Precipitate Gold Corp.

Condensed Interim Financial Statements

Three months ended February 28, 2017 and February 29, 2016

Unaudited – Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM 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 financial statements they must be accompanied by a notice indicating that these condensed 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.

Precipitate Gold Corp.
Consolidated Statements of Financial Position
Unaudited – Prepared by Management
In Canadian Dollars

ASSETS		**February 28, 2017**		**November 30, 2016**
Current				
Cash	$	2,668,108	$	3,402,117
Amounts receivable		31,685		25,528
Prepaid expenses		44,880		43,263
		2,744,673		3,470,908
Mineral Property Interests (Schedule and Note 4)		898,720		663,720
	$	3,643,393	$	4,134,628
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	63,792	$	222,043
SHAREHOLDERS' EQUITY				
Share Capital (Note 5)		11,873,485		11,573,485
Reserves (Note 5)		2,674,263		2,694,263
Deficit		(10,968,147)		(10,355,163)
		3,579,601		3,912,585
	$	3,643,393	$	4,134,628

Nature of Operations and Going Concern *(Note 1)*
Subsequent Events *(Note 10)*

Approved by the Board of Directors:

"Jeffrey Wilson"	*"Darryl Cardey"*
Jeffrey Wilson, Director	Darryl Cardey, Director

Precipitate Gold Corp.

Consolidated Interim Statements of Loss and Comprehensive Loss

For the Three Months Ended February 28, 2017 and February 29, 2016

Unaudited – Prepared by Management
In Canadian Dollars

	2017	2016
Expenses		
Audit and accounting	$ 10,893	$ 7,911
Exploration and evaluation (Schedule)	520,326	70,393
Foreign exchange loss (gain)	2,012	(338)
Insurance	1,868	1,868
Investor relations	11,210	2,193
Legal	375	573
Marketing, conferences and shareholder relations	6,818	1,114
Office and administrative	12,367	5,010
Rent	4,043	2,000
Salaries and wages	40,270	40,421
Transfer agent and filing fees	8,196	8,229
Total Expenses	(618,378)	(139,374)
Other Income:		
Interest income	5,394	1,441
Net loss and comprehensive loss for the period	$ (612,984)	$ (137,933)
Loss per share, basic and diluted	$ (0.01)	$ (0.00)
Weighted average shares outstanding	75,470,353	51,987,668

– See Accompanying Notes –

Precipitate Gold Corp.

Consolidated Interim Statements of Cash Flows

For the Three Months Ended February 28, 2017 and February 29, 2016

Unaudited – Prepared by Management
In Canadian Dollars

Cash Provided By (Used In):	**2017**	**2016**
Operating activities:		
Loss for the period	$ (612,984)	$ (137,933)
Items not affecting cash:		
Share based compensation	-	-
Change in non-cash working capital:		
Accounts receivable	(6,157)	1,129
Prepaid expenses	(1,617)	1,129
Accounts payable and accrued liabilities	(158,251)	(8,692)
	(779,009)	(144,367)
Investing activities:		
Mineral property acquisition costs	(75,000)	(75,000)
Financing activities:		
Proceeds from issuance of units (Note 5)	-	80,000
Share issue costs paid	-	(9,509)
Exercise of warrants	120,000	-
	120,000	70,491
Net decrease in cash	(734,009)	(148,876)
Cash - beginning of period	3,402,117	957,855
Cash - end of period	$ 2,668,108	$ 808,979

- See Accompanying Notes -

Precipitate Gold Corp.

Consolidated Interim Statements of Changes in Equity
For the Three Months Ended February 28, 2017 and February 29, 2016

Unaudited – Prepared by Management
In Canadian Dollars

	Share Capital		Reserves			
	Shares	Amount $	Warrants $	Options $	Deficit $	Total $
Balance, November 30, 2015	50,515,141	8,159,096	864,536	861,596	(8,603,528)	1,281,700
Comprehensive loss	-	-	-	-	(137,933)	(137,933)
Private placement	1,000,000	80,000	-	-	-	80,000
Share issue costs	-	(7,089)	-	-	-	(7,089)
Fair value of warrants	-	(20,000)	20,000	-	-	-
Shares issued for mineral property acquisition	1,000,000	80,000	-	-	-	80,000
Balance, February 28, 2016	52,515,141	8,292,007	884,536	861,596	(8,741,461)	1,296,678
Comprehensive loss	-	-	-	-	(1,751,635)	(1,751,635)
Private placement	11,380,000	2,675,000	-	-	-	2,675,000
Share issue costs	-	(131,032)	-	-	-	(131,032)
Fair value of warrants	-	(809,000)	809,000	-	-	-
Fair value of finders' fee warrants	-	(47,000)	47,000	-	-	-
Exercise of warrants	10,210,192	1,241,948	-	-	-	1,241,948
Fair value of warrants exercised	-	238,245	(238,245)	-	-	-
Exercise of options	70,000	8,400	-	-	-	8,400
Fair value of options exercised	-	7,828	-	(7,828)	-	-
Shares issued for mineral property acquisition	1,517,242	230,000	-	-	-	230,000
Share-based compensation	-	-	-	358,204	-	358,204
Balance, November 30, 2016	73,692,575	11,573,485	1,482,291	1,211,972	(10,355,163)	3,912,585
Comprehensive loss	-	-	-	-	(612,984)	(612,984)
Exercise of warrants	1,000,000	120,000	-	-	-	120,000
Fair value of warrants exercised		20,000	(20,000)	-	-	-
Shares issued for mineral property acquisition	1,000,000	160,000	-	-	-	160,000
Balance, February 28, 2017	75,692,575	11,873,485	1,462,291	1,211,972	(10,968,147)	3,579,601

– See Accompanying Notes –

Precipitate Gold Corp.
Schedule of Mineral Property Acquisition Costs
In Canadian Dollars

	Reef Property	Gemini Property	Juan de Hererra Property	Artur and Escalibur Properties	Total
Balance – November 30, 2015	$ -	$ -	$ 357,417	$ 1,303	$ 358,720
Acquisition - cash	-	-	75,000	-	75,000
Acquisition - shares	-	-	230,000	-	230,000
Balance – November 30, 2016	-	-	662,417	1,303	663,720
Acquisition - cash	-	-	75,000	-	75,000
Acquisition - shares	-	-	160,000	-	160,000
Balance – February 28, 2017	$ -	$ -	$ 897,417	$ 1,303	$ 898,720

Precipitate Gold Corp.
Schedule of Mineral Property Exploration and Evaluation Expenditures
For the Three Months Ended February 28, 2017
In Canadian Dollars

	Juan de Hererra Property	Artur and Escalibur Properties	Total
Camp and general	$ 71,513	$ 3,290	$ 74,803
Consulting	16,446	-	16,446
Drilling	80,553		80,553
Field equipment and supplies	21,751	-	21,751
Foreign sales tax credit	1,901	-	1,901
Fuel	3,875	-	3,875
Geological	75,385	-	75,385
Geophysics	117,122		117,122
Legal	-	-	-
Maps, orthophotos, and reports	-	-	-
Office	104,952	29	104,981
Salaries and benefit	1,375	-	1,375
Transportation	4,103	-	4,103
Travel, meals, and accommodation	18,031	-	18,031
Total exploration and evaluation expenditures	$ 517,007	$ 3,319	$ 520,326

Precipitate Gold Corp.
Schedule of Mineral Property Exploration and Evaluation Expenditures
For the Three Months Ended February 29, 2016
In Canadian Dollars

	Juan de Hererra Property	Artur and Escalibur Properties	Total
Camp and general	$ 200	$ 1,269	$ 1,469
Consulting	14,323	-	14,323
Field equipment and supplies	2,476	-	2,476
Foreign sales tax credit	789	-	789
Fuel	194	-	194
Geological	28,125	-	28,125
Legal	816	-	816
Maps, orthophotos, and reports	237	-	237
Office	16,092	-	16,092
Salaries and benefit	791	-	791
Transportation	499	-	499
Travel, meals, and accommodation	4,581	-	4,581
Total exploration and evaluation expenditures	$ 69,123	$ 1,269	$ 70,392

1. Nature of Operations and Going Concern

Precipitate Gold Corp. (the "Company") was incorporated on January 31, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada and the Dominican Republic. The head office, principal address, and records office of the Company are located at 625 Howe Street, Suite 1020, Vancouver, British Columbia, V6C 2T6, Canada.

The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these financial statements.

These consolidated condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At February 28, 2017, the Company had not achieved profitable operations had an accumulated deficit and had a working capital of $2,680,881. Management estimates that the Company has sufficient financial resources to carry out currently planned exploration and operations through the next twelve months.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, exploration and development activities.

2. Basis of Presentation

a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Approval of the Financial Statements

These consolidated condensed interim financial statements were approved and authorized for issue by the Board of Directors on April 27, 2017.

2. Basis of Presentation - *Continued*

c) Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its five wholly-owned subsidiaries: 1) 0945044 BC Ltd., incorporated in British Columbia, Canada, which owns 100% of Corporacion Minera San Juan, S.R.L. located in the Dominican Republic; 2) Minera Pendiente S.A. de C.V., incorporated and located in Mexico; 3) Precipitate Gold (USA) Corp. incorporated and located in the United States; and 4) Precipitate Dominicana S.R.L. located in the Dominican Republic.

d) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These consolidated interim financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. The functional currencies of the Company's subsidiaries do not differ from that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date of acquisition. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

e) Significant Accounting Policies

These unaudited condensed interim financial statements do not include all of the significant accounting policies required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read together with the audited financial statements for the year ended November 30, 2016 which in Note 3 detail all significant accounting policies adopted by the Company.

The Company's accounting policies have been applied consistently to all periods presented in these unaudited condensed interim financial statements.

2. Basis of Presentation – *Continued*

f) Critical Accounting Judgments and Estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: recoverability and impairment of mineral properties and valuation of share-based payments.

Significant estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

Recoverability of capitalized mineral property costs

The Company uses the cost model and the value of the mineral property interests is based on expenditures incurred, less any recoveries or impairment. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts and circumstances exist that suggests the carrying amount exceeds the recoverable amount.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 5.

Information about critical judgments in applying accounting policies that have the most significant effect of amounts recognized in the consolidated financial statements is included in the following notes:

Note 1 – going concern assessment
Note 3 – functional currency
Note 4 – impairment of exploration and evaluation assets

3. Recent Accounting Pronouncements

Recent Accounting Pronouncements adopted:

IFRS 7 Financial Instruments - Disclosure ("IFRS 7") has been amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on or after January 1, 2015. There is no effect on these financial statements.

Recent Accounting Pronouncements not yet applied:

IFRS 9 Financial Instruments ("IFRS 9") partially replaces IAS 39 "Financial Instruments: Recognition and Measurement". 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective on or after January 1, 2018.

IFRS 16 Leases ("IFRS 16") was issued on January 13, 2016 which requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. This standard is effective for reporting periods beginning on or after January 1, 2019.

4. Mineral Properties

a) Reef Property, Yukon

On February 9, 2017, the Company entered into an Option Agreement with Golden Predator Mining Corp. ("Golden Predator") to which Golden Predator may acquire 100% interest in the Company's Reef property by completing staged payments as follows:

- On February 9, 2017: $400,000 in cash, 100,000 common shares of Golden Predator and 100,000 warrants exercisable into common shares of Golden Predator for a period of 3 years from the date of issuance at an exercise price of $1.50 per share (received subsequent to February 28, 2017);

- On or before February 9, 2018: an additional $150,000 in cash, 100,000 common shares of Golden Predator, and 100,000 warrants exercisable into common shares of Golden Predator for a period of 3 years from the date of issuance at an exercise price of $2.00 per shares;

4. Mineral Properties – *Continued*

a) Reef Property, Yukon – *Continued*

- On or before February 9, 2019: an additional $200,000 in cash, common shares of Golden Predator equal in value to $300,000 determined at a price per share equal to the greater of the Minimum Price and the 21-day VWAP as of such anniversary date ("36 Month Share Price"), and 300,000 warrants exercisable into common shares of Golden Predator for a period of 3 years from the date of issuance with an exercise price equal to 150% of the 36 Month Share Price; and

- On or before February 9, 2020: an additional $300,000 in cash, common shares of Golden Predator equal in value to $300,000 determined at a price per share equal to the greater of the Minimum Price and the 21-day volume weighted average price ("VWAP") as of such anniversary date ("24 Month Share Price"), and 300,000 warrants exercisable into common shares of Golden Predator for a period of 3 years from the date of issuance with an exercise price equal to 150% of the 24 Month Share Price.

Golden Predator will grant the Company a 2% net smelter return ("NSR") royalty on the claims that are not subject to a pre-existing royalty, and a 1% NSR royalty claims that are subject to a pre-existing royalty. Golden Predator may purchase 25% of the Company's NSR royalty at any time for $1,000,000 and an additional 25% of the Company's NSR royalty at anytime for $1,500,000.

b) Gemini Property, British Columbia

The Company acquired the Gemini, located in British Columbia, through staking. During the year ended November 30, 2015, due to a reallocation of exploration budgets, the Company has elected not to allocate further resources toward exploration on the Gemini property. Therefore, staking costs of $12,225 relating to the Gemini property were written off. The Gemini Property tenure remains 100% controlled by the Company and is in good standing until March 2017.

4. Mineral Properties – *Continued*

c) Juan de Hererra Property, Dominican Republic

On September 28, 2012, the Company entered into an agreement to acquire a 100% ownership of the shares of 0945044 BC Ltd., a private BC registered company ("BC Corp.") which owns a 100% interest in the Juan de Hererra concession and the Los Pinalitos concession application (previously Hato Nuevo) ("Dominican Republic properties") in the Dominican Republic through Corporacion Minera San Juan, S.R.L. ("CMSJ"), its wholly-owned subsidiary. The agreement was amended on October 10, 2012, October 8, 2013 and January 4, 2016. In December of 2016, the Company completed all necessary cash payments, share issuances, and work commitments required to satisfied the option agreement and has thereby acquired a 100% interest in the project (subject to a 3% NSR royalty). The purchase was completed as follows:

- Initial cash payment purchase price of $60,000 (paid).
- Cash payments totalling $240,000 as follows:
  - $90,000 on or before December 13, 2014 (paid);
  - $75,000 on or before December 13, 2015 (paid); and
  - $75,000 on or before December 13, 2016 (paid).
- Incur exploration expenditures totalling $1,000,000 as follows:
  - $250,000 on or before December 13, 2014 (incurred);
  - $300,000 on or before December 13, 2015 (incurred); and
  - $450,000 on or before December 13, 2016 (incurred).
- Issue a total of 3,000,000 common shares of the Company as follows:
  - 1,000,000 common shares on or before December 13, 2014 (issued at a value of $160,000);
  - 1,000,000 common shares on or before December 13, 2015 (issued at a value of $80,000); and
  - 1,000,000 common shares on or before December 13, 2016 (issued at a value of $160,000).

The Company must make a one-time issuance of the Company's common shares valued at $150,000 based on the weighted average trading price of the Company's shares during the 10 trading days immediately prior to the Vendors' notice of election to be issued such shares no sooner than July 31, 2016 and before December 13, 2016. On August 2, 2016, 517,242 common shares were issued valued at $150,000.

The properties are subject to a 3% NSR from any base and precious metal commercial production. The Company may acquire 50% of the NSR by paying $2,000,000 to the stakeholders of BC Corp.

4. Mineral Properties – *Continued*

d) Artur and Escalibur Properties, Dominican Republic

On June 30, 2014, the Company, through CMSJ, entered into a property purchase and sale agreement with Gexplo S.R.L. and Santo Mining Corp. (the "Sellers") whereby the Sellers would sell, transfer and assign all their right, title and interest in and to the applications to the David and Richard properties, located in the Dominican Republic. The Company issued 100,000 share purchase warrants valued at $1,303 to complete the acquisition.

On December 30, 2014, the Dominican Republic government cancelled the David and Richard properties' concession applications and therefore negated the agreement with the Sellers. Immediately afterward, the Company, via its wholly owned Dominican subsidiary, Precipitate Dominicana S.R.L., re-applied for mineral rights for the same two areas, the Escalibur concession (previously David) located in the centre of the Juan de Herrera Property, and the Artur concession (previously Richard) located in the Pueblo Viejo district. The Company was granted the mining concessions in January 2016.

5. Shareholders' Equity

a) Authorized

Unlimited number of common shares without par value

b) Issued Share Capital

<u>Share transactions for the three months ended February 28, 2017:</u>

(i) On December 7, 2016, 1,000,000 warrants were exercised for proceeds of $120,000.

(ii) On December 14, 2016, the Company issued 1,000,000 common share to BC Corp. to complete the purchase of the Juan de Herrera project (Note 4c)), valued at $160,000.

<u>Share transactions for the year ended November 30, 2016:</u>

(iii) On December 10, 2015, the Company completed a private placement of 1,000,000 units at $0.08 per unit for gross proceeds of $80,000. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share at $0.12 per share until December 10, 2017.

Gross proceeds from this financing were allocated $60,000 to share capital and $20,000 to warrant reserves based on their relative fair values. The Company incurred $7,089 of share issue costs related to the private placement which was offset against share capital.

5. **Shareholders' Equity** – *Continued*

b) **Issued Share Capital** – *Continued*

Share transactions for the year ended November 30, 2016:

(iv) In January 2016, the Company issued 1,000,000 common shares as part of the agreement to maintain its right, title and interest in BC Corp. valued at $80,000 (Note 4c)).

(v) On July 13, 2016, the Company closed the first tranche of a non-brokered private placement of 4,999,000 units at $0.25 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at $0.35 per share until July 13, 2017.

Gross proceeds from this financing were allocated $862,000 to share capital and $387,750 to warrant reserves based on their relative fair values. The Company incurred $12,433 of share issue costs related to the private placement which was offset against share capital.

The Company paid $25,500 and issued 102,000 finders' fee warrants valued at $13,000 related to the private placement determined using the Black-Scholes pricing model. Each finders' fee warrants entitles holder to purchase one common share of the Company at a price of $0.35 per share until July 13, 2017.

(vi) On July 21, 2016, the Company closed the second and final tranche of the non-brokered private placement of 5,381,000 units at $0.25 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at $0.35 per share until July 21, 2017.

Gross proceeds from this financing were allocated $944,000 to share capital and $401,250 to warrant reserves based on their relative fair values. The Company incurred $13,709 of share issue costs related to the private placement which was offset against share capital.

The Company paid $72,300 and issued 289,200 finders' fee warrants valued at $34,000 related to the private placement determined using the Black-Scholes pricing model. Each finders' fee warrants entitles holder to purchase one common share of the Company at a price of $0.35 per share until July 21, 2017.

(vii) In August 2016, the Company issued 517,242 common shares as part of the agreement to maintain its right, title and interest in BC Corp. (see Note 4c) valued at $150,000.

(viii) During the year ended November 30, 2016, 10,210,192 warrants were exercised for proceeds of $1,241,948.

(ix) During the year ended November 30, 2016, 70,000 options were exercised for proceeds of $8,400.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

c) Warrants

Details of warrant activity for the three months ended February 28, 2017 and the year ended November 30, 2016 are as follows:

November 30, 2016	Issued	Exercised	Expired Unexercised	February 28, 2017	Exercise Price	Expiry Date
2,277,938	-	-	-	2,277,938	$0.25	November 25, 2017
1,080,983	-	-	-	1,080,983	$0.17	June 23, 2017
1,000,000	-	(1,000,000)	-	-	$0.12	December 10, 2017
5,101,000	-	-	-	5,101,000	$0.35	July 13, 2017
5,670,200	-	-	-	5,670,200	$0.35	July 21, 2017
15,130,121	-	(1,000,000)	-	14,130,121	$0.32	

November 30, 2015	Issued	Exercised	Expired Unexercised	November 30, 2016	Exercise Price	Expiry Date
6,953,333	-	(40,000)	(6,913,333)	-	$0.25	May 26, 2016
2,315,630	-	(37,692)	-	2,277,938	$0.25	November 25, 2017
1,213,483	-	(132,500)	-	1,080,983	$0.17	June 23, 2017
10,000,000	-	(10,000,000)	-	-	$0.12	November 26, 2016
-	1,000,000	-	-	1,000,000	$0.12	December 10, 2017
-	5,101,000	-	-	5,101,000	$0.35	July 13, 2017
-	5,670,200	-	-	5,670,200	$0.35	July 21, 2017
20,482,446	11,771,200	(10,210,192)	(6,913,333)	15,130,121	$0.31	

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of warrants issued in the year ended November 30, 2016:

	2016
Risk-free interest rate	0.53%
Expected life of options	1.00 years
Expected annualized volatility	131.52%
Expected dividend rate	0%

In Canadian Dollars

5. Shareholders' Equity – *Continued*

d) Share Options

The Company has a rolling share option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's shares calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's share option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule at its discretion.

Details of activity in share purchase options for years ended November 30, 2016 and 2015 are as follows:

November 30, 2015	Issued	Exercised	November 30, 2016 and February 28, 2017	Exercise Price	Expiry Date
1,530,000	-	-	1,530,000	$0.40	May 29, 2017
150,000	-	-	150,000	$0.46	August 21, 2017
150,000	-	-	150,000	$0.40	September 5, 2017
150,000	-	-	150,000	$0.25	December 3, 2017
150,000	-	-	150,000	$0.25	January 7, 2018
510,000	-	-	510,000	$0.20	April 14, 2019
-	1,270,000	(70,000)	1,200,000	$0.12	March 4, 2021
-	1,170,000	-	1,170,000	$0.25	October 13, 2021
2,640,000	2,440,000	(70,000)	5,010,000	$0.27	

During the year ended November 30, 2016, the Company granted 2,440,000 share options to its directors, officers and consultants, with a fair value of $358,204 or $0.15 per option. All options vests immediately.

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of options issued in the year ended November 30, 2016:

	2016
Risk-free interest rate	0.71%
Expected life of options	5.0 years
Expected annualized volatility	128.63%
Expected dividend rate	0%

In Canadian Dollars

6. Segmented Information

a) Operating Segment

The Company's operations are primarily directed towards the acquisition of mineral properties and exploration for metals in Canada and the Dominican Republic.

b) Geographic Segments

The Company's geographic information as at February 28, 2017 and November 30, 2016 are as follows:

As at February 28, 2017	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ -	$ 898,720	-	$ 898,720
Other assets	2,685,402	54,027	5,244	2,744,673
Total	$ 2,685,402	$ 952,747	5,244	$ 3,643,393

As at November 30, 2016	Canada	Dominican Republic	Mexico	Total
Assets				
Mineral properties	$ -	$ 663,720	$ -	$ 663,720
Other assets	3,438,808	26,896	5,204	3,470,908
Total	$ 3,438,808	$ 690,616	$ 5,204	$ 4,134,628

7. Related Party Transactions

Key management personnel consist of directors and senior management including the President, Chief Executive Officer and Vice President of Exploration and Chief Financial Officer. Key management personnel compensation for the three months ended February 28, 2017 and February 29, 2016 includes:

	2017	2016
Salaries and wages	$ 38,750	$ 38,750
Geological consulting	44,700	28,125
Accounting and office and administration expense	16,500	10,500
	$ 99,950	$ 77,375

In Canadian Dollars

7. Related Party Transactions – *Continued*

The accounts payable and accrued liabilities of the Company as at February 28, 2017 and as at November 30, 2016 include the following amounts due to related parties:

	February 28, 2017	November 30, 2016
Key management personnel	$ 1,500	$ 22,236

8. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements.

9. Financial Instruments

a) Fair Values

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. Cash is measured using level one of the fair value hierarchy.

9. Financial Instruments – *Continued*

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year.

c) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that all amounts are fully collectible.

d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest-bearing debt. The Company's sensitivity to interest rates is minimal.

e) Political Risk

The Company has subsidiaries in the Dominican Republic, the United States and Mexico. These operations are potentially subject to a number of political, economic and other risks that may affect the Company's future operations and financial position.

f) Foreign Currency Fluctuation Risk

The Company has vendors in Canada, the United States, the Dominican Republic and Mexico; therefore, the Company's operations are affected by the currency fluctuations in these jurisdictions. The Company's exposure to foreign currency fluctuations is minimal.

10. Subsequent Events

a) In March 2017, the Company received the TSX-V approval of its Option Agreement with Golden Predator and received $400,000 in cash, 100,000 common shares of Golden Predator and 100,000 warrants of Golden Predator exercisable for 3 years at $1.50 per share.

In Canadian Dollars

10. Subsequent Events – *Continued*

b) On April 18, 2017, the Company signed an Option Agreement whereby the Company can acquire 100% interest in the Island Zinc located in British Columbia by completing staged payments, share issuances, and work expenditures as follows:

	Cash payment	Shares issued	Work Commitment
On April 18, 2017	$10,000 (paid)	Nil	Nil
At or before April 18, 2018	$15,000	25,000	$25,000
At or before April 18, 2019	$20,000	50,000	$50,000
At or before April 18, 2020	$25,000	75,000	$75,000
At or before April 18, 2021	$25,000	100,000	$125,000
Total	**$95,000**	**250,000**	**$275,000**

A 2% NSR royalty is payable to the vendor. The Company may purchase one-half of the NSR royalty at any time for $500,000 and may purchase the remaining one-half for $1,000,000.