DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Financial Statements

For the Nine Months Ended June 30, 2017

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

The attached condensed interim consolidated financial statements for the nine months ended June 30, 2017 have not been reviewed by the Company's auditors.

DUNNEDIN VENTURES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		June 30, 2017		September 30, 2016
Assets				
Current assets:				
Cash and cash equivalents	$	496,080	$	874,743
Amounts receivable		11,313		25,886
Advances and deposits (note 7)		104,800		132,083
		612,193		1,032,712
Non-current assets:				
Equipment		453		534
Reclamation bonds (note 4)		30,284		30,284
Exploration and evaluation assets (note 5)		4,777,277		1,947,679
Total Assets	$	5,420,207	$	3,011,209
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (note 7)	$	358,186	$	573,655
Flow through share premium liability (note 6)		5,687		-
Total current liabilities		363,873		573,655
Other long-term liability (note 6)		160,006		75,306
Total liabilities		523,879		648,961
Shareholders' equity:				
Share capital (note 8(b))		39,465,161		36,721,750
Shares to be issued (note 12)		300,000		-
Reserves (note 8)		5,241,840		4,942,824
Accumulated other comprehensive loss		(71,985)		(62,105)
Accumulated deficit		(40,038,688)		(39,240,221)
		4,896,328		2,362,248
Total Liabilities and Shareholders' Equity	$	5,420,207	$	3,011,209

Subsequent events (note 12)

Approved on behalf of the Board:

"Claudia Tornquist"
Claudia Tornquist

"Gary Schellenberg"
Gary Schellenberg

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

DUNNEDIN VENTURES INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30,		Nine months ended June 30,	
	2017	2016	**2017**	2016
Expenses				
Amortization	**$ 27**	$ 34	**$ 81**	$ 102
Consulting fees	**30,457**	37,198	**94,728**	101,386
Insurance	**3,375**	2,863	**10,125**	7,687
Management fees (note 7)	**26,250**	24,081	**101,250**	71,974
Office and administration	**1,107**	6,951	**2,649**	29,630
Professional fees (note 7)	**18,884**	-	**52,329**	20,215
Property investigation (note 7)	**5,788**	-	**7,015**	-
Rent (note 7)	**4,991**	8,857	**14,975**	27,860
Stock based compensation (notes 7 and 8)	**-**	-	**300,421**	-
Transfer agent and filing	**4,119**	3,109	**18,220**	13,223
Travel, promotion and shareholder information (note 7)	**47,739**	13,838	**131,641**	19,031
Impairment of exploration and evaluation assets	**-**	5,000	**3,578**	5,000
	142,737	101,931	**737,012**	296,108
Loss before other expenses	**(142,737)**	(101,931)	**(737,012)**	(296,108)
Other income (expenses)				
Foreign currency gain (loss)	**6,812**	(12,275)	**11,641**	(15,474)
Interest	**557**	16	**856**	145
	7,369	(12,259)	**12,497**	(15,329)
Net loss before taxes for the period	**(135,368)**	(114,190)	**(724,515)**	(311,437)
Deferred income tax expense (note 6)	**(60,515)**	(32,966)	**(73,952)**	(53,026)
Net loss for the period	**(195,883)**	(147,156)	**(798,467)**	(364,463)
Other comprehensive loss				
Foreign currency translation adjustment	**(2,399)**	11,530	**(9,880)**	19,909
Comprehensive loss for the period	**$ (198,282)**	$ (135,626)	**$ (808,347)**	$(344,554)
Basic and diluted loss per share	**$ (0.002)**	$ (0.003)	**$ (0.011)**	$ (0.008)
Weighted average number of shares outstanding	**80,163,810**	52,372,460	**74,818,643**	46,044,453

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

DUNNEDIN VENTURES INC.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share Capital						
	Number of Shares	*Amount*	*Shares to be Issued*	*Reserves*	*Accumulated Other Comprehensive Loss*	*Deficit*	*Total*
Balance at September 30, 2015	33,583,131	$ 34,526,334	$ -	$ 4,082,791	$ (88,210)	$ (37,882,259)	$ 638,656
Net loss for the period	-	-	-	-	-	(364,463)	(364,463)
Shares for resource properties (note 8(b))	2,200,000	132,000	-	-	-	-	132,000
Shares issued in private placement (note 8(b))	16,589,329	900,360	-	-	-	-	900,360
Share issue costs	-	(58,553)	-	14,321	-	-	(44,232)
Foreign currency translation adjustment	-	-	-	-	19,909	-	19,909
Balance at June 30, 2016	**52,372,460**	**$ 35,500,141**	**$ -**	**$ 4,097,112**	**$ (68,301)**	**$ (38,246,722)**	**$ 1,282,230**

	Share Capital						
	Number of Shares	*Amount*	*Shares to be Issued*	*Reserves*	*Accumulated Other Comprehensive Loss*	*Deficit*	*Total*
Balance at September 30, 2016	66,371,460	$ 36,721,750	$ -	$ 4,942,824	$ (62,105)	$ (39,240,221)	$ 2,362,248
Net loss for the period	-	-	-	-	-	(798,467)	(798,467)
Shares for resource properties (note 8(b))	6,600,000	1,661,000	-	-	-	-	1,661,000
Flow-through shares issued in private placement (note 8(b))	1,750,000	367,500	-	-	-	-	367,500
Share issue costs	-	(65,318)	-	23,443	-	-	(41,875)
Warrants exercised (note 8(b))	7,076,307	758,449	300,000	(14,068)	-	-	1,044,381
Options exercised	100,000	21,780	-	(10,780)	-	-	11,000
Stock based compensation (note 8(d))	-	-	-	300,421	-	-	300,421
Foreign currency translation adjustment	-	-	-	-	(9,880)	-	(9,880)
Balance at June 30, 2017	**81,897,767**	**$ 39,465,161**	**$ 300,000**	**$ 5,241,840**	**$ (71,985)**	**$ (40,038,688)**	**$ 4,896,328**

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

DUNNEDIN VENTURES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended June 30, 2017	2016
Cash provided by / (used in):		
Operating Activities:		
Net loss for the period	**$ (798,467)**	$ (364,463)
Items not affecting cash:		
Amortization	**81**	102
Deferred income tax expense	**73,952**	53,026
Stock based compensation (note 8(d))	**300,421**	-
Impairment of exploration and evaluation assets (note 5(b))	**3,578**	5,000
Net changes in non-cash working capital items:		
Amounts receivable	**14,573**	1,754
Advances and deposits	**27,283**	(27,215)
Accounts payable and accrued liabilities	**(40,408)**	(204,103)
	(418,987)	(535,899)
Investing Activities:		
Exploration and evaluation assets	**(1,347,237)**	(421,605)
	(1,347,237)	(421,605)
Financing Activities:		
Shares issued and to be issued for cash (note 8(b))	**1,441,445**	900,360
Share issuance costs	**(44,004)**	(12,270)
	1,397,441	888,090
Effect of exchange rate changes on cash and cash equivalents	**(9,880)**	19,909
Changes in cash and cash equivalents during the period	**(378,663)**	(49,505)
Cash and cash equivalents, beginning of period	**874,743**	96,907
Cash and cash equivalents, end of period	**$ 496,080**	$ 47,402
Supplemental Information:		
Non-cash investing and financing activities:		
Common shares issued for interest in resource properties valued at quoted market prices on the dates issued	**$ 1,661,000**	$ 132,000
Share issuance costs	**$ 23,443**	$ -
Reallocation of reserves	**$ 24,848**	$ -
Change in mineral property costs included in accounts payable	**$ 19,565**	$ 115,811

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

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

The Company was incorporated under the laws of the Province of British Columbia on January 12, 1987. The Company's common shares are trading as a mining issuer on Tier 2 of the TSX Venture Exchange ("TSX-V") under the trading symbol DVI.

The Company's activities consist of the exploration and development of base, precious metals and diamonds throughout the Americas. The head office and principal address of the Company are located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6.

As the Company is in the exploration stage, the recoverability of amounts shown for exploration and evaluation assets and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable reserves, continuation of the Company's interest in the underlying resource claims, the ability of the Company to obtain necessary financing to complete their development and upon future profitable production or proceeds from the disposition thereof. The amounts shown as exploration and evaluation assets represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

The Company incurred a net loss of $827,380 during the nine months ended June 30, 2017 and, as of that date the accumulated deficit was $40,067,601 and expects to incur further losses in the development of its business. While these condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to meet its obligations and continue its operations for its next fiscal year, the aforementioned conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Realization values may be substantially different from carrying values as shown and these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary if the Company were not to continue as a going concern.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations ("IFRIC"). The accounting policies followed in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended September 30, 2016.

The condensed interim consolidated financial statements of the Company for the nine months ended June 30, 2017 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 24, 2017.

(Unaudited - Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

New standards, interpretations and amendments not yet adopted

Certain new standards, interpretations, and amendments to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9 – Financial Instruments: New standard that replaced IAS 39 for classification and measurement, effective for reporting periods beginning on or after January 1, 2018.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

4. RECLAMATION BONDS

The reclamation bond is a guaranteed investment certificate held in a financial institution as security for reclamation obligations pursuant to the Mines Act of the Province of British Columbia and Health, Safety and Reclamation Code for Mines in British Columbia. The investment bears the variable interest rate of prime less 2.10% per annum and matures on April 25, 2018. The reclamation bonds relate to the Trapper resource property.

5. EXPLORATION AND EVALUATION ASSETS

Summary of the mineral projects' costs by project for the nine months ended June 30, 2017:

	Trapper (BC, Canada)	Kahuna (NU, Canada)	Total
Acquisition costs:			
Beg balance, September 30, 2016	$ -	$ 604,801	$ 604,801
Additions during the period:			
Claim fees	-	19,070	19,070
Payment to third parties	-	370,000	370,000
Common shares issued	-	1,661,000	1,661,000
Total acquisition costs	$ -	$ 2,654,871	$ 2,654,871
Exploration costs:			
Beg balance, September 30, 2016	$ -	$ 1,342,878	$ 1,342,878
Additions during the period			
Geological consulting (note 7)	3,578	211,055	214,633
Aircraft charter	-	69,183	69,183
Assays	-	377,648	377,648
Exploration support (note 7)	-	121,642	121,642
Impairment of exploration costs	(3,578)	-	(3,578)
Total exploration costs	$ -	$ 2,122,406	$ 2,122,406
Balance, June 30, 2017	**$ -**	**$ 4,777,277**	**$ 4,777,277**

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

Summary of the mineral projects' costs by project for the year ended September 30, 2016:

		Trapper (BC, Canada)		Kahuna (NU, Canada)		Total
Acquisition costs:						
Beg balance, September 30, 2016	$	-	$	360,260	$	360,260
Additions during the year:						
Cash payments		5,000		100,000		105,000
Claim fees		-		12,541		12,541
Common shares issued		-		132,000		132,000
Impairment of acquisition costs		(5,000)		-		(5,000)
Total acquisition costs	$	-	$	604,801	$	604,801
Exploration costs:						
Beg balance, September 30, 2016	$	-	$	498,338	$	498,338
Additions during the year						
Geological consulting (note 7)		16,412		175,610		192,022
Aircraft charter		18,086		99,693		117,779
Assays		-		343,405		343,405
Personnel (note 7)		1,725		88,967		90,692
Exploration support (note 7)		7,006		136,865		143,871
Impairment of exploration costs		(43,229)		-		(43,229)
Total exploration costs	$	-	$	1,342,878	$	1,342,878
Balance, September 30, 2016	**$**	**-**	**$**	**1,947,679**	**$**	**1,947,679**

a. Kahuna Property

On November 4, 2014, the Company signed an option agreement to acquire a 100% interest in the Kahuna Diamond project located in Nunavut, Canada. Under the terms of the agreement, the Company must make cumulative exploration expenditures on the project totalling $5,000,000, issue 11,000,000 common shares, and pay $700,000 over four years. On April 30, 2017, the Company entered into a Letter Agreement where it accelerated its option agreement to acquire a 100% undivided interest in the Kahuna project by paying the remaining cash ($100,000 upon signing – paid, and $250,000 upon completion of its next financing – paid subsequent to the quarter end) and issuing the remaining 4,400,000 common shares (issued). The Company is no longer required to meet the remainder of its previously disclosed $5 million cumulative exploration expenditures commitment.

The project is subject to a 4 percent gross overriding royalty on diamond production. The Company has the option to purchase half of the royalty for $2 million per one percent. The payments and royalties are to the benefit of the property vendors and are split fifty percent each.

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

a. Kahuna Property *(continued)*

On December 11, 2015, the Company entered into an agreement with Kel-ex Development ("Kel-ex"), a private company controlled by an advisor to the Company, whereby Kel-ex will provide equity financing equal to one-third of the Company's diamond processing and other laboratory costs incurred through a laboratory controlled by the advisor. The advisor has also agreed to provide certain professional and technical advisory services to the Company, in exchange the Company has granted a right-of-first-refusal to Kel-ex on the sale of its interests in the Kahuna diamond project.

On May 11, 2017, the Company announced it will proceed with its intention to spin out its rights to gold mineralization at the Kahuna Property. The project and rights will be spun out into a wholly-owned subsidiary, pursuant to a Plan of Arrangement, under the Business Corporations Act. The Plan of Arrangement is subject to approval from the TSX-V.

b. Trapper Property

By agreement dated November 29, 2010 the Company entered into an option agreement (the "Option"), with Constantine Metal Resources Ltd. ("CMR") to acquire a 70% interest in CMR's Trapper Gold Project. Pursuant to the terms of the Option Agreement, the Company paid $123,800 and issued 10,000 common shares, valued at $59,000, to CMR. During the year ended September 30, 2012, the Company paid $21,500 to CMR. During the year ended September 30, 2013 the Company paid $32,000 and issued 20,000 common shares valued at $8,000 to CMR which have been capitalized to the resource property and deferred exploration costs as acquisition costs.

On June 28, 2013, the Company's option with CMR to earn a 70% interest in Trapper was terminated and, upon termination, CMR assigned its underlying agreement with the property owner, whereby the Company acquired 100% of the Trapper property for assignment consideration consisting of:

(i) Upon completion of the consolidation of the Company's shares, such number of shares as is equivalent to fifteen percent (15%) of the issued and outstanding common shares of the Company (issued 1,250,844 common shares valued at $125,084);
(ii) 250,000 shares upon the Company entering into a joint venture in respect of exploration of the property;
(iii) 250,000 shares on or before August 2, 2014 (issued);
(iv) 1,000,000 shares upon completion of a National Instrument 43-101 compliant resource estimate on the property, indicating not less than 1,000,000 ounces of gold equivalent; and
(v) 2,000,000 shares upon completion of a positive feasibility study on the property.

(Unaudited - Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS *(continued)*

b. Trapper Property *(continued)*

In addition to the consideration above payable to CMR, the Company paid $50,000 which was the remaining CMR obligations to the property owner and paid CMR the value of 75,000 CMR common shares it owed to the property owner.

The Company issued 10,444 in common shares to finders of this project based on specific performance conditions having been met. During the year ended September 30, 2011, the Company issued 1,533 common shares valued at $11,653 to these finders. During the year ended September 30, 2012, the Company issued 6,700 common shares valued at $19,430 to these finders. During the year ended September 30, 2013, the Company issued 630 common shares valued at $253 to these finders. CMR has the right to participate in any future financing of the Company of up to 5% of the proposed issuance of shares, provided CMR has ownership of at least 5% of the outstanding issued shares of Dunnedin at the time of financing.

The Company granted CMR a 0.5% NSR and a right to acquire an additional 0.5% NSR on commercial production from the property in payment of $250,000 to the Company. The parties may also jointly purchase 1.5% of the 2.5% NSR that currently exists on the Property in favour of its previous owner, by contributing that portion of $500,000 that equals each party's relative interest in the Property at the time of the NSR purchase, with a first right of refusal on the remaining 1.5% NSR.

During the period ended December 31, 2016, the Company conducted an impairment assessment of the carrying value of the Trapper Property. Management determined that there is significant uncertainty as to the recoverable amount of the Trapper Property given management's current view of long term gold prices, the lack of success to date in finding economic reserves and the Company's current focus on the exploration and development of its Kahuna diamond project. As a result, the Company recorded an impairment charge of $3,578 (2015 - $nil) in its Statement of Operations and Comprehensive Loss for the period ended December 31, 2016.

6. FLOW THROUGH SHARE PREMIUM LIABILITY

Flow through share premium liabilities include the liability portion of the flow through shares issued. The following is a continuity schedule of the liability portion of the flow through shares issuances.

		Issued on December 30, 2016
Balance at September 30, 2016	$	-
Liability incurred on flow through shares issued		17,500
Flow through share issuance costs		(1,065)
Settlement of flow through share liability on incurring expenditures		(10,748)
Balance at June 30, 2017	$	5,687

(Unaudited - Expressed in Canadian Dollars)

6. FLOW THROUGH SHARE PREMIUM LIABILITY *(continued)*

On December 30, 2016, the Company completed a non-brokered private placement of 1,750,000 flow-through common shares at a price of $0.22 per share for gross proceeds of $385,000. A premium of $0.01 per share was received for the flow through shares. As part of the flow-through financing, 140,000 finders' warrants valued at $23,443 were issued. Share issuance costs relating to the flow through premium liability was $1,065.

As at June 30, 2017, the Company has fulfilled 65.4% of its commitment to incur expenditures in relation to flow through share financing in 2016, and recorded $73,952 as deferred income tax expense, a net flow-through premium liability of $16,435 where $10,748 was reversed during the period, and $84,700 as other long-term liability to recognize a deferred tax liability.

7. RELATED PARTY TRANSACTIONS

a) Amounts paid and accrued to key management personnel, officers and companies controlled by directors and officers:

	Nine months ended June 30,			
		2017		2016
Geological fees capitalized to exploration and evaluation assets	**$**	**110,900**	$	98,919
Management fees	**$**	**101,250**	$	71,974
Marketing and shareholder information	**$**	**10,875**	$	7,500
Professional fees	**$**	**-**	$	5,617
Property investigation	**$**	**5,500**	$	-
Share-based compensation	**$**	**124,355**	$	-
Share issue cost	**$**	**-**	$	16,501

During the nine months ended June 30, 2017, the Company issued 3,300,000 shares valued at $830,500 and paid $135,000 to a director in accordance with the Kahuna option agreement.

As at June 30, 2017, $525 (September 30, 2016 – $95,604) was payable to these companies without terms of interest or repayment.

b) During the nine months ended June 30, 2017, the Company incurred $nil (2016 - $26,214) in rent from a company with common directors. As at June 30, 2017, $18,879 (September 30, 2016 - $18,879) had been advanced to this company as a security deposit.

8. SHARE CAPITAL

a. Authorized

Share capital consists of an unlimited number of common shares and preferred shares without par value. The Company has not issued any preferred shares.

8. SHARE CAPITAL *(continued)*

b. Share Issuances

Issued during the nine months ended June 30, 2017

On December 21, 2016, the Company issued 2,200,000 common shares to the vendors of the Kahuna property pursuant to the option agreement at a fair value of $429,000 based on the common share quoted market price.

On December 30, 2016, the Company issued 1,750,000 flow-through common shares at a price of $0.22 per share for gross proceeds of $385,000. As part of the financing, 140,000 finders' warrants with a fair value of $23,443 were issued. The finders' warrants are exercisable at $0.22 per share for a period of 36 months.

The Company issued 7,076,307 common shares on the exercise of warrants for proceeds of $758,449, and allocated $14,068 from reserves to share capital. The Company received an additional $300,000 in proceeds for warrant exercises for which common shares were issued subsequent to the period ended June 30, 2017 (note 12).

The Company issued 100,000 common shares on the exercise of options for proceeds of $11,000, and allocated $10,780 from reserves to share capital.

On May 1, 2017, the Company issued 4,400,000 common shares to the vendors of the Kahuna property at a fair value of $1,232,000 based on the common share quoted market price (note 5). This amount was capitalized to mineral property acquisition costs.

Issued during the year ended September 30, 2016

On November 10, 2015, the Company closed a non-brokered private placement and issued 2,633,332 shares at $0.06 per share for gross proceeds of $158,000. Legal fees of $4,524 were paid as share issuance costs.

On December 21, 2015, the Company issued 2,200,000 common shares to the vendors of the Kahuna property pursuant to the option agreement at a fair value of $132,000 based on the common share quoted market price.

On December 30, 2015, the Company closed the first tranche of its non-brokered private placement for gross proceeds of $429,640. On closing, the Company issued 2,800,000 non-flow-through units at a price of $0.05 per unit, and 4,455,997 flow-through units at a price of $0.065 per unit. Each non-flow through unit and flow-through unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 per share for a period of 24 months, subject to acceleration in the event the Company's common shares trade at a price of $0.15 or higher.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

b. Share Issuances *(continued)*

On January 28, 2016, the Company closed the second tranche of its non-brokered private placement and issued 6,700,000 units at $0.05 per unit for gross proceeds of $335,000. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of $0.10 per share for a period of 24 months, subject to acceleration in the event the Company's common shares trade at a price of $0.15 or higher.

In connection with closing of the first and second tranches of the private placement, the Company paid fees of $39,708, and issued 365,307 finders' warrants with a fair value of $14,321. The finders' warrants are exercisable at $0.10 per share for a period of 24 months.

On September 2, 2016, the Company closed a non-brokered private placement and issued 13,000,000 units at a price of $0.10 per unit for gross proceeds of $1,300,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to acquire an additional common share at $0.15 for a two-year period. The share purchase warrants will be subject to acceleration at the Company's discretion in the event the Company's common shares trade on a volume-weighted average price basis of $0.25 per share for a period of 10 consecutive trading days. The Company paid fees of $51,597, and issued 574,000 finders' warrants with a fair value of $86,014.

The Company issued 999,000 common shares on the exercise of warrants for proceeds of $99,900, and allocated $3,881 from reserves to share capital.

c. Warrants

The number and weighted average exercise prices of warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance as at September 30, 2015	734,250	$0.10
Exercised	(999,000)	$0.10
Expired	(734,250)	$0.10
Issued to finders	939,307	$0.13
Issued with units in private placement	19,978,000	$0.13
Balance as at September 30, 2016	19,918,307	$0.13
Exercised	(7,076,307)	$0.10
Expired	(3,000)	$0.10
Issued to finders	140,000	$0.22
Balance as at June 30, 2017	**12,979,000**	**$0.15**

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

c. Warrants *(continued)*

During the nine months ended June 30, 2017, the Company recorded $23,443 as share issuance costs in connection with the fair value of the warrants granted to finders and the offsetting amount was recognized in reserves.

The fair value of the finders' warrants was estimated at the grant date based on the Black-Scholes option pricing model, using the following assumptions:

	June 30, 2017	June 30, 2016
Expected dividend yield	0%	0%
Weighted average risk-free interest rate	0.84%	0.48%
Weighted average expected life	3 year	2 year
Weighted average expected volatility	148%	155%
Weighted average fair value of warrants granted	$0.16745	$0.0783

As at June 30, 2017, the outstanding warrants are summarized as follows:

Expiry date (mm/dd/yyyy)	Number of Warrants	Weighted Average Remaining life in years	Weighted Average Exercise Price
09/02/2018	12,839,000	1.18	$0.15
12/30/2019	140,000	2.50	$0.22
	12,979,000	**1.19**	**$0.15**

d. Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated February 27, 2009 which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms are determined at the time of grant by the Board of Directors and unless otherwise stated fully vest when granted.

On October 4, 2016, the Company granted 150,000 stock options exercisable at $0.19 for a period of 5 years. On December 7, 2016, the Company granted 150,000 stock options exercisable at $0.195 for a period of 2 years. On January 18, 2017, the Company granted 1,260,000 stock options to directors, officers, and consultants of the Company, at an exercise price of $0.21 for a period of 5 years.

(Unaudited - Expressed in Canadian Dollars)

8. SHARE CAPITAL *(continued)*

d. Stock Options *(continued)*

The following is a summary of the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price
Balance as at September 30, 2015	2,675,000	$ 0.11
Forfeited	(750,000)	$ 0.11
Granted	3,700,000	$ 0.19
Balance as at September 30, 2016	5,625,000	$ 0.16
Exercised	(100,000)	$ 0.11
Granted	1,560,000	$ 0.21
Balance as at June 30, 2017	**7,085,000**	**$ 0.17**

Stock based payments relating to options vested during the period ended June 30, 2017 using the Black-Scholes option pricing model was $300,421 (2016 - $nil), which was recorded as reserves on the statements of financial position and as stock based compensation expense on the statement of operations and comprehensive loss. The associated stock based compensation expense for the options granted during the period was calculated based on the following assumptions:

	2017	2016
Expected dividend yield	0%	n/a
Weighted average risk-free interest rate	0.66% - 1.10%	n/a
Weighted average expected life	2 - 5 year	n/a
Weighted average expected volatility	162% - 222%	n/a
Weighted average fair value of options granted	$0.16767 - $0.19739	n/a

As at June 30, 2017, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of Options and Exercisable	Weighted Average Remaining life in years	Weighted Average Exercise Price
12/07/2018	150,000	1.44	$0.195
11/12/2019	1,300,000	2.37	$0.110
05/07/2020	525,000	2.85	$0.110
08/04/2021	200,000	4.10	$0.150
09/06/2021	3,500,000	4.19	$0.190
10/04/2021	150,000	4.27	$0.190
01/18/2022	1,260,000	4.56	$0.210
	7,085,000	**3.76**	**$0.170**

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, reclamation bonds, and accounts payable and accrued liabilities. Cash and cash equivalents, amounts receivable, and reclamation bonds are designated as "loans and receivables". Accounts payable and accrued liabilities are designated as "other financial liabilities".

The carrying value of the Company's amounts receivable, reclamation bonds, accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity.

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's financial instruments are summarized below.

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2017, the Company had cash and cash equivalents balance of $496,080 (September 30, 2016 - $874,743) to settle current liabilities of $363,873 (September 30, 2016 - $573,655).

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. As at June 30, 2017, the Company had a receivable balance of $11,313 (September 30, 2016 - $25,886), which relates to GST receivable from the Federal Government of Canada; as such the Company believes that its current risk of default of receiving the payment is minimal.

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2017, the Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances as at June 30, 2017 are current and as such, are not subject to interest.

Currency risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign currency. As at June 30, 2017, the Company has in US dollars US$8,512 or C$11,046 in equivalent (September 30, 2016 – US$11,058 or C$14,504 in equivalent). The Company's payables include payables in US$ of 138,886 or C$180,233 in equivalent (September 30, 2016 – US$138,886 or C$182,177 in equivalent).

10. CAPITAL DISCLOSURES

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating and exploration requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company has no debt and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period. In the management of capital, the Company includes the components of shareholders' equity, as well as cash and cash equivalents.

11. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada.

12. SUBSEQUENT EVENTS

On July 17, 2017, the Company completed a non-brokered private placement of flow-through and non-flow through units for gross proceeds of $4,571,250. In connection with closing of the private placement, the Company issued 1,325,000 Flow-Through Units at a price of $0.32 and 16,589,000 Non-Flow-Through Units at a price of $0.25. Each Flow-Through Unit consists of one common share and one-half-of-one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.40 for a period of twenty-four months. Each Non-Flow-Through Unit consists of one common share and one-half-of-one share purchase warrant entitling the holder to acquire an additional common share at a price of $0.35 for a period of twenty-four months. The share purchase warrants issued as part of the Flow-Through Units and the Non-Flow-Through Units are subject to accelerated expiry in the event the closing price of the common shares of the Company on the TSX Venture Exchange is $0.55 or greater for twenty consecutive trading days.

In connection with closing of the placement, the Company paid finders' fees of $285,891 and issued 1,118,180 broker warrants where each broker warrant is exercisable to acquire a common share of the Company at a price of $0.25 for a period of twenty-four months, subject to accelerated expiry on the same terms as the warrants comprising the Flow-Through Units and the Non-Flow-Through Units.

Subsequent to the June 30, 2017, 3,445,000 warrants were exercised for gross proceeds of $516,750, of which $300,000 was received prior to June 30, 2017.