversion of options and warrants that would decrease income (loss) per share or increase income per share. Options and warrants have a dilutive effect only when the average market price of the shares exceeds the exercise price of the options or warrants. The diluted loss per share is the same as basic loss per share for the periods ended February 28, 2017 and 2016 as the effects of including all outstanding options and warrants would be anti-dilutive.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

3. Summary of Significant Accounting Policies – Continued

Impairment of Mineral Exploration Property Acquisition Costs

While assessing whether any indications of impairment exist for mineral exploration property acquisition costs, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral exploration property acquisition costs.

Critical Accounting Estimates and Judgments (Continued)

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company is also subject to tax regulations as they relate to flow-through financing arrangements. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Determination of Significant Influence and Impairment of Investment in Associate

Effective March 23, 2016, the Company has classified SPC as an associate based on management's judgment that the Company has significant influence through board representation and 36% of the voting rights.

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The determination of impairment requires significant judgement and can be triggered by significant adverse changes in the market, economic or legal environment in which the associate operates.

Share-Based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The assumptions and models used for estimating fair value for share-based payment transactions is disclosed in Note 9. The expected volatility assumptions for TMC option and warrant grants was based on the historical volatility of TMC shares.

3. Summary of Significant Accounting Policies - Continued

Contingencies
Refer to Note 14.

Existence of Decommissioning and Restoration Costs and the Timing of Expenditure
Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations with regulatory authorities.

New standards not yet adopted and interpretations issued but not yet effective

The IASB and IFRIC have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Company.

i. IFRS 9 *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

ii. IFRS 10 – *Consolidated Financial Statements* ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

iii. IFRS 11 *Joint Arrangements* ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

iv. IFRS 11 Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The amendments are effective for annual periods beginning on or after January 1, 2016.

3. Summary of Significant Accounting Policies – Continued

New standards not yet adopted and interpretations issued but not yet effective - continued

v. IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

vi. IAS 1 – *Presentation of Financial Statements* ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

vii. IFRS 16 - Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 - Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

The Company has not early adopted any of these standards or interpretations and is currently assessing the impact of the revised standards and interpretations on its consolidated financial statements.

4. Restricted Cash Equivalents

As at February 280, 2016, the Company held GICs in the aggregate amount of $48,983 (August 31, 2016 - $48,839) as security for its corporate credit cards.

5. Investment in Marketable Securities

The Company acquired 1,500,000 common shares (August 31, 2016: 1,000,000) of Aldershot Resources Ltd. ("Aldershot") pursuant to an option agreement (Note 11(a)).

(Expressed in Canadian Dollars)

6. Investment in Sudbury Platinum Corp. ("SPC")

On September 9, 2013, the Company incorporated SPC and transferred to SPC two properties being Aer Kidd and Owen Nickel in exchange for 15,000,000 common shares in SPC, representing 100% of the common stock of SPC. The underlying option for the Aer Kidd project was assigned to SPC by HTX. The terms of this agreement entitle SPC to earn a 50% or 70% interest in the Aer Kidd property. On August 19, 2014, SPC purchased a 100% interest in the mineral rights of the Aer-Kidd project from CaNickel Mining Company Limited ("CML"), for a cash payment of $1,250,000. Consequently, the underlying assigned option and joint venture agreement was terminated.

In addition, TMC has entered into a multi-year operating agreement with SPC to provide exploration services related to the Aer Kidd property, the terms of the agreement allow for the Company to earn a 10% management fee on all exploration costs incurred by SPC. Included in management fees is $65,273 (2015 - $nil) charged to SPC during the period ended February 28, 2017. Included in accounts receivable as at February 28, 2017, is $37,046 (August 31, 2016 - $100,590) due from SPC. In addition, the Company may receive an additional 5,000,000 common shares in SPC if a defined resource equal to 125,000,000 pounds of nickel equivalent is discovered prior to the earlier of October 17, 2017 and the expenditure of $5,000,000 on exploration activities on the property.

The Company consolidated SPC for the period from incorporation to March 23, 2016, the date at which TMC's shareholdings were diluted to 36%. The loss of control resulted in a gain on deconsolidation of $4,525,909 during the year ended August 31, 2016, based on the price of SPC shares issued in a concurrent financing. As the loss of control of SPC met the definition of a disposal group under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the operating activities of SPC have been characterized as discontinued operations in the consolidated statement of income (loss) and comprehensive income (loss). The comparative statement of loss and comprehensive loss for the period ended February 28, 2016 has been reclassified to reflect the discontinued operation presentation adopted for the year ended August 31, 2016.

A continuity of the investment in SPC as an associate is as follows:

	$
Acquisition of investment as a result of loss of control	4,500,000
Share of the loss for the period subsequent to acquisition	(478,650)
Balance, August 31, 2016	4,021,350
Share of the loss for the period	(549,529)
Balance, February 28, 2017	3,471,821

Summarized financial information for SPC as at February 28, 2017 and 2016 and for the quarters then ended is as follows:

	2017	2016
	$	$
Current and total assets	1,139,335	453,110
Current and total liabilities	461,430	55,836
Total equity	677,795	397,274
Net loss and comprehensive loss	(1,516,779)	262,764)
Cash flows from operating activities	(1,446,516)	(250,866)
Cash flows from investing activities	(76)	(105)
Cash flows from financing activities	-	48,384

(Expressed in Canadian Dollars)

6. Investment in Sudbury Platinum Corp. ("SPC") -Continued

At February 28, 2017, SPC had 770,000 stock options outstanding, exercisable into SPC shares at $0.45 until June 27, 2019 and 860,000. stock options outstanding, exercisable into SPC shares at $0.30 until March 30, 2021.

At February 28, 2017, SPC had 137,071 warrants outstanding with at an exercise price of $0.35 until March 21, 2019

7. Canadian Gold Miner Corp. ("CGM")

On October 27, 2015, the Company incorporated a wholly owned subsidiary, CGM.

On February 15, 2016, the Company assigned five property groupings that are part of the Abitibi Greenstone Belt Gold portfolio including; West Matachewan, Jumping Moose, Elephant Head, Golden Elk and New Kirkland to CGM in consideration of 15 million common shares of CGM. A further 1 million shares of CGM were issued to a third party for the acquisition of the Midlothian property.

In addition, TMC entered into a multi-year operating agreement with CGM to provide exploration services, the terms of which allow for the Company to earn a 10% management fee on all exploration costs incurred by CGM and administered through the operating agreement with the Company. These management fees are eliminated on consolidation.

On August 5, 2016, 2,050,000 CGM shares, valued at $0.10 per share based on the share price of the ongoing financing completed on August 18, 2016, were issued as payment for various services rendered. Directors and key management personnel of TMC received 1,605,000 of these shares as payment for services rendered.

On August 18, 2016, CGM completed a private placement for gross proceeds of $495,000. CGM issued 4,950,000 common shares at $0.10 per share. After giving effect to the financing, TMC held approximately 65% of the common shares of CGM with 35% held by non-controlling interests. Total share subscriptions by directors and key management personnel of TMC were 700,000 common shares for proceeds of $70,000.

On February 28, 2017, CGM completed a private placement for gross proceeds of $460,250. CGM issued 3,029,998 common shares at $0.15 per common share and $0.20 per common flow through share. Concurrently CGM issued 1,333,333 common shares at a deemed price of $0.15 (see note 11(i)) in accordance with a mineral property option agreement. After giving effect to the issuances, TMC held approximately 54% of the common shares of CGM. Total share subscriptions by directors and key management personnel of TMC were 200,000 common shares for proceeds of $30,000.

Summarized financial information for CGM as at February 28, 2017 and 2016 and for the years then ended is as follows:

	2017	2016
	$	$
Current and total assets	667,600	1
Current and total liabilities	57,472	-
Total equity	610,128	1,600,001
Net loss and comprehensive loss	(269,912)	(1,600,000)
Cash flows from operating activities	(291,989)	(1,600,000)
Cash flows from investing activities	-	-
Cash flows from financing activities	451,250	1

(Expressed in Canadian Dollars)

7. Canadian Gold Miner Corp. ("CGM") - Continued

At February 28, 2017, the following CGM options, exercisable into CGM shares, were outstanding and available to be exercised:

Grant Date	Number	Exercise Price	Expiry Date	Remaining Years	Grant Date Fair Value
September 20, 2016	1,050,000	$0.10	September 20, 2021	4.58	$0.07

On September 20, 2016, CGM granted 1,050,000 incentive stock options to directors, management and employees of SPC, exercisable at $0.10 per share for a period of 5 years. The grant date fair value of $0.07 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 100%, expected dividend yield of 0%, and a risk free interest rate of 1.40%. The options vested immediately

8. Equipment

	Furniture	Vehicles	Computer Equipment and Software	Exploration Equipment	Total
Cost	$	$	$	$	$
Balance August 31, 2015	32,906	107,514	269,453	57,170	467,043
Additions	-	-	-	1,600	1,600
Disposals				(5,500)	(5,500)
August 31, 2016	32,906	107,514	269,453	53,270	463,143
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Cost at February 28, 2017	32,906	107,514	269,453	53,270	463,143
Accumulated depreciation and impairment					
Balance at August 31, 2015	22,235	82,728	269,453	46,357	420,773
Additions	2,134	7,436	-	(1,830)	7,740
Balance at August 31, 2016	24,369	90,164	269,453	44,527	428,513
Additions	853	2,603	-	1,070	4,526
Balance at February 28, 2017	25,222	92,767	269,453	45,597	433,039
Net book value August 31, 2016	8,537	17,350	-	8,743	34,630
Net book value February 28, 2017	7,684	14,747	-	7673	30,104

(Expressed in Canadian Dollars)

9. Share Capital

a) Authorized

An unlimited number of common shares with no par value
An unlimited number of preferred shares, non-voting, non-participating, retractable, redeemable

b) Transactions

Period ended February 28, 2017

There were no transactions to report

Year ended August 31, 2016

On January 25, 2016, the Company completed the acquisition of several exploration properties for the issuance of 980,392 common shares valued at $100,000 based on the market price of the shares on the date of issuance, and $100,000 in cash. See Notes 11(t) and (u) for a description of the exploration assets acquired and retained.

On February 1, 2016, the Company issued 7,500 common shares valued at $825 based on the market price on the date of issue, pursuant to the Golden Elk agreement as disclosed in Note 11(g).

c) Stock Options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at a minimum of the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

On March 30, 2016, the Company granted 300,000 incentive stock options to directors, management and employees of the Company, exercisable at $0.15 per share for a period of 5 years. The grant date fair value of $0.13 per option was estimated using the Black-Scholes option pricing model based on the following assumptions: expected life of 5 years, expected volatility of 146%, expected dividend yield of 0%, and a risk free interest rate of 0.69%. The options vested immediately.

At February 28, 2017, the following options were outstanding and available to be exercised:

Grant Date	Number	Exercise Price	Expiration	Remaining Years	Grant Date Fair Value
August 14, 2013	845,625	$0.23	August 14, 2018	1.45	$0.08
December 5, 2013	100,000	$0.20	December 5, 2018	1.75	$0.10
April 25, 2014	1,359,375	$0.40	April 25, 2019	2.08	$0.35
March 30, 2016	300,000	$0.15	March 30, 2021	4.08	$0.13
	2,605,000	$0.31		2.66	

(Expressed in Canadian Dollars)

9. Share Capital - Continued

A summary of stock option activity during the period ended February 28, 2017 is as follows:

	Number of Outstanding Options	Weighted Average Exercise Price
Outstanding – August 31, 2016 and February 28, 2017	2,605,000	$0.31

d) Warrants

At August 31, 2016, and February 28, 2017 the Company had no warrants outstanding:

10. Related Party Transactions

a) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the periods ended November 30, 2016 and 2015 was as follows:

	2017	2016
	$	$
Short term benefits	140,417	95,627
Share based payments	45,500	-
	185,917	95,627

Short term benefits are included in: consultant fees and exploration and evaluation expenditures. Included in accounts payable and accrued liabilities as at February 28, 2017, is $28,849 (August 31, 2016 - $15,923) owing to officers and management of TMC. The amounts are unsecured, non-interest bearing, and are due on demand. Included in accounts receivable as at February 28, 2017 is $37,046(August 31, 2016 – $100,590)due from SPC. This amount is unsecured, non-interest bearing and due on demand.

b) See also Notes 6, 7 and 9(c).

(Expressed in Canadian Dollars)

11. Exploration Properties

As at February 28, 2017, the capitalized balance of mineral exploration property acquisition costs totalling $858,005 (August 31 – $858,005) related to the acquisition of TMC by HTX, are allocated to the former TMC properties as follows: Gowganda Gold $581,505, Janice Lake $117,000, Pipestone - $85,500) Kidd Gold - $17,000, Homathko - $52,000, Doherty Lake - $5,000.

Summary of exploration and evaluation expenditures for the six month periods ended February 28, 2017 and 2016:

Property	2017 $	2016 $
New project generation expenditures	43,434	42,041
Gowganda	68,578	7,399
Matachewan	66	8,801
Golden Elk	142	40,468
Elephant Head	(9159)	1,002
Jumping Moose	(618)	42,827
Lincoln Nipissing	76,201	-
Midlothian	17,392	-
NRC new project generation expenditures	3,729	13,809
NRC Itchen Lake	3,982	765
NRC Article 41	-	5,250
Janice Lake	13,324	30,000
Saturday Night	95,867	-
Sunday Lake	45,957	293,137
Eva Kito		1,530
Timber Wolf	1,276	(1,580)
Lockerby	-	179,926
Other	12,464	93,451
Totals	372,635	758,826

11. Exploration Properties - Continued

<u>Abitibi Gold – Ontario (a - j)</u>

a) Gowganda Gold

The Gowganda Gold Project is located adjacent to the town of of Gowganda Ontario in Nicol, Haultain, and Van Hise townships, in the Larder Lake Mining District.

i) Haultain

The Company has a 100% interest in claims in the Haultain and Nicol townships in the Province of Ontario. The Company acquired 8 of the claims by exercising an option agreement during the year ended August 31, 2015. The Company completed payments totaling $35,000 and completed work expenditures totalling $250,000 in order to exercise its option. The optionor retained a 2% net smelter return (“NSR”) of which half (1%) can be purchased at any time for an aggregate sum of $1,000,000.

11. Exploration Properties – Continued

ii) Nicol

The Company holds a 100% interest in 10 claims (2015 – 10 claims) in Nicole Township Ontario.

On October 31, 2016, the Company and Aldershot entered into a definitive option and joint venture agreement. Under the agreement, Aldershot can earn a 51% interest in the property by committing to funding $400,000 worth of exploration on the property in year one, and incurring cumulative work expenditures totaling $2,000,000 by the third anniversary of the agreement. In addition, Aldershot must issue 1,500,000 common shares to the Company on signing (1,500,000 received), and provide an additional $450,000 worth of Aldershot shares to the Company by the second anniversary date, subject to exchange approvals. During the course of the initial stage of the option, The Company has agreed to serve as program operator. Upon earning its initial 51% interest, Aldershot may opt to acquire an additional 24% interest in the property (for a total of 75%) by committing to completing a feasibility study. Upon Aldershot earning its 51% or 75% interest in the property as the case may be, a joint venture would be formed, with each party to fund its proportionate share of the work programs to maintain its respective interest. Portions of the property remain subject to an underlying agreement which conveys a 2% NSR to the original claim holder of which 1% of the NSR can be repurchased by the joint venture for $1,000,000.

b) Kidd Gold

The Company holds a 100% interest in 4 claims (2015 – 4 claims) located in Kidd Township, Ontario.

c) Pipestone – Optioned to Gowest Gold Ltd.

This group of properties is comprised of 27 claims (2015 – 27 claims) located in the Wark, Prosser, Little and Evelyn townships in Ontario, wholly owned by the Company. The Company entered into an option and joint venture agreement and subsequent extensions and amendments with Gowest Gold Ltd. ("Gowest") that provides Gowest with the option to acquire a 60% interest or 75% interest in the Pipestone Property. To earn a 60% in the Pipestone Property, Gowest would be required to make cash payments of $100,000 ($100,000 received), issue 1,000,000 common shares of Gowest to the Company (1,000,000 issued) and incur exploration expenditures of $1,000,000 by the fourth-year anniversary of the agreement. On April 25, 2016, Gowest vested its initial 60% interest in the property and notified the Company that it would not be increasing its interest to 75%.

Canadian Gold Miner Corp. Properties (d - j)

d) Jumping Moose

The Company entered into an option agreement with Swain & Decker ("Swain") to acquire a 100% interest in properties in Burrows and Kemp Townships in the Province of Ontario, subject to a 2% NSR of which half (1%) can be purchased any time for the aggregate sum of $1,000,000.

In 2015, the Company exercised its option and acquired a 100% interest in the Jumping Moose Property by completing total cash payments of $35,000, issuing 50,000 shares of TMC and incurring work expenditures of $250,000.

11. Exploration Properties – Continued

e) West Matachewan

The Company owns a 100% interest in 12 claims in Doon Township, Larder Lake Mining District. The Company staked 6 claims and acquired a further 6 claims from Ashley Gold Mines Limited ("Ashley") by exercising an option agreement during the year ended August 31, 2015. The Company completed payments totaling $30,000, and issued 15,000 common shares in order to exercise its option. Ashley has retained a 2% NSR from any commercial production. The Company may purchase 1% of the NSR for $1,000,000 at any time.

As of the date of these financial statements this project was put under exclusion by the Ministry of Northern Development and Mines while consultation with local stakeholders is ongoing.

f) New Kirkland

The Company owns a 100% interest in 11 claims (2015 – 14 claims) in Boston Township, Ontario.

g) Golden Elk

On February 10, 2012, the Company executed an option agreement to acquire certain mineral rights on patented property in Tudhope Township located near Elk Lake Ontario, Larder Lake Mining District, by making total cash payments of $25,000 ($25,000 paid) and issuing a total of 30,000 shares over four years (30,000 shares issued). The optionor retained a 2% NSR from any commercial production. The Company may purchase a 0.5% NSR for $250,000 and a further 0.5% NSR for an additional $750,000 at anytime. The Company has vested a 100% ownership interest in the property.

On July 16, 2012, the Company signed an option agreement to acquire certain mineral rights on patented property in Timiskaming Mining District, Ontario. The Company has exercised the option by making the final option payment which completed the total cash payments of $25,000 and the issuance of 30,000 common shares. The optionor has retained a 3% NSR from any commercial production. The Company may purchase a 1% NSR for $750,000 at any time. The Company has vested a 100% ownership interest in the property.

h) Elephant Head

The Company holds a 100% interest in 10 claims (2015 – 11 claims) located in Connaught Township, Ontario. As of the date of these financial statements these claims were put on a temporary hold by the Ministry of Northern Development and Mines while consultation with local stakeholders is ongoing.

i) Midlothian

On February 29, 2016, the Company's subsidiary, CGM, executed an assignment agreement to acquire a 100% interest in 11 claims in Midlothian Township, Larder Lake Mining District, by issuing 1,000,000 shares of CGM valued at $100,000. A further $200,000 worth of CGM shares (1,333,333 shares) was issued during the quarter. Further, if prior to July 18, 2019 mineral exploration expenditures totaling $2,000,000 have not been incurred the property shall be returned to the original owner subject to CGM retaining a 1% NSR of which 0.5% may be repurchased for $500,000 at any time. Additionally, the assignors are entitled to receive a $2,500,000 milestone payment within 6 months of commencement commercial production, payable in cash or shares at the election of CGM. The original vendor has retained a 2.5% NSR on all precious metals and 1.5% NSR on all base metals.

11. Exploration Properties – Continued

j) Lincoln Nipissing

On August 31, 2016, the Company's subsidiary, CGM entered into an option and joint venture agreement to acquire a 100% interest in 113 claims in the Kirkland Lake mining camp in Boston, McElroy and Skead townships Under the terms of the option and joint venture agreement, CGM can earn an initial 51% interest by incurring work expenditures totaling $2,750,000 over four years, issuing 600,000 common shares of CGM over 3 years and providing $200,000 in cash payments over 3 years with an ability to earn up to a 100% interest in the property by taking a project to commercial production subject to a $1,000,000 commercial production payment. The property is subject to a 2.5% NSR, of which 0.5% could be repurchased by the Company for $1,500,000.

Nunavut Gold and Diamonds – NRC Alliance (k-o)

Nunavut Resources Corporation Strategic Alliance

HTX entered into a strategic alliance agreement with Nunavut Resources Corporation ("NRC") dated March 1, 2012 whereby HTX carries out project generation and mineral exploration in the Kitikmeot Region of the Territory of Nunavut on behalf of the parties on both Inuit Owned Lands ("IOL") and federal owned lands in Nunavut over the five-year agreement. Exploration projects can be designated under the agreement to convert to joint ventures between the parties.

Projects designated on IOL, where the mineral rights are administered by the Nunavut Tunngavik Corporation ("NTI"), are initially assigned 20% HTX and 80% NRC ownership, with an option for HTX to earn another 30% of the joint venture designated property by solely incurring an additional $2,000,000 of expenditures, within 24 months. Projects designated on Crown Lands administered by the Federal government will have an initial ownership of 50% HTX and 50% NRC. HTX will be the initial operator and will collect an operator's fee based on 10% of expenditures. HTX also has the casting vote in terms of making exploration committee decisions, except in situations that involve cost overruns in amounts exceeding 10% of approved budgets.

If either party dilutes to less than a 10% interest through non-participation in future joint venture programs, their interest converts to a 2.0% NSR of which 50% can be purchased by the other party for $1,000,000.

k) Itchen Lake

The Itchen Lake property is comprised of 10 contiguous staked claims (2015 – 19 claims), in western Nunavut under the terms of the NRC strategic alliance. Once designated a joint venture project, a 50% interest will be held by HTX and 50% will be held by NRC and subject to the HTX/NRC strategic alliance agreement.

l) Article 41

The Article 41 property is 36 kilometres northeast of Yellowknife and was granted to the Kitikmeot Init Association as part of the Nunavut Land Claims Agreement (1993/1999). Under the definition of the NRC strategic alliance agreement described above, HTX has the right to hold an initial 20% interest in the property and the further right to increase that interest to 50% by incurring $2,000,000 of expenditures.

11. Exploration Properties – Continued

m) CO-20 Fire Shear

The CO-20 Fire Shear property is an IOL acquired by NRC on behalf of the NRC alliance through a mineral exploration agreement with NTI, dated July 1, 2014. The property consists of two non-contiguous irregular blocks. The Company has the right to hold an initial 20% interest in the property and the further right to increase that interest to 50% by incurring $2,000,000 of expenditures.

n) CO-30 Anialik

The CO-30 Anialik property is an IOL acquired by NRC on behalf of the NRC alliance through a mineral exploration agreement with NTI, dated July 1, 2014. The Company has the right to hold an initial 20% interest in the property and the further right to increase that interest to 50% by incurring $2,000,000 of expenditures.

o) CO-31 Arcadia Bay

The CO-31 Arcadia Bay property is an IOL acquired by NRC on behalf of the NRC alliance through a mineral exploration agreement with NTI, dated July 1, 2014. The Company has the right to hold an initial 20% interest in the property and the further right to increase that interest to 50% by solely incurring $2,000,000 of expenditures.

Saskatchewan Copper

p) Janice Lake, Saskatchewan

The Company currently holds a 100% interest in 8 mining claims (2016 – 10 claims) in Saskatchewan

Thunder Bay - Ni-Cu-PGM's - Implats Agreements

q) Sunday Lake

On February 1, 2014, the Company entered into a joint venture agreement with Implats to advance exploration activities at Sunday Lake. Under the terms of this agreement, Implats will fund 100% of expenses on the project and TMC will hold a 25% free carried interest through to the completion of a feasibility study. TMC retains the ability to secure a controlling interest in the project in the event that Implats chooses not to fund a minimum annual exploration budget of $50,000 or to maintain underlying property agreements.

The Sunday Lake property is located in northwestern Ontario, 25 kilometres north-east of Thunder Bay and 25 kilometres to the west of Panoramic Resources Limited's Thunder Bay North (Current Lake) deposit. The property consists of staked and optioned land that the Company optioned from Rio Tinto Explorations Canada Inc. ("RTEC") and property that the Company has staked and leased from others in the area.

Parcels 19889, 19890 and eight claims are subject to an option agreement between the Company and RTEC dated May 10, 2013. Under the terms of the option agreement, the Company can acquire a 100% i nterest in the properties by making payments to RTEC totaling $350,000 ($225,000 paid) by the third anniversary of the agreement, subject to a payment of $3,500,000 upon commercial production with an additional payment of $1,500,000 on or before the first anniversary of commercial production. The Company's interest in the optioned properties is also subject to a 1.5% NSR held by RTEC, of which 0.5% can be purchased for $1,000,000. The Company has fully vested its interest in the agreement.

11. Exploration Properties – Continued

Parcel 19889, is subject to an underlying agreement between RTEC and a vendor that allows the Company to conduct mineral exploration on the property by making annual rental payments of $1,132 with an option to purchase the surface and mineral rights by paying the vendors 1.5 times the fair market value of the premises subject to a 1% NSR, of which HTX can purchase 0.5% for $250,000. The agreement has been extended to January 1, 2019 for a cash payment of $20,000.

Parcel 19890, is subject to an underlying agreement between RTEC and vendors that allows the Company to conduct mineral exploration on the property by making annual rental payments of $1,000, with an option to purchase the surface and mineral rights by paying the vendors 1.5 times the fair market value of the premises subject to a 1% NSR, of which HTX can purchase 0.5% for $250,000. The agreement has been extended to December 1, 2019 with annual lease payments increase to $5,000 during the first two years of the extension and $7,500 for the third.

Parcel 6056 and one claim are subject to an assignment agreement between the Company and RTEC dated March 25, 2013 and underlying agreements between RTEC, Peter DeRozea and the Sunday Lake Syndicate. Under the terms of this agreement, the Company can earn a 100% interest by making cash payments totaling $250,000 by March 31, 2014, subject to a 3% NSR held by the vendors. Upon vesting, pre-production royalty payments of $40,000 per year to a total of $200,000 are due, the total of which will be deducted from future production based NSR payments. The Company maintains the right to purchase 2% of the NSR from DeRozea and the Sunday Lake Syndicate for $2,000,000. On April 3, 2013 an amendment to the Sunday Lake exploration and option agreement was made to extend the schedule of payments now totaling $275,000 to March 31, 2015 of which $35,000 was paid. In December of 2013 a second amendment was executed to adjust the schedule of remaining payments to $50,000 due in January 10, 2014 (paid), $50,000 on March 31, 2015 (paid), and an additional $140,000 (paid) by March 31, 2016. The Company vested its interest in the year ended August 31, 2016.

On December 27, 2013, the Company entered into an option to purchase agreement with a private land owner near Sunday Lake. Under the terms of the agreement, the Company must make bi-annual lease payments of $3,000 until June 2016. The Company retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1.5 times the fair market value of the unimproved property, subject to a 1% NSR of which the Company can purchase back 0.5% for $500,000.

On January 23, 2014, the Company entered into an option to purchase agreement with a private land owner near Sunday Lake. Under the terms of the agreement, the Company must make bi-annual lease payments of $3,725 until July 2018. The Company retains the right during the option period to purchase a 100% interest in the surface and mineral rights of the property for 1.5 times the fair market value of the unimproved property, subject to a 1% NSR, of which the Company can purchase back 0.5% for $500,000.

At February 28, 2017, the property consists of 22 staked and optioned patents and mining claims (2016 – 22).

r) Impala Assignment Agreement

On February 1, 2014, the Company entered into a series of agreements with Impala Platinum Holdings Inc. (“Implats”), which assigned 100% of rights and interests in properties generated under the alliance to the Company, with the exception of the Sunday Lake Property subject to a 1.0% to 1.5% NSR royalty held by

Implats. At February 28, 2017, the Company maintained a number of property groupings including Owl Lake, Fraser, Hele, Empire Lake.

11. Exploration Properties – Continued

s) Thunder Bay – Other, Ontario

At November 30, 2016, the Company maintained 3 additional property groupings in the Thunder Bay Mining District. These properties include Eva Kitto Roaring River and Saturday Night.

Nickel Exploration Assets Purchased (t – u)

On January 25, 2016, the Company purchased mining claims, leases and patents through a purchase agreement with the court appointed receiver of First Nickel Inc. in consideration of $100,000 cash and 980,392 common shares valued at $100,000. Included in the purchase were three Ni-Cu-PGM exploration projects; Lockerby East, Dundonald, and Bancroft. On May 5, 2016, the Company sold its interest in the Lockerby East properties to SPC for $220,081 (received) being the acquisition and closing costs.

t) Dundonald, Ontario

The Dundonald property near Timmins consists of 29 freehold patents, mining leases and claims.

u) Bancroft, Ontario

The Bancroft project consists of 50 claims located in the Southern Mining district near Bancroft, Ontario.

<u>Other</u>

v) Doherty Lake, Ontario

On December 12, 2012, the Company acquired a 100% interest in 5 claims in DeMorest Township, Ontario in exchange for a 1% NSR. The Company can purchase the NSR at any time for $500,000.

w) Homathko, British Columbia

The Homathko Property consists of 3 claims (2015 – 5 staked claims) in the Caribou Regional District, British Columbia, located approximately 200 kilometres west of Williams Lake.

12. Capital Management

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the period ended November 30, 2016. The Company is not subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company is dependent on its strategic alliance partners as well as on the capital markets to finance exploration and development activities.

13. Financial Instruments and Financial Risk Factors

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts the Company's current financial assets and liabilities approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no material changes in these risks, objectives, policies and procedures during the period ended February 28, 2017.

Credit Risk

The Company's credit risk is primarily attributable to its amounts receivable. Amounts receivable consists of sales taxes due from the Federal Government of Canada. The Company has no significant concentration of credit risk arising from its operations. Management believes that the credit risk concentration with respect to financial instruments included in other assets is low. The Company also receives funding from exploration partners including Implats, Aldershot, NRC and SPC. The Company believes that the credit risk associated with both of these corporations is low.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2017 the Company has current assets totalling $1,987,414 (August 31, 2016 - $2,036,739) to settle current liabilities of $414,557 (August 31, 2016 - $468,157).

Price Risk

The Company is exposed to price risk with respect to commodity prices. The ability of the Company to develop its properties and the future profitability of the Company is directly related to the market price of certain minerals.

Interest Rate Risk

The Company does not currently have any outstanding variable interest bearing loans and, therefore, the Company is not exposed to interest rate risk through fluctuation in the prime interest rate.

14. Commitments and Contingencies

Environmental Contingencies
The Company's exploration activities are subject to various federal, state, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Expenditures
From time-to time, the Company and its associate enter into flow-through financings and indemnify the subscribers of flow-through shares for any tax related amounts that become payable by the subscriber. In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. There are many transactions and calculations for which the ultimate tax determination is uncertain. While the Company believes that its tax filing positions are appropriate and supportable, from time to time, certain matters are reviewed and challenged by the tax authorities. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities