CANEX Metals Inc.
(Formerly Northern Abitibi Mining Corp.)
Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
Three and Nine Months Ended June 30, 2017

(Unaudited)

July 17, 2017

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of CANEX Metals Inc. (formerly Northern Abitibi Mining Corp.) ("CANEX Metals") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with CANEX Metals' audited annual consolidated financial statements and notes thereto for the year ended September 30, 2016. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in CANEX Metals' most recent audited annual consolidated financial statements, except as described in Note 3 "Significant accounting policies". Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to CANEX Metals' circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited operations and cash flows of CANEX Metals, as of the date of, and for the period presented by, the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report. The Audit Committee also reviews CANEX Metals' Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting CANEX Metals' affairs in compliance with established financial standards, and applicable laws and regulation, and for maintaining proper standards of conduct for its activities.

"Shane Ebert"	"Lesley Hayes"
Shane Ebert President/Director	Lesley Hayes Director

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim consolidated financial statements of CANEX Metals have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the nine months ended June 30, 2017 have not been reviewed by CANEX Metals' auditors.

CANEX Metals Inc.

(Formerly Northern Abitibi Mining Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

		June 30 2017		September 30 2016
ASSETS				
Current Assets				
Cash (Note 5)	$	**390,546**	$	188,331
Accounts receivable (Note 6)		**908**		1,908
Prepaid expenses		**11,643**		8,791
Short-term investments (Note 7)		**233,450**		453,500
		636,547		652,530
Non-current Assets				
Exploration and evaluation asset advances and deposits (Note 8)		**10,000**		-
Exploration and evaluation assets (Note 8)		**90,236**		2,631
Property, and equipment (Note 9)		**271**		403
		100,507		3,034
TOTAL ASSETS	$	**737,054**	$	655,564
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 10)	$	**16,148**	$	27,412
EQUITY				
Share capital		**13,837,209**		13,767,552
Reserves		**1,983,697**		1,919,197
Deficit		**(15,100,000)**		(15,058,597)
TOTAL EQUITY		**720,906**		628,152
TOTAL EQUITY AND LIABILITIES	$	**737,054**	$	655,564

Nature of operations (Note 1)
Commitments (Note 18)

Approved by the Board

"Shane Ebert"
___________________________ **Director**

"Lesley Hayes"
___________________________ **Director**

See accompanying notes to the financial statements.

CANEX Metals Inc.

(Formerly Northern Abitibi Mining Corp.)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Expenses				
General and administrative (Note 13)	**$ 82,664**	$ 12,706	**$ 116,902**	$ 41,288
Reporting to shareholders	**(467)**	-	**20,726**	4,017
Professional fees	**4,614**	524	**14,817**	2,025
Stock exchange and transfer agent fees	**3,761**	1,555	**14,430**	5,811
Depreciation	**44**	82	**132**	247
Impairment (recovery)	**-**	(967)	**(343,250)**	(967)
Pre-acquisition costs	**-**	-	**4,369**	-
	90,616	13,900	**(171,874)**	52,421
Income (loss) before other items	**(90,616)**	(13,900)	**171,874**	(52,421)
Other items				
Interest and other	**49**	40	**173**	106
Dividend income	**-**	-	**11,340**	-
Gain (loss) from short-term investments	**(54,742)**	173,350	**(224,790)**	117,600
	(54,693)	173,390	**(213,277)**	117,706
Net income (loss) and comprehensive income (loss) for the period	**$ (145,309)**	$ 159,490	**$ (41,403)**	$ 65,285
Basic and diluted loss per share (Note 15)	**$ (0.01)**	$ 0.00	**$ 0.00**	$ 0.00
Weighted average shares outstanding - basic and diluted (Note 15)	**22,005,381**	107,309,126	**21,642,744**	92,734,034

Nature of operations (Note 1)

See accompanying notes to the financial statements.

CANEX Metals Inc.

(Formerly Northern Abitibi Mining Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Increase (decrease) in cash				
Operating activities				
Cash paid to suppliers and contractors	**$ (24,124)**	$ (13,643)	**$ (119,860)**	$ (61,439)
Cash used in operating activities (Note 19)	**(24,124)**	(13,643)	**(119,860)**	(61,439)
Investing activities				
Interest and other income received	**49**	40	**173**	106
Cash received on sale of short-term investments	**6,600**	5,850	**6,600**	5,850
Cash received on mineral property recoveries	**-**	2,542	**343,250**	2,542
Cash received for BC Mining Tax Credit on exploration and evaluation assets	**-**	13,465	**-**	13,465
Cash expended on exploration and evaluation asset advances and deposits	**(10,000)**	-	**(10,000)**	-
Cash expended on exploration and evaluation asset additions	**(7,296)**	-	**(8,855)**	(1,606)
Cash (used) provided by investing activities	**(10,647)**	21,897	**331,168**	20,357
Financing activities				
Share capital and warrant issue proceeds	**-**	-	**-**	230,000
Cash share issue costs	**(9,093)**	(408)	**(9,093)**	(26,666)
Cash provided by financing activities	**(9,093)**	(408)	**(9,093)**	203,334
Increase (decrease) in cash	**(43,864)**	7,846	**202,215**	162,252
Cash:				
Beginning of period	**434,410**	200,956	**188,331**	46,550
End of period	**$ 390,546**	$ 208,802	**$ 390,546**	$ 208,802

Supplementary information:

Interest and taxes

No cash was expended on interest or taxes during the three and nine month periods ended June 30, 2017 and June 30, 2016.

Non-cash transactions

2017

During the nine month period ended June 30, 2017, the Company issued 1,125,000 common shares valued at $78,750 pursuant to an option agreement on the Gibson property. The acquisition was valued using the closing share price on the transaction date. See Note 8 - "Exploration and evaluation assets" and Note 18 - "Commitments" for more information.

The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $64,500 that is included in general and administrative expenses (Note 13). The options were valued at $64,500 using the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 289.75%, a risk-free rate discount rate of 1.12% and a dividend rate of 0%.

2016

During the nine month period ended June 30, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. Share issuance costs related to the private placement included the issuance of 10% of the amount raised in broker warrants. The warrants were valued at $33,120 using the Black-Sholes Option pricing model assuming a volatility of 205%, a risk free rate of 0.71%, a five year warrant life, and a 0% dividend rate.

See accompanying notes to the financial statements.

CANEX Metals Inc.
(Formerly Northern Abitibi Mining Corp.)
Condensed Interim Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited - Prepared by Management)

		Reserves					
	Common share capital	Equity-settled share based payment	Warrant	Other Reserves*	Total Reserves	Deficit	Total
	$	$	$	$	$	$	$
Balance, September 30, 2015	**13,597,338**	**5,000**	**-**	**1,881,077**	**1,886,077**	**(15,148,771)**	**334,644**
Net and comprehensive income for the period	-	-	-	-	-	65,285	65,285
Private placement share and warrant issue	230,000	-	-	-	-	-	230,000
Share issue costs	(59,786)	-	33,120	-	33,120	-	(26,666)
Balance, June 30, 2016	**13,767,552**	**5,000**	**33,120**	**1,881,077**	**1,919,197**	**(15,083,486)**	**603,263**
Net and comprehensive income for the year	-	-	-	-	-	24,889	24,889
Balance, September 30, 2016	**13,767,552**	**5,000**	**33,120**	**1,881,077**	**1,919,197**	**(15,058,597)**	**628,152**
Net and comprehensive loss for the period	-	-	-	-	-	(41,403)	(41,403)
Options expired	-	(5,000)	-	5,000	-	-	-
Share issuance - property acquisition	78,750	-	-	-	-	-	78,750
Options issued	-	64,500	-	-	64,500	-	64,500
Share issue and transactions costs	(9,093)	-	-	-	-	-	(9,093)
Balance, June 30, 2017	**13,837,209**	**64,500**	**33,120**	**1,886,077**	**1,983,697**	**(15,100,000)**	**720,906**

*Other reserves is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the financial statements

1. Nature of operations

CANEX Metals Inc. (formerly Northern Abitibi Mining Corp.) ("the Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 800, 808 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 3E8. The Company's common shares are listed on the TSX Venture Exchange under the symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (f) "Exploration and evaluation assets" of the annual financial statements for the year ended September 30, 2016. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

2. Basis of presentation

a) Basis of presentation

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

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 12. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

The presentation and functional currency of the Company is the Canadian dollar.

b) Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its now dormant, wholly-owned US subsidiary, NAMCOEX Inc. NAMCOEX was incorporated by the Company during the year ended September 30, 2005 to acquire Nevada mineral property interests. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Significant accounting polices

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2016.

a) New accounting policies

Northern Abitibi did not adopt any new accounting policies during the three and nine months ended June 30, 2017.

b) New accounting standards and interpretations

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in these financial statements. Many are not applicable or do not have a significant impact to CANEX Metals and have been excluded from below. Relevant pronouncements include the following:

IFRS 9 - Financial Instruments

IFRS 9 - Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2018. There have been new amendments related to IFRS 9 issued in November 2013. Although the transition date has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year and beyond, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

4. Significant accounting judgments and estimates

The preparation of these unaudited condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimate are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Significant estimates include:

a) the carrying value of investments and the recoverability of the carrying value which is included in the balance sheet.
b) the carrying values of exploration and evaluation assets that are included in the balance sheet, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are including in the statement of profit or loss. (Refer to Note 1)
c) the estimate of the amount of decommissioning obligations and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the balance sheet.

(Expressed in Canadian Dollars)

5. Cash

Cash is comprised of:

		June 30, 2017		Sept 30, 2016
Current bank accounts	$	**378,096**	$	182,481
Short-term investments		**12,450**		5,850
	$	**390,456**	$	188,331

6. Accounts receivable

		June 30, 2017		Sept 30, 2016
Trade receivables	$	**127**	$	-
Due from related parties		**465**		1,161
Sales tax receivables		**316**		747
	$	**908**	$	1,908

7. Short-term investments

		June 30, 2017		Sept 30, 2016
Société d'Exploration Minière Vior Inc.				
Common shares (Jun 30, 2017 - Nil, Sept 30, 2016 - 75,000)	$	**-**	$	9,000
Spruce Ridge Resources Ltd.				
Common shares (Jun 30, 2017 - 11,000,000, Sept 30, 2016 - 11,000,000)		**220,000**		440,000
Commander Resources Ltd.				
Common shares (Jun 30, 2017 - 100,000, Sept 30, 2016 - 100,000)		**4,000**		4,500
Aurvista Gold Corporation				
Common shares (Jun 30, 2017 - 31,500, Sept 30, 2016 - Nil)		**9,450**		-
	$	**233,450**	$	453,500

The common shares of Société d'Exploration Minière Vior Inc., Spruce Ridge Resources Ltd., Commander Resources Ltd. and Aurvista Gold Corporation were valued at their fair value, based on their respective period-end trading prices, at June 30, 2017 and September 30, 2016.

8. Exploration and evaluation assets

Cariboo Gold Property, British Columbia

During the year ended September 30, 2015, the Company staked the Cariboo Gold Property located in central British Columbia. The Cariboo Gold Property is 30 kilometres southeast of Quesnel, B.C. with good road access, located in the heart of the Cariboo gold fields which have produced several million ounces of gold from both placer and lode deposits. Major deposits located south and southeast of the Cariboo Gold Property include the QR Mine, the Gibraltar Mine, the Mt. Polley Mine, and the Spanish Mountain and Woodjam projects. The Cariboo Gold Property has seen significant historic exploration including geophysical and geochemical surveys and drilling. The property is known to contain gold skarn style mineralization similar to the nearby QR deposit, along with epithermal Au mineralization. Historic drilling has also encountered high temperature potassic alteration along with intrusive rocks and breccias indicating potential for Cu-Au porphyry style mineralization.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

Gibson property, British Columbia

On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals (TSX:ALS). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase agreement was executed on May 12, 2017; and received Exchange approval on May 17, 2017. The Company will also assume the obligations of an underlying option agreement with Steven Scott.

The terms of the agreement are as follows:

	Altius		Underlying option agreement with Steven Scott (Anniversary date - March 9)	
	Share issues	Minimum Exploration Expenditures	Cash or share equivalent payments	Minimum exploration expenditures*
		($)	($)	($)
Upon signing the Definitive Agreements and subject to Exchange approval ("Closing date")	1,125,000	-	5,000	-
On or before March 9, 2018	-	-	15,000	10,000
Following Phase 1 trenching but prior to drilling on the Property	1,180,000	-	-	-
Expenditure Commitment (within 18 months from the Closing date ("Expiry date"))		500,000	-	-
Following the completion of the Expenditure Commitment	1,240,000	-	-	-
On or before March 9, 2019	-	-	20,000	20,000
On or before March 9, 2020	-	-	25,000	30,000
On or before March 9, 2021	-	-	25,000	50,000
Total	3,545,000	500,000	90,000	110,000

* - included in total minimum exploration expenditure commitments

Shane Ebert through his company, Vector Resources (see "Note 16 - Related parties and transactions and key management remuneration") is involved in British Columbia project generation activities for Altius. Vector Resources is entitled to 5% of the compensation, up to 177,250 shares, due to Altius under the Gibson agreement.

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves a measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the underlying option agreement, Steven Scott is also entitled to the additional milestone bonuses 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

(Expressed in Canadian Dollars)

8. Exploration and evaluation assets (continued)

A summary of exploration and evaluation expenditures by category for the nine month period ended June 30, 2017 and the year ended September 30, 2016 appears below:

		British Columbia	
Nine months ended, June 30, 2017	**Total**	**Gibson Property**	**Cariboo Gold Property**
	$	$	$
Exploration expenditures:			
Balance, September 30, 2016	**525**	-	**525**
Geological consulting	**1,375**	1,375	**-**
Field costs	**307**	307	**-**
Equipment rental	**614**	614	**-**
Balance, June 30, 2017	**2,821**	**2,296**	**525**
Property acquisition costs			
Balance, September 30, 2016	2,106	-	2,106
Acquisition costs incurred	85,309	83,750	1,559
Balance, June 30, 2017	**87,415**	**83,750**	**3,665**
Total exploration and evaluation assets, June 30, 2017	**90,236**	**86,046**	**4,190**

	British Columbia
Year ended September 30, 2016	**Cariboo Gold Property**
	$
Exploration expenditures:	
Balance, September 30, 2015 and 2016	**525**
Property acquisition costs	
Balance, September 30, 2015	500
Acquisition costs incurred	1,606
Balance, September 30, 2016	**2,106**
Total exploration and evaluation assets, September 30, 2016	**2,631**

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interests. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. At June 30, 2017, the Company held $10,000 in respect of the Gibson property in exploration and evaluation asset advances and deposits (September 30, 2016 - $Nil).

(Expressed in Canadian Dollars)

9. Property, and equipment

	Computer equipment and software
	$
Cost	
Balance at September 30, 2016 and June 30, 2017	**9,685**
Accumulated depreciation	
Balance, September 30, 2016	9,282
Depreciation	132
Balance, June 30, 2017	**9,414**
Net Book Value	
September 30, 2016	403
June 30, 2017	**271**

10. Accounts payable and accrued liabilities

		June 30, 2017		Sept 30, 2016
Trade payables	**$**	**7,866**	$	545
Due to related parties		**1,609**		11,848
Accrued liabilities		**5,949**		15,000
Sales tax payable		**724**		19
	$	**16,148**	$	27,412

11. Share capital, stock options and warrants

a) Authorized

Unlimited number of common shares without par value

b) Issued and outstanding common share capital

	Nine months ended June 30, 2017 (Post-consolidation April 3, 2017 - see note below)	Year ended Sept 30, 2016 (Pre-consolidation March 31, 2017 - See note below)
	Number of Shares	Number of shares
Balance, end of period	**22,586,425**	107,309,126

On March 23, 2017, the Company announced its intention to consolidate its issued and outstanding common shares on the basis of five (5) pre-Consolidation shares for one (1) post-Consolidation share pending the approval from the TSX Venture Exchange ("Exchange"), as well as a name change from "Northern Abitibi Mining Corp." to "CANEX Metals Inc.". The transaction included the outstanding Stock Options and Warrants to be adjusted by the consolidation ratio and the respective exercise prices of the outstanding stock options and warrants accordingly. The Company received approval from the Exchange on March 31, 2017. Effective at the opening of trading on April 3, 2017, the Company's pre-Consolidation shares were delisted and the

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)
b) Issued and outstanding common share capital (continued)

post-Consolidation shares commenced trading under the name CANEX Metals Inc. The Corporation's trading symbol was changed to CANX. The effect of this transaction is summarized in the table below:

	Pre-Consolidation March 31, 2017		Post-Consolidation April 3, 2017	
	Number of Units	**Exercise Price**	**Number of Units**	**Exercise Price**
Common shares, issued and outstanding	107,309,126		21,461,425	
Warrants	2,300,000	$0.05	460,000	$0.25

No fractional shares were issued and all fractional shares resulting from the consolidation were rounded down to the nearest whole number with no cash consideration being paid in respect of fraction shares. After fractional rounding of the shares upon consolidation, 400 shares were cancelled.

During the nine month period ended June 30, 2017, the Company issued 1,125,000 common shares valued at $78,750 pursuant to an option agreement on the Gibson property. The acquisition was valued using the closing share price on the transaction date. See Note 8 - "Exploration and evaluation assets" and Note 18 - "Commitments" for more information.

On March 23, 2016, the Company completed a brokered private placement for aggregate gross proceeds of $230,000. The placement was comprised of 23,000,000 common shares at $0.01 per share. Share issuance costs included a cash commission of 9% of the amount raised as well as 10% of the amount raised in broker warrants. Each broker warrant entitles the holder to purchase one common share at a price of $0.05 per share until March 23, 2021. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Option Pricing model assuming a volatility of 205%, a risk free rate of 0.71%, a five year warrant life, and a 0% dividend rate.

Subsequent to June 30, 2017 and up to the approval date of these financial statements there were no shares issued or cancelled and returned to treasury.

c) Stock options outstanding

	Number of options		Exercise
Expiry	**June 30, 2017**	**Sept 30, 2016**	**Price**
January 9, 2017	**-**	500,000	$0.10
June 26, 2022	**1,175,000**	-	$0.06
	1,175,000	500,000	

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time. All of the options outstanding at the respective period ends have vested.

(Expressed in Canadian Dollars)

11. Share capital, stock options and warrants (continued)

d) Stock option transactions

	Number of options	Weighted average exercise price
Balance, September 30, 2016	500,000	$0.10
Expired	(500,000)	$0.10
Issued	1,175,000	$0.06
Balance, June 30, 2017	1,175,000	$0.06

Subsequent to June 30, 2017 and prior to the approval of date of these financial statements there were no options issued or expired.

During the three and nine month period ended June 30, 2016, there were no stock option transactions.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Nine months ended June 30, 2017						
Exercise Price	**Expiry**	**Balance Sept 30, 2016**	**Balance, April 3, 2017 Post-consolidation**	**Warrants Issued**	**Warrants Expired**	**Balance June 30, 2017**
(a) $0.05/ $0.25	March 23, 2021	2,300,000	460,000	-	-	460,000

(a) The exercise price was $0.10 per share and $0.25 per share on a pre-consolidation and post-consolidation basis respectively.

Nine months ended June 30, 2016:					
Exercise Price	**Expiry**	**Balance Sept 30, 2015**	**Warrants Issued**	**Warrants Expired**	**Balance June 30, 2016**
$0.05	March 23, 2022	-	2,300,000	-	2,300,000

Subsequent to June 30, 2017 and the approval date of these financial statements, no warrants were issued or expired.

12. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments. The warrants included in short-term investments are categorized as Level 2.

(Expressed in Canadian Dollars)

12. Financial instruments (continued)

The following summarizes the categories of the various financial instruments:

		June 30, 2017		September 30, 2016
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**233,450**	$	453,500
Financial asset measured at amortized cost:				
Cash		**390,546**		188,331
Accounts receivable		**592**		1,161
	$	**391,138**	$	189,492
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**15,424**	$	27,393

The above noted financial instruments are exclusive of any sales tax.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

13. General and administrative

	Three months ended June 30				Nine months ended June 30			
		2017		2016		2017		2016
Administrative consulting fees	**$**	**4,208**	$	1,453	**$**	**9,953**	$	8,085
Stock-based compensation (Note 14)		**64,500**		-		**64,500**		-
Occupancy costs		**4,733**		6,014		**16,761**		12,369
Office, secretarial and supplies		**5,115**		1,470		**15,252**		10,886
Travel and promotion		**679**		-		**1,155**		-
Insurance		**2,193**		2,657		**6,606**		8,422
Directors' fees		**600**		600		**1,800**		600
Computer network and website maintenance		**636**		512		**875**		926
	$	**82,664**	$	12,706	**$**	**116,902**	$	41,288

14. Share-based payment transactions

During the three month period ended June 30, 2017, the Company granted 1,175,000 options that may be exercised at $0.06 per share to June 26, 2022. The options were valued at $64,500 using the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 289.75%, a risk-free discount rate of 1.12% and a dividend rate of 0%.

15. Earnings per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed using the treasury stock method. Stock options and warrants outstanding are not included in the computation of diluted earnings (loss) per share if their inclusion would be anti-dilutive.

(Expressed in Canadian Dollars)

15. Earnings per share (continued)

The following adjustments were made in arriving at diluted weighted average number of common shares for the period ended June 30:

Weighted average number of common shares:		**2017**		**2016**
		(1)		**(1)**
Basic		**21,642,744**		92,734,034
Effect of dilutive securities:				
Stock options		**-**		-
Warrants		**-**		-
Diluted		**21,642,744**		92,734,034
Loss per share				
Basic	$	0.00	$	0.00
Diluted	$	0.00	$	0.00

(1) The calculation for June 30, 2017 is based on post-consolidation common shares as of April 3, 2017 and the June 30, 2016 is based on pre-consolidation common shares as of March 31, 2017. See Note 11 b) - "Share capital, stock options and warrants" above for more information.

16. Income tax information

The estimated taxable income for the nine months ended June 30, 2017 is $Nil. Based on the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values has been reduced by an equivalent estimated taxable temporary difference valuation allowance.

The estimated taxable temporary difference valuation allowance will be adjusted in the period in which it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the September 30, 2016 audited financial statements. The benefit of these losses and the estimated loss for the period ended have not been recognized in these financial statements.

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to Manson Creek Resources Ltd. ("Manson") and Guatavita Gold Corporation ("Guatavita") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and Manson and Guatavita. In addition, related parties include members of the Board of directors, officers and their close family members. The Company incurred the following amounts charged by (to) related parties:

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

	Note	Three months ended June 30 2017	Three months ended June 30 2016	Nine months ended June 30 2017	Nine months ended June 30 2016
Key management remuneration:					
President and director	a)	**$ 3,500**	**$** -	**$ 9,250**	$ -
Corporate secretary	d)	**3,487**	-	**6,007**	5,062
Director's fees	b)	**600**	600	**1,800**	600
		$ 7,587	**$** 600	**$ 17,057**	$ 5,662
Other related party transactions:					
Manson Creek Resources Ltd. ("Manson")					
Office rent and operating costs paid	c)	**$ (5,600)**	$ (6,014)	**$ (17,628)**	$ (12,368)
General and administrative and secretarial costs paid	c)	**$ (498)**	$ (1,240)	**$ (2,673)**	$ (2,304)
General and administrative and secretarial costs received	c)	**$ 420**	$ -	**$ 1,785**	$ 726
Guatavita Gold Corporation ("Guatavita")					
General and administrative and secretarial costs paid	d)	**$ -**	$ -	**$ -**	$ (7,365)
General and administrative and secretarial costs received	d)	**$ -**	$ -	**$ 24**	$ -

The following amounts were receivable from or due to related parties at the respective period ends:

	Note	June 30, 2017	Sept 30, 2016
Balances receivable (owing)			
Consulting fees:			
President and director	a)	**$ -**	$ (4,200)
Corporate secretary	d)	**$ (1,609)**	$ -
Office rent and operating costs			
Manson Creek Resources Ltd.	c)	**$ (5,600)**	(6,315)
General and administrative and secretarial costs:			
Manson Creek Resources Ltd.	c)	**$ -**	$ (1,333)
Guatavita Gold Corporation	d)	**$ 24**	$ 1,161
Manson Creek Resources Ltd.	c)	**$ 441**	$ -
Corporate secretary	d)	**$ 127**	$ -

Management compensation payable to "key management personnel" during the respective three and nine month periods is reflected in the table above and consists of consulting fees paid to the President, the CFO, salary for the Corporate Secretary and directors' fees. Officers and directors are also compensated through the granting of options from time-to-time. The Company granted stock options to officers, directors and consultants and recorded a non-cash charge for stock-based payments of $64,500 that is included in general and administrative expenses (Note 13). Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company.

a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation

(Expressed in Canadian Dollars)

17. Related party balances and transactions and key management remuneration (continued)

assets. During the nine months ended June 30, 2017 $2,375, (2016 - $Nil), was expensed through general and administrative expenses, $3,750 (2016 - $Nil), was expensed to pre-acquisition exploration and evaluation asset expenditures, $1,375 (2016 - $Nil) was capitalized to exploration and evaluation assets and $1,750 (2016 - $Nil) was expensed to Impairment (recovery).

b) The Company pays directors who are not officers of the Company $500 for meeting attendance in person and $300 for meeting attendance by telephone. There are two directors who are not officers and the amounts above reflect directors fees paid/payable for meetings attended during the above-noted periods. Between January 1, 2015 and March 31, 2016, directors were not paid for meeting attendance as a voluntary cost cutting measure.

c) Manson incurred certain administrative expenses on the Company's behalf that were subsequently billed to the Company on a quarterly basis. Further, the Company incurred certain administrative costs on behalf of Manson that were billed on a quarterly basis. Effective April 1, 2015, the Company commenced to lease office space from Manson. Manson and the Company share three common officers and two common directors.

d) Guatavita employed two individuals who also performed work for the Company and incurred certain administrative expenses on behalf of the Company and billed on a quarterly basis for these expenses. Included in these billings were the services provided by the Corporate Secretary. From January 1, 2012 to March 31, 2015, the Company leased office space from Guatavita. Effective December 31, 2015, the Company is no longer receiving services from Guatavita. The Company incurred certain administrative expense on Guatavita's behalf that were subsequently billed to Guatavita on a quarterly basis. Guatavita and the Company share three common officers and one common director. Effective December 31, 2015, the corporate secretary has provided services to the Company on a contract basis.

Related party receivables pertain to billings plus applicable sales taxes for which payment has not been received and related party payables reflect billings plus applicable sales taxes that were not yet paid by the Company at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

18. Commitments

a) Pursuant to a lease agreement for office space, the Company is committed to pay its share of base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additional annual rent is estimated to be approximately $13,500. As at June 30, 2017, the committed base lease costs to the termination of the lease are as follows:

July 1, 2017 - September 30, 2017	$	1,304
October 1, 2017 - March 31, 2018		3,912
Total to lease termination	$	5,216

(Expressed in Canadian Dollars)

18. Commitments (continued)

b) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals (TSX:ALS). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase agreement was executed on May 12, 2017; and received Exchange approval on May 17, 2017. The Company will also assume the obligations of an underlying option agreement with Steven Scott.

The remaining commitments of the agreement are as follows:	**Altius**		**Underlying option agreement with Steven Scott** (Anniversary date - March 9)	
	Share issues	Minimum Exploration Expenditures	Cash or share equivalent payments	Minimum exploration expenditures*
		($)	($)	($)
On or before March 9, 2018	-	-	15,000	10,000
Following Phase 1 trenching but prior to drilling on the Property	1,180,000	-	-	-
Expenditure Commitment (within 18 months from the Closing date ("Expiry date"))		500,000	-	-
Following the completion of the Expenditure Commitment	1,240,000	-	-	-
On or before March 9, 2019	-	-	20,000	20,000
On or before March 9, 2020	-	-	25,000	30,000
On or before March 9, 2021	-	-	25,000	50,000
Total remaining	2,420,000	500,000	85,000	110,000

* - included in total minimum exploration expenditure commitments

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves a measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the underlying option agreement, Steven Scott is also entitled to the additional milestone bonuses of: 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

(Expressed in Canadian Dollars)

19. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss.

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Income (loss) before other items	**$ (90,616)**	$ (13,900)	**$ 171,874**	$ (52,421)
Depreciation	**44**	82	**132**	247
Impairment (recovery)	**-**	(967)	**(343,250)**	(967)
Other non-cash adjustments	**64,500**		**64,500**	-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	**4,203**	1,194	**1,000**	(23)
Prepaid expenses	**(6,183)**	(4,970)	**(2,852)**	(2,222)
Accounts payable and accrued liabilities	**3,928**	4,918	**(11,264)**	(6,053)
Cash paid to suppliers and contractors	**$ (24,124)**	$ (13,643)	**$ (119,860)**	$ (61,439)

20. Segment disclosures

During the current period ended June 30, 2017 and the comparative period ended June 30, 2016 as well as during the year ended September 30, 2016, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada. Consequently, segmented information is not presented in these financial statements.

21. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Capital is defined as capital stock, warrants, contributed surplus and deficit. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options will be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs, during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits.

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables, (excluding sales tax). The Company has had a history of prompt receipt of its receivables and considers credit risk to be low on these instruments as at June 30, 2017 and September 30, 2016.

22. Financial risk management (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The Company feels that it has sufficient working capital to finance general and administrative and other operating expenses through fiscal 2017 and beyond as well as the 2017 planned exploration program. However, new property acquisitions and future exploration on its mineral properties may additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations".

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments as a general rule. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the nine month period ended June 30, 2017, the market price fluctuation on the investments held resulted in a net loss of $107,048, (year ended September 30, 2016 - net gain of $212,282) on short-term investments. In 2017, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $23,345 (2016 - $45,350). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests, it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risk at this time.

CANEX Metals Inc.
(Formerly NORTHERN ABITIBI MINING CORP.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of CANEX Metals Inc. ("CANEX Metals" or "the Company) (formerly Northern Abitibi Mining Corp.) for the three and nine month periods ended June 30, 2017 and should be read in conjunction with the Unaudited Condensed Interim Consolidated Financial Statements as at and for the three and nine month periods ended June 30, 2017 ("Q3 2017") and related notes thereto as well as the Audited Consolidated Financial Statements for the year ended September 30, 2016 and related notes thereto. The date of this MD&A is July 17, 2017. CANEX Metals' common shares trade on the TSX Venture Exchange under the symbol "CANX". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ('SEDAR') and can be accessed at www.sedar.com.

The Company's Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Consolidated Financial Statements as at and for the year ended September 30, 2016. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual Consolidated Financial Statements as at September 30, 2016. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Independent Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for CANEX Metals' exploration projects in the following discussion and analysis is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of CANEX Metals. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company’s business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers’ prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

CANEX Metals, including its wholly owned subsidiary, NAMCOEX Inc., is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company’s ability to recover its costs through a disposition of its interests. The Company’s philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's mineral properties are in production. Consequently, the Company's net income is a limiting indicator of its performance and potential.

2) Highlights – Three months and nine months ended June 30, 2017

- During the three month period ended March 31, 2017, the Company received $325,000 in cash from Aurvista Gold Corporation ("Aurvista"). The Company sold its share of a royalty interest held as a result of an agreement between the Company and Société d'Exploration Minière Vior Inc. ("Vior"), entered into on February 16, 2011 for the sale of claims relating to the Douay property (the "Property") in Quebec. As part of the consideration for the sale of the Property, a 1.5% Net Smelter Royalty (the "Royalty") was granted. On August 30, 2011, Vior assigned 100% of its interest in the Property to Aurvista, subject to the payment of the Royalty. During the year ended September 30, 2004, the Company determined that there were insufficient financial resources to continue exploration on the property, and as a result 100% of the Property costs were impaired.
- Additionally, the Company received $20,000 in cash from Aurvista to terminate obligations under a price adjustment clause of an agreement dated August 18, 2010 with respect to the Property.
- On March 22, 2017, the Company received a share dividend from Vior of 31,500 shares of Aurvista Gold Corporation valued at $0.36 per share (the last reported closing price on March 16, 2017, before the issuance of the stock dividend) totalling $11,340.
- On March 23, 2017, the Company announced its intention to consolidate its issued and outstanding common shares on the basis of five (5) pre-Consolidation shares for one (1) post-Consolidation share pending the approval from the TSX Venture Exchange ("Exchange"), as well as a name change from "Northern Abitibi Mining Corp." to "CANEX Metals Inc.". The transaction included the outstanding Stock Options and Warrants to be adjusted by the consolidation ratio and the respective exercise prices of the outstanding stock options and warrants accordingly. The Company received approval from the Exchange on March 31, 2017. Effective at the opening of trading on April 3, 2017, the Company's pre-Consolidation shares were delisted and the post-Consolidation shares commenced trading under the name CANEX Metals Inc. The Corporation's trading symbol was changed to CANX. See Section 8) - Financing of this document for further information.
- On April 4, 2017, the Company announced that it has signed a Letter of Intent to acquire a 100% interest in the Gibson Project ("Gibson") from Altius Resources Inc. ("Altius"). The Company received Exchange approval on May 17, 2017 and issued 1,125,000 common shares to Altius, pursuant to the Option agreement on May 18, 2017. See Section 3) Mineral properties, Gibson project, British Columbia below for further information.
- On May 18, 2017, the Company announced its 2017 exploration plans with respect to the Gibson Prospect. See News Release 17-2 for further information. As well, on June 26, 2017, the Company announced the results of its preliminary site visit to the Gibson Prospect. See News Release 17-3 for further information.
- The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

3) Mineral Properties

Cariboo Gold Property, British Columbia

During the year ended September 30, 2015, the Company staked the Cariboo Gold Property located in central British Columbia.

The Cariboo Gold Property is 30 kilometres southeast of Quesnel, B.C. with good road access, located in the heart of the Cariboo gold fields which have produced several million ounces of gold from both placer and lode deposits. Major deposits located south and southeast of the Cariboo Gold Property include the QR Mine, the Gibraltar Mine, the Mt. Polley Mine, and the Spanish Mountain and Woodjam projects.

The Cariboo Gold Property has seen significant historic exploration including geophysical and geochemical surveys and drilling. The property is known to contain gold skarn style mineralization similar to the nearby QR deposit, along with epithermal Au mineralization. Historic drilling has also encountered high temperature potassic alteration along with intrusive rocks and breccias indicating potential for Cu-Au porphyry style mineralization.

Historic drilling by Placer Dome and Cross Lake Minerals encountered strong gold mineralization including intercepts of 11 metres grading 1.41 g/t Au, 6 metres grading 2.18 g/t Au, 6 metres grading 1.72 g/t Au, and individual assays up to 4.5 g/t Au. An induced polarization geophysical survey conducted in 2003 for Cross Lake Minerals defines an area 800 metres by 350 metres with anomalous chargeability that remains open to the southwest, west and northeast, with a coincident resistivity high that is 200 metres by 500 metres and appears open to the west and northeast. The known mineralized zones have not been fully drill tested or delineated and significant geophysical and geological targets on the property remain untested.

The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2017.

Gibson Prospect, British Columbia

The Gibson prospect ("Gibson") is 887 hectares in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The area is accessible via a network of all weather logging roads. Gibson contains mesothermal gold-silver mineralization hosted in highly altered volcanic rocks adjacent to the Hogem Batholith. The zone was discovered and explored by Noranda Exploration Company from 1989 to 1991. Following soil sampling and induced polarization geophysical surveys, Noranda exposed precious metal mineralization in hand trenches with surface samples returning 12.86 g/t gold and 144.7 g/t silver over 1.5 meters and 5.35 g/t gold and 2136 g/t silver over 1.7 meters. Noranda subsequently drilled 9 holes with 8 and 9 holes intersecting significant gold and silver mineralization. The best drill intercept returned 4.26 meters grading 6.77 g/t gold and 1828 g/t silver. No follow up trenching or drilling has been conducted at Gibson since the highly successful Noranda program and the mineralized zone appears to be about 4.5 metres wide and at least 400 metres long and remains open in all directions.

The Noranda hand trenching and drill results are reported in BC Assessment report 21762 for Noranda Exploration Company by Stewart and Walker 1991. This drilling was done prior to NI 43-101 and should be considered historic in nature. The results have not been verified by CANEX Metals and should not be relied upon.

On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"), a wholly held subsidiary of Altius Minerals (TSX:ALS). The Option agreement was executed on May 12, 2017; and received Exchange approval on May 17, 2017.

CANEX Metals can earn a 100% interest in the Gibson prospect from Altius by issuing 3,545,000 common shares in three stages, spending $500,000 on exploration within 18 months, and taking over the obligations of an underlying option agreement with Steven Scott. The Company issued 1,125,000 common shares to Altius on signing of the Option Agreement and Exchange approval. The acquisition was valued at $78,750, using the closing share price on the date of the transaction. Altius will retain a right to purchase an underlying 1.5 Net Smelter Royalty ("NSR") and preferential right on any future royalties or streams granted on the Property. Altius will also have a pro rata right to participate in future equity financings of CANEX Metals for two years.

For more information relating to this transaction see News Release 17-1 issued April 4, 2017 and Section 7) Contractual obligations in this report.

Shane Ebert through his company, Vector Resources (see Note 16 - "Related parties and transactions and key management remuneration" to the Condensed Interim Unaudited Consolidated Financial Statements for the nine month period ended June 30, 2017 which accompany this MD&A) is involved in British Columbia project generation activities for Altius. Vector Resources is entitled to 5% of the compensation, up to 177,250 shares, due to Altius under the Gibson agreement.

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves a measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the underlying option agreement, Steven Scott is also entitled to the additional milestone bonuses of : 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

Pending receipt of the necessary exploration permits, the Company is planning 2 phases of exploration at Gibson. The first phase will consist of surface exploration work including mechanical trenching of known historic high grade Au-Ag zones, along with detailed geologic mapping and sampling. Phase 1 is estimated to cost just over $100,000 and take 3 weeks to complete. CANEX Metals is fully funded to undertake the Phase 1 exploration program. A preliminary site visit has been completed and focused on verifying logistics and access for the phase 1 trenching program. For more information see News Release 17-3 issued June 26, 2017. As a condition of permitting, the Company has issued a $10,000 reclamation security deposit to British Columbia Ministry of Energy and Mines.

The second phase of exploration at Gibson will be dependent on successful Phase 1 trenching and would include drill testing of high grade zones.

4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
General and administrative	**$ (82,664)**	$ (12,706)	**$ (116,902)**	$ (41,288)
Reporting to shareholders	**467**	-	**(20,726)**	(4,017)
Professional fees	**(4,614)**	(524)	**(14,817)**	(2,025)
Stock exchange and transfer agent fees	**(3,761)**	(1,555)	**(14,430)**	(5,811)
Depreciation	**(44)**	(82)	**(132)**	(247)
Recovery (impairment)	**-**	967	**343,250**	967
Pre-acquisition costs	**-**	-	**(4,369)**	-
Gain (loss) on short-term investments	**(54,742)**	173,350	**(224,790)**	117,600
Dividend income	**-**	-	**11,340**	-
Interest and other income	**49**	40	**173**	106
Net and comprehensive income (loss)	**$ (145,309)**	$ 159,490	**$ (41,403)**	$ 65,285

The Company continues to tightly manage costs as a strategy to conserve resources; however, activity in the junior mining sector has picked up and is reflected in the operations above. Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below. The most significant changes in other expenditures follow:

- Overall, expenditures in the current period were consistent with budgeted expenditures.
- Reporting to shareholders expenditures relate to the filing and dissemination of the annual audited financial statements for which there was no significant variance, as well as the Annual General Meeting ("AGM") which was held in Q2 2017. As there was no AGM held in 2016, there was no comparative expenditure.
- Stock exchange and transfer agent fees are higher in the current three and nine month periods by $8,600 due to fees incurred for the stock option plan for 2015, 2016, and 2017, as well as the share consolidation and name change transactions. Similar fees were not incurred in the comparative period.
- The recovery reported in Q2 2017 relates to agreements entered into with Aurvista. During the three month period ended March 31, 2017, the Company received $325,000 in cash from Aurvista. The Company sold its share of a royalty interest held as a result of an agreement between the Company and Vior, entered into on February 16, 2011 for the sale of claims relating to the Douay property in Quebec. As part of the consideration for the sale of the Property, a 1.5% Royalty was granted. On August 30, 2011, Vior assigned 100% of its interest in the Property to Aurvista, subject to the payment of the Royalty. During the year ended September 30, 2004, the Company determined that there were insufficient financial resources to continue exploration on the property, and as a result 100% of the Property costs were impaired. Additionally, the Company received $20,000 in cash from Aurvista to terminate obligations under a price adjustment clause of an agreement dated August 18, 2010 with respect to the Property. In Q3 2016, the Company reported a net recovery of $967, which consisted of a refund of WCB paid in the previous year of $2,542, netted against the B.C. Mining Tax credit of $1,575, which was over accrued at September 30, 2015.
- In Q2 2017, the Company incurred pre-acquisition costs of $4,369 with respect to the acquisition of the Gibson Prospect and primarily include costs of negotiating the Option agreement executed May 12, 2017. (Refer to Section 3) Mineral Properties, Gibson Prospect, British Columbia for further details.)
- The loss on short-term investments in the current period includes a realized loss of $36,932 on the sale of Société d'Exploration Minière Vior Inc. ("Vior Inc.") shares in Q3 2017. The remainder of the loss of $187,858 results from adjusting the Company's holdings in common shares of Vior, Spruce Ridge Resources Ltd. ("Spruce Ridge"), Commander Resources Ltd. ("Commander") and Aurvista Gold Corporation ("Aurvista") to fair value at the respective period ends. In the comparative period, the Company recognized a gain on short-term investments of $173,350; however, over the nine month comparative period, a total gain of $117,600 was recognized. At June 30, 2017 Spruce Ridge shares were trading at $0.020 versus $0.040 at September 30, 2016, resulting in a net loss of $220,000. At June 30, 2016 these shares were trading at $0.035 per share versus $0.025 at September 30, 2015, resulting in a gain of $110,000. At June 30, 2016, the Vior Inc. shares were trading at $0.080 per share versus $0.055 at September 30, 2015, resulting in a gain of $1,875. Additionally, during the three month period ended June 30, 2016, the Company disposed of 75,000 Vior Inc. shares at 0.08 per share resulting in a realized loss of $37,682. The value of the Commander Resources Ltd shares decreased from $0.045 at September 30, 2016 to $0.040 at June 30, 2017 resulting in a loss of $500. During the comparative periods the value of the shares increased from $0.015 per share at September 30, 2015 to $0.055 per share at June 30, 2016 resulting in a gain of $4,000. Finally, the value of the Aurvista shares decreased in value from the date of acquisition of $0.36 per share to $0.30 at June 30, 2017, resulting in a loss of $1,890. These market price declines result in significant valuation adjustments from period to period.

- On March 22, 2017, the Company received a share dividend from Vior of 31,500 shares of Aurvista Gold Corporation valued at $0.36 per share (the last reported closing price on March 16, 2017, before the issuance of the stock dividend) totalling $11,340. These market price declines result in significant valuation adjustments from period to period.

General and administrative expenses

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Administrative consulting fees	**$ 4,208**	$ 1,453	**$ 9,953**	$ 8,085
Stock-based compensation	**64,500**	-	**64,500**	-
Occupancy costs	**4,733**	6,014	**16,761**	12,369
Office, secretarial and supplies	**5,115**	1,470	**15,252**	10,886
Travel and promotion	**679**	-	**1,155**	-
Insurance	**2,193**	2,657	**6,606**	8,422
Directors' fees	**600**	600	**1,800**	600
Computer network and website maintenance	**636**	512	**875**	926
Total general and administrative expenses	**$ 82,664**	$ 12,706	**$ 116,902**	$ 41,288

- Administrative consulting fees, which consist of fees for the CFO, the controller and geological consulting, are up by approximately $1,900 year to date, and include geological consulting fees of $2,375 and controller fees of $7,578. There were no geological consulting fees incurred in the comparative period, nor fees for the services provided by the CFO in either the current period or comparative period.
- During the three month period ended June 30, 2017, the Company granted, pursuant to its stock option plan, a total of 1,175,000 incentive options to directors, officers and consultants of the Company, exercisable at a price of $0.06 per share for five years. The options were valued at $64,500 using the Black-Scholes Option Pricing model assuming a 5 year term, volatility of 289.75%, a risk-free discount rate of 1.12% and a dividend rate of 0%.
- Occupancy costs have increased by $4,400 in the current periods from the comparative periods and result due to a new lease entered into April 1, 2015 and a subsequent change to the office cost sharing arrangements with the Company's related parties. See Note 16 - "Related party balances and transactions and key management remuneration" in the unaudited condensed interim consolidated financial statements dated June 30, 2017 which accompany this document. Occupancy costs are in accordance with the budget. The term of the current lease is from April 1, 2017 to March 31, 2018. See Section 7) Contractual Obligations for further commitments related to the lease.
- Office, secretarial and supplies expenditures have increased in the current nine month period from the comparative period by $4,300. The majority of the increase is reflected in contracted administrative and corporate secretarial services which include planning for the AGM, facilitating the royalty payments from Aurvista, the company name change and share rollback, the Gibson Prospect option and negotiations for the current occupancy lease.
- There is no significant variation in insurance premiums between current and comparative quarters.
- As a voluntary cost management measure, directors fees were not paid from Q2 2015 to Q2 2016. The fees were reinstated in Q3 2016 due to the Company's improved working capital situation.

Professional fees

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2017	**2016**	**2017**	**2016**
Audit and accounting	**$ -**	$ -	**$ 3,809**	$ 1,065
Legal and filing fees	**4,614**	524	**11,008**	960
Total professional fees	**$ 4,614**	$ 524	**$ 14,817**	$ 2,025

- Professional fees, which consist of annual auditing fees plus legal and other filing fees. The audit and accounting expenditures of $3,809 and $1,065 is due to an under accrual of the 2016 and 2015 audit fees respectively.
- In the current and comparative periods legal and filing fees consist primarily of fees for news releases and SEDAR continuous disclosure filings which correspond with the volume of activity in each period. Legal fees include nominal fees for corporate filings as well as fees relating to the AGM, name change, share consolidation, consultations relating the Aurvista agreements and the Gibson prospect Option agreement with Altius. (See Section 3) Mineral Properties, Gibson Prospect, British Columbia for further information).

5) Liquidity and Capital Resources

The Company's working capital position at June 30, 2017 was $620,399 (September 30, 2016 - $625,118) a decrease of $4,719. The Company consumed approximately $120,000 in operating activities during the nine month period including an decrease in accounts receivable of $1,000, a $2,800 increase in prepaid expenses and a $11,300 decrease in accounts payable, resulting in a net decrease of working capital of $13,100.

Other significant changes to working capital are as follows:

- A decline in the fair market value of the short-term investments from $453,500 at September 30, 2016 to $233,450 at June 30, 2017 resulted in a decrease of $220,050.
- The company invested $1,559 in exploration and evaluation assets for property acquisition related to the Cariboo Gold property in British Columbia and $7,296 for property acquisition related to the Gibson Prospect, British Columbia and exploration and asset evaluation assets. Additionally, the Company expended $10,000 on a reclamation security deposit with respect to the Gibson Prospect.
- The Company recovered $343,250 in cash with respect to the Aurvista agreements net of geological consulting fees expended to negotiate the agreement.
- The Company received $6,600 for the sale of its remaining 75,000 common shares of Vior Inc.
- The Company expended $9,093 on share issuance and other share transaction fees relating to the share rollback and name change effective April 3, 2017 and the issuance of 1,125,000 common shares pursuant to the Gibson Prospect Option agreement.

The Company will have sufficient cash to finance general and administrative operations the remainder of the current year and beyond, as well as the 2017 planned exploration program. Additional financing may be required to fund new property acquisitions. Management is continually assessing financing options. While the Company has successfully raised equity funds in the past, there are no guarantees that it will be able to do so in the future. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" in the Unaudited Condensed Interim Consolidated Financial Statements, June 30, 2017 which accompany this document.

6) Financing

On March 23, 2017, the Company announced its intention to consolidate its issued and outstanding common shares on the basis of five (5) pre-Consolidation shares for one (1) post-Consolidation share pending the approval from the TSX Venture Exchange ("Exchange"), as well as a name change from "Northern Abitibi Mining Corp." to "CANEX Metals Inc.". The transaction included the outstanding Stock Options and Warrants to be adjusted by the consolidation ratio and the respective exercise prices of the outstanding stock options and warrants accordingly. The Company received approval from the Exchange on March 31, 2017. Effective at the opening of trading on April 3, 2017, the Company's pre-Consolidation shares were delisted and the post-Consolidation shares commenced trading under the name CANEX Metals Inc. The Corporation's trading symbol was changed to CANX. See Note XX of this document for further information.

The effect of this transaction is summarized in the table below:

	Pre-consolidation March 31, 2017		**Post-Consolidation April 3, 2017**	
	Number of Units	**Exercise Price**	**Number of Units**	**Exercise Price**
Common shares, issued and outstanding	107,309,126		21,461,425	
Warrants	2,300,000	$0.05	460,000	$0.25

No fractional shares were issued and all fractional shares resulting from the Consolidation were rounded down to the nearest whole number with no cash consideration being paid in respect of fraction shares. After fractional rounding of the shares upon consolidation, 400 shares were cancelled.

On May 18, 2017, the Company issued 1,125,000 common shares valued at $78,750 pursuant to an option agreement on the Gibson property. The acquisition was valued using the closing share price on the transaction date. See Note 3) Mineral properties for more information related to this transaction.

7) Contractual Obligations

a) Pursuant to a lease agreement for office space, the Company is committed to pay its share of base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additional annual rent is estimated to be approximately $13,500. As at June 30, 2017, the committed base lease costs to the termination of the lease are as follows:

July 1, 2017 - September 30, 2017	$	1,304
October 1, 2017 - March 31, 2018		3,912
Total to lease termination	$	5,216

b) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The purchase agreement was executed on May 12, 2017 and received Exchange approval on May 17, 2017. The Company will also assume the obligations of an underlying option agreement with Steven Scott.

The remaining commitments of the agreement are as follows:	**Altius**		**Underlying option agreement with Steven Scott** (Anniversary date - March 9)	
	Share issues	Minimum Exploration Expenditures	Cash or share equivalent payments	Minimum exploration expenditures*
		($)	($)	($)
On or before March 9, 2018	-	-	15,000	10,000
Following Phase 1 trenching but prior to drilling on the Property	1,180,000	-	-	-
Expenditure Commitment (within 18 months from the Closing date ("Expiry date"))		500,000	-	-
Following the completion of the Expenditure Commitment	1,240,000	-	-	-
On or before March 9, 2019	-	-	20,000	20,000
On or before March 9, 2020	-	-	25,000	30,000
On or before March 9, 2021	-	-	25,000	50,000
Total remaining	2,420,000	500,000	85,000	110,000

* - included in total minimum exploration expenditure commitments

In addition, Altius will retain a right to purchase an underlying 1.5% Net Smelter Royalty ("NSR") and preferential rights on any future royalties or streams granted on the Property. If the Company achieves a measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the underlying option agreement, Steven Scott is also entitled to the additional milestone bonuses of: 1) $25,000 in cash or securities upon a Bankable Feasibility Study; and 2) $50,000 in cash or securities upon Commercial Production.

8) Exploration Expenditures

Refer to Note 8 “Exploration and evaluation assets,” in the Condensed Interim Consolidated Financial Statements for exploration and evaluation asset expenditures for the three and nine month periods ended June 30, 2017.

9) Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

10) Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	**Jun 2017 (Q3 2017)**	**Mar 31 2017 (Q2 2017)**	**Dec 31 2016 (Q1 2017)**	**Sep 30 2016 (Q4 2016)**	**Jun 2016 (Q3 2016)**	**Mar 31 2016 (Q2 2016)**	**Dec 31 2015 (Q1 2016)**	**Sep 30 2015 (Q4 2015)**
	$	$	$	$	$	$	$	**$**
Loss before recovery (impairment) of exploration and evaluation assets	(90,616)	(57,064)	(23,695)	(34,146)	(14,867)	(22,602)	(15,919)	(29,974)
Recovery (impairment) of exploration and evaluation assets	-	343,250	-	2000	967	-	-	14,295
Income (loss) before other items	(90,616)	286,186	(23,695)	(32,146)	(13,900)	(22,602)	(15,919)	(15,679)
Interest and other income	49	85	39	35	40	66	-	-
Dividend income	-	11,340	-	-	-	-	-	-
Gain (loss) on short-term investments	(54,742)	51,577	(221,625)	57,000	173,350	55,250	(111,000)	47,249
Comprehensive profit (loss)	(145,309)	349,188	(245,281)	24,889	159,490	32,714	(126,919)	31,570
Basic and diluted earnings (loss) per share	(0.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The most significant influences on the variability of profit or loss are the amount of exploration and evaluation asset impairments and recoveries, gains on sale of exploration and evaluation assets, income and gains or losses on short-term investments. The timing of the impairments and gains on sale of the Company's Exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period by period basis.

The Company has received common shares in three separate publicly traded Companies as partial consideration for the sale of mineral property interests in past years. Comprehensive Profit or Loss will fluctuate as the carrying value of these investments is adjusted to fair value at the respective period ends.

11) Directors and Officers

Shane Ebert	*Director and President*	Douglas Cageorge	*Director*
Jean Pierre Jutras	*Director and Vice-President*	Douglas Porter	*Chief Financial Officer*
Barbara O'Neill	*Corporate Secretary*	Lesley Hayes	*Director*

12) Related Party balances and transactions and key management remuneration

Transactions for Q3 2017 are disclosed and explained in Note 17 to the Condensed Interim Unaudited Consolidated Financial Statements for the nine month period ended June 30, 2017 which accompany this MD&A.

13) Share capital and equity reserves

Refer to Note 12 to the financial statements and the Condensed Interim Statement of Changes in Equity for common share capital, stock option and warrant transactions during the nine months ended June 30, 2017 and balances as at that date. There were no changes to Share capital, Warrants or Options during the period from July 1, 2017 to July 17, 2017, the date of this report.

14) Financial instruments

The carrying value of the Company's financial instruments, consisting of cash at bank, accounts receivable (net of sales tax), short-term investments and accounts payable and accrued liabilities, approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had no foreign currency denominated fund balances. Consequently, variations in foreign exchange rates will not result in foreign exchange gains or losses at this point in time.

15) Financial risk management

a) Credit risk
Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables, and mining exploration tax credit receivable. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at June 30, 2017 and September 30, 2016.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The Company feels that it has sufficient working capital to finance general and administrative and other operating expenses for fiscal 2017 and beyond as well as the 2017 planned exploration program. Additional financing may be required to fund new property acquisitions and future exploration programs. Refer to Note 1 - Nature of operations on the Consolidated Financial Statements, September 30, 2016.

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments as a general rule. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the nine month period ended June 30, 2017, the market price fluctuation on the investments held resulted in a net loss of $107,048, (year ended September 30, 2016 - net gain of $212,282) on short-term investments. In 2017, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $23,345 (2016 - $45,350). The Company does not intend to hold these investments for more than one year.

The Company has not yet developed producing mineral interests, it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risk at this time.

16) Outlook

The Company’s primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

- During the year ended September 30, 2015, the Company acquired the Cariboo Gold property, located in central British Columbia, through staking. The Company will continue to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2017. Refer to section 2) Highlights and 3) Mineral properties of this document for more information relating to the acquisition of this property.
- On April 4, 2017, the Company announced it had signed a Letter of Intent to acquire a 100% interest in the Gibson Prospect from Altius Resources Inc. Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company will also assume the obligations of an underlying option agreement with Steven Scott. Refer to Section 3) Mineral properties for further information related to this transaction.
- Pending receipt of the necessary exploration permits, the Company is planning 2 phases of exploration at Gibson. The first phase will consist of surface exploration work including mechanical trenching of known historic high grade Au-Ag zones, along with detailed geologic mapping and sampling. Phase 1 is estimated to cost just over $100,000 and take 3 weeks to complete. CANEX Metals is fully funded to undertake the Phase 1 exploration program. A preliminary site visit has been completed and focused on verifying logistics and access for the phase 1 trenching program. For more information see News Release 17-3 issued June 26, 2017. The second phase of exploration at Gibson will be dependent on successful Phase 1 trenching and would include drill testing of high grade zones.

The Company continues to actively search for new early stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition or similar agreements except as noted above.

17) Risks

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development and operating risks**
  The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**
  Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**
  The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**
  The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on a reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

  Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**
  The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on it properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**
  Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**
  The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**
  The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**
  The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**
  Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**
  Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**
  The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

18) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company’s estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation and warrants. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require 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 granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

19) New Accounting Policies

The Company did not adopt any new accounting policies during the nine months ended June 30, 2017.

IFRS accounting standards, interpretations and amendments subsequent to period-end

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

i) IFRS 9 - Financial Instruments

IFRS 9 - Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2018. There have been new amendments related to IFRS 9 issued in November 2013. Although the transition date has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year and beyond, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

20) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.