EQUITAS RESOURCES

Financial Statements

For the Nine Months Ended November 30, 2016

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

The accompanying condensed interim consolidated financial statements of Equitas Resources Corp., for the Nine Months ended November 30, 2016, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Equitas Resources Corp.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

		November 30, 2016		February 29, 2016
Assets				
Current				
Cash	$	15,396	$	397,330
GST receivable		19,370		271,022
Amounts receivable		2,725		4,876
Marketable securities (note 7)		60,417		-
Prepaid expenses (note 12)		72,655		298,134
Total current assets		170,563		971,362
Non-current assets				
Exploration and evaluation assets (note 7)		11,844,676		2,562,796
Property and equipment (note 8)		77,129		-
Reclamation deposit		15,000		15,000
Total Assets	$	12,107,368	$	3,549,158
Liabilities				
Current				
Accounts payable and accrued liabilities	$	405,266	$	243,173
Due to related parties (note 11)		100,389		80,826
Total current liabilities		505,655		323,999
Long term liabilities (note 15)		107,040		-
Equity				
Share capital (note 9)		28,828,083		19,117,908
Share subscriptions receipts		73,343		102,500
Share-based payments reserve (note 10)		2,483,442		2,131,240
Accumulated other comprehensive loss		(130,077)		-
Deficit		(19,760,118)		(18,126,489)
Total Equity		11,494,673		3,225,159
Total Liabilities and Equity	$	12,107,368	$	3,549,158

Approval on behalf of the Board of Directors:

"Christopher Harris" — Director

"Kyler Hardy" — Director

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

Equitas Resources Corp.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended November 30, 2016	Three Months Ended November 30, 2015	Nine Months Ended November 30, 2016	Nine Months Ended November 30, 2015
Expenses				
Advertising and promotion	$ **34,942**	$ 125,071	**278,267**	$ 261,473
Administration fees	**12,500**	37,500	**87,500**	112,500
Amortization	**6,234**	-	**9,978**	-
Consulting fees	**164,991**	199,452	**657,686**	482,887
Investor relations	**46,704**	27,500	**106,704**	85,000
Exploration costs	**38,972**	-	**53,769**	-
Office and general	**7,624**	9,244	**20,368**	15,938
Professional fees	**99,100**	8,170	**255,373**	14,222
Share-based payments (note 10)	**-**	495,168	**-**	527,117
Transfer agent & regulatory fees	**73,440**	27,011	**94,367**	45,283
Travel	**30,084**	42,074	**79,008**	63,837
	514,591	971,190	**1,643,020**	1,608,257
Other income (expense)				
Interest expense	**(14,205)**	-	**(18,858)**	-
Interest income	**110**	797	**5,521**	797
Foreign exchange (loss) gain	**(6,686)**	-	**4,546**	-
	(20,781)	797	**(8,791)**	797
Loss before income tax	**535,372**	970,393	**1,651,811**	1,607,460
Income tax recovery	**562**	-	**18,182**	-
Loss for the period	**534,810**	970,393	**1,633,629**	1,607,460
Other comprehensive loss				
Cumulative translation adjustment	**64,677**	-	**130,077**	-
Total comprehensive loss for the period	$ **599,487**	$ 970,393	$ **1,763,706**	$ 1,607,460
Basic and Diluted Loss Per Share	$ **0.002**	$ 0.014	$ **0.010**	$ 0.038
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	**222,247,424**	**68,178,763**	**163,623,102**	**41,819,004**

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

Equitas Resources Corp.
Condensed Interim Consolidated Statements of Changes in Equity
For the Nine Months ended November 30, 2016 and 2015
(Unaudited – Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Subscription Receipts	Reserves	Accumulated OCI / (Loss)	Deficit	Total
Balance, March 1, 2015	**35,029,785**	**$ 15,038,165**	**$ (25,600)**	**$ 1,442,535**	**$ -**	**$(14,353,683)**	**$ 2,101,417**
Shares issued for cash (note 9)	36,415,511	3,744,012	-	41,900		-	3,785,912
Warrants exercised (note 9)	5,665,000	566,500	-	-		-	566,500
Options exercised (note 9)	324,998	67,165	-	(34,665)		-	32,500
Agent's warrants exercised (note 9)	64,000	9,749		(3,349)			6,400
Share subscriptions received	-	-	(276,400)	-		-	(276,400)
Share based payments (note 10)	-	-	-	527,117		-	527,117
Share issuance costs (note 9)	-	(309,916)	-	134,435		-	(175,481)
Net loss for the period	-	-	-	-		(1,607,460)	(1,607,460)
Balance, November 30, 2015	**77,499,294**	**$ 19,115,675**	**$ (302,000)**	**$ 2,107,973**	**$ -**	**$ (15,961,143)**	**$ 4,960,505**

	Number of Shares	Share Capital	Subscription Receipts	Reserves	Accumulated OCI / (Loss)	Deficit	Total
Balance, March 1, 2016	**77,499,294**	**$ 19,117,908**	**$ 102,500**	**$ 2,131,240**	**$ -**	**$ (18,126,489)**	**$ 3,225,159**
Shares issued for transaction (note 5 & 9)	103,653,283	7,255,730	-	-	-	-	7,255,730
Options granted for transaction (note 5 & 10)	-	-	-	322,029	-	-	322,029
Shares issued for property acquisition (note 7)	2,666,666	186,667	-	-	-	-	186,667
Shares issued for cash (note 9)	38,428,181	2,361,000	(102,500)	-	-	-	2,258,500
Flow through share tax liability recognised		(18,182)					(18,182)
Share subscriptions received			73,343	-	-	-	73,343
Share issuance costs	-	(75,040)	-	30,173	-	-	(44,867)
Cumulative translation adjustment	-	-	-	-	(130,077)	-	(130,077)
Net loss for the period	-	-	-	-	-	(1,633,629)	(1,633,629)
Balance, November 30, 2016	**222,247,424**	**$ 28,828,083**	**$ 73,343**	**$ 2,483,442**	**$ (130,077)**	**$ (19,760,118)**	**$ 11,494,673**

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

Equitas Resources Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the Nine Months ended November 30, 2016 and 2015
(Unaudited - Expressed in Canadian Dollars)

		2016		2015
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net loss for the period	**$**	**(1,633,630)**	$	(1,607,460)
Items not involving cash:				
Share-based payments		**-**		527,117
Amortization		**9,978**		-
Changes in non-cash working capital:				
GST and other receivables		**258,593**		(192,414)
Prepaid expenses		**225,479**		(317,379)
Due to related parties		**19,563**		21,911
Accounts payable and accrued liabilities		**(113,958)**		116,551
Long term liabilities		**26,450**		-
		(1,207,525)		(1,451,674)
INVESTING ACTIVITIES:				
Exploration and evaluation asset expenditures		**(1,248,246)**		(1,502,708)
Acquisition of property & equipment		**(75,359)**		-
Acquisition of exploration & evaluation assets		**(416,511)**		-
Cash acquired on acquisition of AFG		**296,913**		-
		(1,443,203)		(1,502,708)
FINANCING ACTIVITIES:				
Share subscriptions receivable		**(40,157)**		(276,400)
Shares issued for cash		**2,353,819**		4,391,312
Share issuance costs		**(44,868)**		(175,481)
		2,268,794		3,939,431
(DECREASE) INCREASE IN CASH		**(381,934)**		985,049
Cash, beginning of period		**397,330**		289,317
Cash, end of period	**$**	**15,396**	$	1,274,366

Supplemental cash flow disclosure and non-cash investing and financing activities – Note 13

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Equitas Resources Corp. ("Equitas" or the "Company") is a publicly listed company incorporated in British Columbia on September 1, 1994, with limited liability under the legislation of the Province of British Columbia and its shares are listed on the TSX Venture Exchange ("TSX-V"). The Company is principally engaged in the acquisition, exploration, development and mining of mineral properties.

The head office, principal address, and registered and records office of the Company are located at 1500 – 409 Granville Street, Vancouver, BC V6C 1T2.

Going concern

The Company's continuing operations as intended and its ability to continue as a going concern is dependent upon its ability to continue to raise financing. To continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statements of loss and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate. As at November 30, 2016, the Company has a cumulative deficit of $19,760,118 (February 28, 2016 - $18,126,489) and a working capital deficit of $335,092 (February 28, 2016, surplus - $647,363).

The Company expects to incur further losses in the development of its business. The Company will require financing to complete its planned exploration and other programs during the current financial year and thereafter. Additional equity and/or debt financing is subject to the global financial markets and prevailing economic conditions, which have recently been volatile and distressed. These factors will likely make it more challenging to obtain financing for the Company going forward. The business of mining and exploration involved a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of resource property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company will need access to capital to continue advancing its properties. These matters and conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Statement of compliance

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

Basis of presentation

These financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE - continued

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiary Alta Floresta Gold Ltd. ("AFG"), and AFG's wholly owned subsidiary in Brazil, Alta Floresta Gold Mineração S.A. ("AFM"). The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Equitas and its subsidiaries are collectively referred to as the "Company". All intercompany transactions, balances and unrealized gains and losses from intercompany transactions have been eliminated upon consolidation.

Approval of the financial statements

These financial statements for the Nine Months ended November 30, 2016, were reviewed by the Audit Committee and were approved and authorized for issue by the Board of Directors on January 30, 2016.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The effect on the financial statements of such changes in estimates in future periods could be material.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The recoverability of the carrying value of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest;
- assessment as to whether any impairment exists in the valuation of its assets;
- foreign currency valuations;
- the useful life and recoverability of property and equipment;
- fair value of share-based payments; and
- deferred income tax asset valuation allowances.

Information about significant areas of critical accounting judgments considered by management in preparing the financial statements includes:

- Management's assessment of the Company's ability to continue as a going concern in relation to its ability to raise funds.

4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim consolidated financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended February 29, 2016. In addition, the following policy is applicable for the translation of foreign currency balances:

4. **SIGNIFICANT ACCOUNTING POLICIES** - continued

Foreign currency translation

i. Functional and presentation currency

The consolidated financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is Canadian dollars. The functional currency of Alta Floresta Gold Ltd. is U.S Dollars. The functional currency of Alta Floresta Gold Mineração S.A. is Brazilian Reals ("BRL").

ii. Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the profit or loss.

iii. Group companies

Entities which have a functional currency different from the presentation currency, are translated into the presentation currency as follows:

i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

ii. Income and expenses for each statement of loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

iii. All resulting exchange differences are recognized in other comprehensive loss as cumulative translation adjustments.

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 29, 2016.

5. ACQUISITION OF ALTA FLORESTA GOLD LTD.

On April 27, 2016, the Company completed the acquisition of AFG by acquiring all of the issued and outstanding securities of AFG, a private BC company, which indirectly held 100% of ten gold properties in the Mato Grosso and Para states of the Federative Republic of Brazil through its wholly owned subsidiary, AFM.

In connection with the transaction, the Company issued 103,653,283 common shares to former shareholders of AFG and 5,282,319 stock options to former optionholders of AFG, exercisable for a period of three years at a price of $0.15 per share. All securities issued in connection with the transaction are subject to a four month hold period.

Subsequent to the transaction, the condensed interim consolidated financial statements for the period ended November 30, 2016 reflect the assets, liabilities and results of operations of the Company, AFG (the legal subsidiary), and AFM (the subsidiary of AFG).

(Unaudited - Expressed in Canadian Dollars)

5. **ACQUISITION OF ALTA FLORESTA GOLD LTD** - continued.

The Company has recorded the acquisition of AFG as a purchase of assets as follows:

Purchase Price consideration:

	$
Value of 103,653,283 shares issued at $0.07 per share	7,255,730
Fair value of AFG options assumed by Equitas	322,029
Total	7,577,759
Assets acquired and liabilities assumed	
Cash	296,913
Amounts receivable	4,790
Property and equipment	11,750
Exploration and evaluation assets	8,037,459
Total Assets	8,350,912
Liabilities	
Accounts payable and accrued liabilities	(692,562)
Long term liability	(80,591)
Net Carrying Value	7,577,759

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. The issuance of the options granted at the transaction date used the following assumptions:

	April 27, 2016
Risk free interest rate	0.73%
Expected life	3 years
Expected volatility	195%
Expected dividend yield	0%
Expected forfeiture	0%
Weighted average share price	$0.06

6. FINANCIAL INSTRUMENTS

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at November 30, 2016, the Company's financial instruments are comprised of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities. The carrying value of cash, due to related parties, reclamation bonds, and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. The fair value of cash and cash equivalents is based on level 1 inputs of the fair value hierarchy.

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

The following schedule shows the Company's total property expenditures for the Nine Months ended November 30, 2016 and the year ended February 29, 2016:

	Brazil	Canada	Total
Balance, February 28, 2015	**$ -**	**$ 1,693,344**	**$ 1,693,344**
Additions during the year -			
Acquisition costs			
Cash and staking	-	58,580	58,580
Property exploration costs			
Assays	-	9,878	9,878
Camp expenses	-	391,464	391,464
Drilling	-	304,819	304,819
Fuel	-	175,679	175,679
Geological costs	-	560,303	560,303
Geophysics	-	269,918	269,918
Other	-	1,367	1,367
Supplies and rentals	-	47,058	47,058
Travel and accommodation	-	618,605	618,605
Total additions during the year	-	2,437,671	2,437,671
Mining tax credits	-	(2,459)	(2,459)
Impairment of mineral property	-	(1,565,760)	(1,565,760)
Balance, February 29, 2016	**$ -**	**$ 2,562,796**	**$ 2,562,796**
Additions during the period -			
Acquisition costs			
AFG Transaction costs	8,037,459	-	8,037,459
Shares issued for property	-	186,667	186,667
Claim maintenance	134,795	-	134,795
Property exploration costs			
Assays	51,826	-	51,826
Camp expenses	12,592	24,054	36,646
Drilling	289,625	72,060	361,685
Fuel	4,423	3,694	8,117
Geological costs	220,461	21,069	241,530
External studies	42,693	7,400	50,093
Supplies and rentals	104,762	1,348	106,110
Travel and accommodation	20,525	97,758	118,283
Total additions during the period	8,919,161	414,050	9,333,211
Proceeds received	(51,331)	-	(51,331)
Balance, November 30, 2016	**$ 8,867,830**	**$ 2,976,846**	**$ 11,844,676**

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS - continued

The following schedule shows the Company's total expenditures in Brazil by property for the Nine Months ended November 30, 2016 and the year ended February 29, 2016:

	Cajueiro	Apiacas	Colider	Nova Canaa	Rio do Pombo	Other	Total
Balance, February 28, 2015	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total additions during the year	-	-	-	-	-	-	-
Balance, February 29, 2016	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Additions during the period -							
Acquisition costs							
AFG acquisition costs	6,912,216	160,749	160,749	160,749	160,749	482,247	8,037,459
Claim maintenance	91,012	35,206	-	-	7,821	756	134,795
Property exploration costs							
Assays	51,826	-	-	-	-	-	51,826
Camp expenses	12,512	80	-	-	-	-	12,592
Drilling	289,625	-	-	-	-	-	289,625
Fuel	4,423	-	-	-	-	-	4,423
Geological costs	220,461	-	-	-	-	-	220,461
External studies	42,693	-	-	-	-	-	42,693
Supplies and rentals	104,736	26	-	-	-	-	104,762
Travel and accommodation	20,525	-	-	-	-	-	20,525
Total additions during the period	7,750,029	196,061	160,749	160,749	168,570	483,003	8,919,161
Proceeds received	(51,331)	-	-	-	-	-	(51,331)
Balance, November 30, 2016	**7,698,698**	**$ 196,061**	**$ 160,749**	**$ 160,749**	**$ 168,570**	**$ 483,003**	**8,867,830**

Properties in Brazil:

AFM holds a 100% interest in all of its properties.

In addition to the net smelter royalties ("NSR") referred to below, all properties are subject to a 1.75% NSR that is held by ECI Exploration and Mining Inc. ("ECI"), AFG's former joint venture partner.

For the Cajueiro and Rio do Pombo properties, the previous property owners have retained a 1.0% net smelter royalty ("NSR") on these properties.

For the Vila Rica property (included in 'Other'), the previous property owners have retained a 1.5% NSR on this property.

For the Apiacas, Carlinda, Colider, Paranaita, and Tapajos properties (the latter two included in 'Other'), the previous property owners have retained a 2.5% NSR on this property which may be reduced to 1.5% at the Company's option for a payment of US$ 4,000,000. In addition, the Company is committed to issue 600,000 common shares of ECI to the previous property owners upon realising a resource (defined in accordance with National Instrument 43-101) on any part of these properties, and a further 600,000 common shares of ECI upon receipt of the first bankable feasibility study on any part of these properties. As at November 30, 2016, the Company owned 600,000 common shares of ECI with a value of $60,417 ($45,000 USD).

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS - continued

The following schedule shows the Company's total expenditures in Canada by property for the Nine Months ended November 30, 2016 and the year ended February 29, 2016:

	Garland Property	Tom Gold Mine Claims	Day Claims	Roy Property	Nahmint Property	Other Properties	Total
Balance, February 28, 2015	**$ 125,454**	**$ 283,142**	**$ 1,234,043**	**$ -**	**$ -**	**$ 50,705**	**$ 1,693,344**
Additions during the year -							
Acquisition costs							
Cash and staking	58,580	-	-	-	-	-	58,580
Property exploration costs							
Assays	9,878	-	-	-	-	-	9,878
Camp expenses	391,464	-	-	-	-	-	391,464
Drilling	304,819	-	-	-	-	-	304,819
Fuel	175,679	-	-	-	-	-	175,679
Geological costs	559,971	140	-	-	-	192	560,303
Geophysics	269,918	-	-	-	-	-	269,918
Other	1,367	-	-	-	-	-	1,367
Supplies and rentals	47,058	-	-	-	-	-	47,058
Travel and accommodation	618,605	-	-	-	-	-	618,605
Total additions during the year	2,437,339	140	-	-	-	192	2,437,671
Mining tax credits	-	-	(412)	-	(2,047)	-	(2,459)
Impairment of mineral property	-	(283,281)	(1,233,630)	-	2,047	(50,896)	(1,565,760)
Balance, February 29, 2016	**$ 2,562,793**	**$ 1**	**$ 1**	**$ -**	**$ -**	**$ 1**	**$ 2,562,796**
Additions during the period -							
Acquisition costs							
Shares issued	186,667	-	-	-	-	-	186,667
Property exploration costs							
Camp costs	24,054	-	-	-	-	-	24,054
Drilling	72,060	-	-	-	-	-	72,060
Field supplies and rentals	1,348	-	-	-	-	-	1,348
Fuel	3,694	-	-	-	-	-	3,694
Geological costs	21,069	-	-	-	-	-	21,069
Geophysics	7,400						7,400
Travel and accomodation	97,758	-	-	-	-	-	97,758
Total additions during the period	414,050	-	-	-	-	-	414,050
Balance, November 30, 2016	**$2,976,843**	**$ 1**	**$ 1**	**$ -**	**$ -**	**$ 1**	**$ 2,976,846**

(Unaudited - Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS - continued

Properties in Canada:

Garland Property, Labrador, Newfoundland

On July 10, 2014, the Company entered into an agreement with Zimtu Capital Corp. (a company with common directors and significant shareholdings), DG Resource Management Ltd., and Ridge Resources Ltd. (owned by the Company's president), collectively the "Vendors", to acquire a 100% interest in the Garland Property, located in Labrador, Canada. The property encompasses 25,050 hectares and is 30 kilometres southeast of Vale's Voisey's Bay Nickel/Copper/Cobalt mine. In consideration, the Company will issue 7,999,998 shares over a 36 month period (2,666,666 shares issued upon exchange approval with a fair value of $93,333 and 2,666,666 shares issued during the nine months ended November 30, 2016 with a fair value of $186,667), pay $80,000 (paid), and grant DG Resource Management Ltd. a 2% Gross Overriding Royalty ("GORR") in the Property. The transaction was accepted by the TSX-V on November 17, 2014.

The Tom Gold Mine Claims, in Yellowknife, NWT, Day Property, Roy Property, and other claims in BC were written down to nominal amounts in the year ended February 29, 2016 due to minimal activity and increased focus on its other projects.

8. PROPERTY AND EQUIPMENT

		Machinery & equipment		Furniture		Vehicles		Software		Total
Cost										
February 29, 2016	$	-		-		-		-		-
Additions		34,233		1,475		33,858		17,540		87,106
November 30, 2016	**$**	**34,233**	**$**	**1,475**	**$**	**33,858**	**$**	**17,540**	**$**	**87,106**
Accumulated Amortization										
February 29, 2016	$	-		-		-		-		-
Additions		4,391		201		3,505		1,880		9,977
November 30, 2016	**$**	**4,391**	**$**	**201**	**$**	**3,505**	**$**	**1,880**	**$**	**9,977**
Net Book Value										
February 29, 2016	$	-	$	-	$	-	$	-	$	-
November 30, 2016	**$**	**29,842**	**$**	**1,274**	**$**	**3,353**	**$**	**15,660**	**$**	**77,129**

9. SHARE CAPITAL

a) Authorized: Unlimited common shares without nominal or par value.

b) Issued:

During the Nine Months ended November 30, 2016:

On March 8, 2016, the Company closed the first tranche of a non-brokered private placement of 8,000,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $400,000. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 24 months from closing.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL - continued

On April 7, 2016, the Company closed the second and final tranche of a non-brokered private placement of 22,000,000 units ("Units") at a price of $0.05 per Unit for gross proceeds of $1,100,000. Each Unit consists of one common share and one share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of 24 months from closing. Finder's fees of $31,600 cash and 632,000 share purchase warrants priced at $0.10 and exercisable for 24 months were paid and issued.

On April 27, 2016, the Company completed the acquisition of AFG. In connection with the transaction, the Company issued 103,653,283 common shares to former shareholders of AFG. All securities issued in connection with the transaction are subject to a four month hold period.

On May 17, 2016, the Company issued 2,666,666 shares with a fair value of $186,667 in connection with the Garland Property agreement.

On July 22, 2016, the Company closed a non-brokered private placement of 6,610,000 units ("Units") at a price of $0.10 per Unit for gross proceeds of $661,000. Additionally, the Company also issued 1,818,181 flow-through units ("FT Units") at a price of $0.11 per FT Unit for gross proceeds of $200,000. Each Unit consists of one common share and one share purchase warrant (a "Warrant"). Each FT Until consists of one common share and one-half of a share purchase warrant. Each whole Warrant will entitle the holder to purchase one additional common share of the Company at a price of $0.16 per share for a period of 24 months from closing.

c) Warrants:

Warrant transactions and the number of warrants outstanding for the Nine Months ended November 30, 2016 and the year ended February 29, 2016 are summarized as follows:

	November 30, 2016			February 29, 2016		
	Number of Warrants		**Weighted Average Exercise Price**	Number of Warrants		Weighted Average Exercise Price
Balance, beginning of period	**35,020,925**	**$**	**0.19**	11,629,333	$	0.10
Granted	**38,151,091**		**0.11**	29,120,592		0.21
Expired	**(22,964,969)**		**0.22**	-		-
Exercised	**-**		**-**	(5,729,000)		0.10
Balance, end of period	**50,207,047**	**$**	**0.12**	35,020,925	$	0.19

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL - continued

The following warrants were outstanding as at November 30, 2016:

Expiry Date	Exercise Price	Number of warrants	Remaining Contractual Life (Years)
December 29, 2016*	$ 0.10	1,255,000	0.08
December 30, 2016*	$ 0.10	512,000	0.08
December 31, 2016*	$ 0.10	320,000	0.08
February 26, 2017	$ 0.10	3,813,333	0.24
July 15, 2017	$ 0.15	6,155,623	0.62
March 8, 2018	$ 0.10	8,000,000	1.27
April 6, 2018	$ 0.10	22,632,000	1.35
July 29, 2018	$ 0.16	7,519,091	1.66
Balance, end of period		**50,207,047**	**1.16**

*Expired subsequent to November 30, 2016 unexercised

10. SHARE-BASED COMPENSATION

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the Board of Directors but shall not be less than the discounted market price as defined by the TSX-V. The maximum duration of each option is five years.

Options granted to directors, employees and consultants, other than consultants engaged in investors relations activities, will vest fully upon the expiry of the TSX-V hold period of four months from the award date, unless otherwise approved by the relevant regulatory authorities. Options granted to employees in investors relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three month period.

On April 27, 2016, the Company issued 5,282,319 stock options to former option holders of AFG which exercisable for a period of three years at a price of $0.15 per share.

The following is a summary of option transactions under the Company's stock option plan for the Nine Months ended November 30, 2016 and the year ended February 29, 2016:

	November 30, 2016		February 29, 2016	
	Number of Options	**Weighted Average Exercise Price**	Number Options	Weighted Average Exercise Price
Balance, beginning of period	**6,971,659**	**$ 0.13**	2,871,653	$ 0.10
Granted	**5,282,319**	**0.15**	4,850,000	0.14
Exercised	**-**	**-**	(324,998)	0.10
Expired	**-**	**-**	(424,996)	0.10
Balance, end of period	**12,253,978**	**$ 0.14**	6,971,659	$ 0.13
Exercisable, end of period	**12,253,978**	**$ 0.14**	6,971,659	$ 0.13

(Unaudited - Expressed in Canadian Dollars)

10. SHARE-BASED COMPENSATION - continued

The following stock options were outstanding as at November 30, 2016:

Expiry Date	Original Exercise Price	Revised Exercise Price	Number of options	Remaining Contractual Life (Years)
April 7, 2017	$ 0.10	n/a	125,000	0.35
February 26, 2019	$ 0.30	$ 0.10	616,659	2.24
February 15, 2020	$ 0.10	$ 0.10	1,755,000	3.22
June 4, 2020	$ 0.10	n/a	125,000	3.51
November 19, 2020	$ 0.15	n/a	4,100,000	3.97
January 5, 2021	$ 0.15	n/a	250,000	4.10
April 27, 2019	$ 0.15	n/a	5,282,319	2.41
Total, end of period			**12,253,978**	**3.06**

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the Nine Months ended November 30, 2016, the Company recorded $nil (November 30, 2015 - $31,949) in share-based payments expense using the following assumptions:

	November 30, 2016	November 30, 2015
Risk free interest rate	**n/a**	0.47 – 0.95%
Expected life	**n/a**	2 - 5 years
Expected volatility	**n/a**	173 - 222%
Expected dividend yield	**n/a**	0%
Expected forfeiture	**n/a**	0%
Weighted average share price	**n/a**	$0.07 – 0.09

11. RELATED PARTY TRANSACTIONS

			Nine Months ended November 30, 2016	Nine Months ended November 30, 2015
Key management compensation:				
Salaries, Benefits, and Consulting Fees		**$**	**335,750**	119,750
Other related party transactions:				
Ridge Resources [(a)]	Exploration costs		**13,300**	-
EFMX Consulting[(b)]	Exploration costs		**-**	13,000
Zimtu Capital Corp. (c)	Mineral property costs		**-**	35,750
Zimtu Capital Corp. [(c)]	Office administration and rent		**87,500**	112,500
Zimtu Capital Corp.[(c)]	Advertising and promotion		**124,131**	10,313
Directors and officers	Share-based payments		**-**	258,980
Total		**$**	**560,681**	$ 550,293

a. A company controlled by a director of the Company, Kyler Hardy
b. A company controlled by the Vice President of Exploration, Everett Makela
c. A company with a common director, David Hodge. Mr. Hodge is also the President and CEO of Zimtu.

(Unaudited - Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS - continued

Amounts due to (from) related parties	November 30, 2016 $	February 29, 2016 $
Due to Directors	97,766	74,939
Zimtu Capital Corp.	2,623	5,887
Due to related parties – Total	100,389	80,826

Related party amounts are unsecured, non-interest bearing and due on demand.

12. PREPAID EXPENSES

	November 30, 2016	February 29, 2016
Current		
Advertising and promotion	**$ 57,500**	$ 176,885
Insurance	**14,099**	5,700
Employee advances	**1,003**	329
Consulting fees paid in advance of service	**-**	115,167
Other	**-**	53
Total prepaid expenses	**$ 72,655**	$ 298,134

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	November 30, 2016	November 30, 2015
Agent warrants granted	$ 30,173	$ 1,435
Shares issued for property	$ 186,667	$ -

14. SEGMENTED DISCLOSURE

The Company has one operating segment, acquisition, exploration and development of mineral properties. The table below shows consolidated data by geographic segment based on the location:

	November 30, 2016	February 29, 2016
Non-current assets by geographic segment		
Canada	$ 2,991,846	$ 2,577,796
Brazil	8,944,959	-
	$ 11,936,805	$ 2,577,796

15. LONG TERM LIABILITES

Prior to the Company’s investment in AFG, AFM restructured liabilities relating to claim maintenance costs for certain of its mineral properties. Pursuant to the terms of restructuring, AFM agreed to repay liabilities relating to claims maintenance costs and penalties totalling BRL395,010 over 10 to 60 months together with interest.

(Unaudited - Expressed in Canadian Dollars)

15. LONG TERM LIABILITES - continued

As at November 30, 2016, Accounts payable and accrued liabilities and Long term liabilities include $47,140 and $107,040, respectively, of restructured liabilities.

The long-term liabilities payable in each of the next four years are as follows:

	BRL	CAD
November 30, 2018	R$ 114,453	$ 45,393
November 30, 2019	82,916	32,885
November 30, 2020	56,116	22,256
November 30, 2021	16,407	6,506
	R$ 269,892	$ 107,040

16. SUBSEQUENT EVENTS

On December 30, 2016, the TSX Venture Exchange approved a share consolidation of the outstanding share capital of the Company on the basis of ten (10) pre-consolidation common shares for one (1) new post-consolidation common share (the "Consolidation"). The Consolidation was effective at the open of the market on Tuesday, January 3, 2017. As a result of the Consolidation, the Company's issued and outstanding were reduced to 22,224,71 and the number of the Company's outstanding option and warrants were adjusted to reflect the effect of the rollback.