Northern Abitibi Mining Corp.
Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2016

Contents

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Independent Auditor's Report

To the Shareholders of Northern Abitibi Mining Corp.:

We have audited the accompanying consolidated financial statements of Northern Abitibi Mining Corp., which comprise the consolidated statement of financial position as at September 30, 2016 and September 30, 2015 and the consolidated statements of income and comprehensive income, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Northern Abitibi Mining Corp. as at September 30, 2016 and September 30, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
December 19, 2016

Northern Abitibi Mining Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at September 30

		2016		2015
ASSETS				
Current Assets				
Cash (Note 4)	**$**	**188,331**	$	46,550
Accounts receivable (Note 5)		**1,908**		1,477
Mining exploration tax credit receivable (Note 15)		**-**		15,040
Prepaid expenses		**8,791**		10,076
Short-term investments (Note 6)		**453,500**		284,750
		652,530		357,893
Non-current Assets				
Exploration and evaluation assets (Note 7)		**2,631**		1,025
Property and equipment (Note 8)		**403**		732
		3,034		1,757
TOTAL ASSETS	**$**	**655,564**	$	359,650
EQUITY AND LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities (Note 9)	**$**	**27,412**	$	25,006
TOTAL LIABILITIES		**27,412**		25,006
EQUITY				
Share capital (Note 11)		**13,767,552**		13,597,338
Reserves		**1,919,197**		1,886,077
Deficit		**(15,058,597)**		(15,148,771)
TOTAL EQUITY		**628,152**		334,644
TOTAL EQUITY AND LIABILITIES	**$**	**655,564**	$	359,650

Nature of operations (Note 1)
Commitments (Note 17)

Approved by the Board

"Shane Ebert"
___________________________ **Director**

"Leslie Hayes"
___________________________ **Director**

See accompanying notes to consolidated financial statements.

Northern Abitibi Mining Corp.

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

(Expressed in Canadian Dollars)
For the years ended September 30

		2016		2015
Expenses				
General and administrative (Note 13)	$	**(57,936)**	$	(64,769)
Reporting to shareholders		**(4,017)**		(4,174)
Professional fees		**(17,126)**		(17,245)
Stock exchange and transfer agent fees		**(8,126)**		(8,281)
Depreciation		**(329)**		(627)
Recovery (impairment charges) (Note 7)		**2,967**		(49,629)
Loss before other items		**(84,567)**		(144,725)
Other items				
Interest and other		**141**		139
Gain from short-term investments		**174,600**		105,000
		174,741		105,139
Net income (loss) and comprehensive income (loss) for the year	$	**90,174**	$	(39,586)
Basic and diluted loss per share (Note 14)	$	**0.00**	$	0.00
Weighted average shares outstanding - basic and diluted (Note 14)		**96,407,756**		84,309,126

See accompanying notes to the consolidated financial statements.

Northern Abitibi Mining Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended September 30

		2016		2015
Decrease in cash and cash equivalents				
Operating activities				
Cash paid to suppliers and contractors	**$**	**(81,945)**	$	(106,881)
Cash used in operating activities (Note 18)		**(81,945)**		(106,881)
Investing activities				
Interest and other income received		**141**		139
Cash recovered on sale of short-term investments		**5,850**		-
Cash received on mineral property recoveries		**2,542**		-
Cash expended on exploration and evaluation assets		**(1,606)**		(45,383)
Cash received for mining exploration tax credit		**13,465**		1,083
Cash received (expended) on exploration advances and deposits		**-**		14,500
Cash expended on decommissioning obligations		**-**		(7,370)
Cash provided by investing activities		**20,392**		(37,031)
Financing activities				
Share capital and warrant issue proceeds		**230,000**		-
Cash share issuance costs		**(26,666)**		-
Cash provided by financing activities		**203,334**		-
Increase (decrease) in cash and cash equivalents		**141,781**		(143,912)
Cash (Note 4):				
Beginning of period		**46,550**		190,462
End of period	**$**	**188,331**	$	46,550

Supplementary information:
Interest and taxes
No cash was expended on interest or taxes during the years ended September 30, 2016 and September 30, 2015.

Non-cash transactions

2016
During the year ended September 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.

2015
During the year ended September 30, 2015, there were no non-cash transactions.

See accompanying notes to the consolidated financial statements.

Northern Abitibi Mining Corp.
Consolidated Statement of Changes in Equity
(Expressed in Canadian Dollars)
As at September 30

		Reserves					
	Common share capital $	Equity settled share based payments $	Warrants $	Other Reserves* $	Total Reserves $	Deficit $	Total $
Balance, September 30, 2014	**13,597,338**	**50,536**	**-**	**1,835,541**	**1,886,077**	**(15,109,185)**	**374,230**
Net and comprehensive loss for the year	-	-		-	-	(39,586)	(39,586)
Options expired	-	(45,536)	-	45,536	-	-	-
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 year	**-**	**-**	**-**	**-**	**-**	90,174	90,174
Private placement share and warrant issue	230,000	-	-	-	-	-	230,000
Share issue costs	(59,786)	-	33,120	-	33,120	-	(26,666)
Balance, September 30, 2016	**13,767,552**	**5,000**	**33,120**	**1,881,077**	**1,919,197**	**(15,058,597)**	**628,152**

*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 consolidated financial statements

1. Nature of operations

Northern Abitibi Mining Corp. ("Northern Abitibi" or 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 trading symbol NAI.

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 its mineral exploration 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"*. 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 in its mineral exploration properties.

2. Basis of presentation

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Reporting Interpretations Committee ("IFRIC"), effective for the periods ended September 30, 2016 and 2015, using the significant accounting policies outlined in Note 3. The consolidated statements were authorized for issue by the board of directors on December 19, 2016.

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 12 and decommissioning obligation described in Note 10. 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 consolidated 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

a) New accounting policies

Northern Abitibi did not adopt any new accounting policies during the year ended September 30, 2016.

3. Significant accounting polices (continued)

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 Northern Abitibi 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, 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.

c) Financial Instruments

The Company's financial instruments consist of the following:

Financial Assets	**Classification**
Cash	Financial asset measured at amortized cost
Accounts receivable	Financial asset measured at amortized cost
Short-term investments	Financial asset measured at fair value

Financial Liabilities	**Classification**
Accounts payable and accrued liabilities	Financial liabilities measured at amortized cost

The Company records financial assets initially at fair value and subsequently measures these financial assets at either amortized cost or fair value on the basis of both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following conditions are met:

1) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and,

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If the financial asset is not measured at amortized cost as per the above, the financial asset is measured at fair value.

Financial asset measured at fair value
Financial assets measured at fair value are carried at fair value at each period end, with the related gains and losses recognized in profit or loss. The sale of equity investments is accounted for using trade date accounting.

Financial assets measured at amortized cost
Financial assets measured at amortized cost are recorded at fair value upon initial recognition, plus any applicable transaction costs that are directly attributable to the acquisition of the financial asset, and subsequently carried at amortized cost, using the effective interest method. A gain or loss on a financial asset

3. Significant accounting polices (continued)
c) Financial Instruments (continued)

that is measured at amortized cost is recognized in profit or loss when the financial asset is derecognized, impaired, or reclassified.

Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost are recorded at fair value upon initial recognition, less any applicable transaction costs that are directly attributable to the acquisition of the financial liability, and are subsequently measured at amortized cost using the effective interest method. A gain or loss on a financial liability that is measured at amortized cost is recognized in profit or loss when the financial liability is derecognized.

Cash
Cash includes cash held in current accounts, highly liquid Canadian dollar denominated investments in bankers' acceptances or term deposits, with terms to maturity of 90 days or less when acquired and cash held in short-term investment accounts. The counter-parties are financial institutions.

Impairment of financial assets
Financial assets carried at amortized cost are assessed for indicators of impairment at the end of each reporting period. These financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted.

The carrying amount of financial assets is reduced by any impairment loss directly except in the case of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of accounts receivable previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in earnings.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined had no impairment loss been recognized in prior years.

d) Provisions

Provisions are recognized when the Company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation discounted using the pre-tax, risk-free rate, updated at each reporting date.

e) Decommissioning obligations

Decommissioning obligation includes obligations related to future removal of property and equipment, and site restoration costs. A liability, for the fair value of environmental and site restoration obligations, is recorded in accordance with the broader policy described in "d) Provisions" above. Provisions for restoration costs do not include any additional obligations that are expected to arise from future disturbance. The amortization or unwinding of the discount applied in establishing the net present value of provisions is charged to earnings in a systematic manner. Other movements in the provision, including those from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalized to exploration and evaluation assets. The amounts included in capitalized costs are depleted using the unit-of-production method

3. Significant accounting polices (continued)
e) Decommissioning obligation (continued)

at such point that the mineral property achieves commercial production, or the costs will be written-off at such time that management considers that the value of the related property has been impaired.

f) Exploration and evaluation assets

The Company is in the exploration stage with respect to its investment in mineral properties. The Company capitalizes costs directly related to the acquisition, exploration and evaluation of mineral properties. Such costs include, but are not restricted to, geological, geophysical, drilling, trenching and sampling costs including the support costs and supplies required in relation thereto. These assets are recorded at cost as adjusted for impairments in value. Impairment is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. In assessing impairment, exploration and evaluation assets are grouped into Cash Generating Units ("CGU's"), on the basis of areas of interest. Management groups mineral claims that are contiguous and specific to an area that encompasses the same prospective minerals, into one area of interest and assigns a name to this mineral property. Each named mineral property is considered an area of interest and a CGU.

Although not an exhaustive list, one or more of the following facts and circumstances indicate that a specific CGU should be tested for impairment:

- The period for which the entity has the right to explore in the specific area has expired during the financial statement period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

An impairment loss may be reversed in a situation where there is a change in the circumstances that had initially dictated that an impairment had occurred. An example of such a situation might include, but not be limited to, the re-commencement of exploration activity on a mineral property due to a significant change in commodity prices.

Where the Company's exploration commitments for a CGU are performed under option agreements with a third party, the proceeds of any option payments under such agreements are applied to the CGU to the extent of costs incurred. The excess, if any, is credited to operations. Option payments made by the Company are recorded as exploration and evaluation assets. Options are exercisable entirely at the discretion of the optionee and accordingly, are recorded as exploration and evaluation assets or recoveries when the payments are made or received. The proceeds on the sale of exploration and evaluation assets are applied to the area of interest to the extent of costs incurred and the excess, if any, is credited to operations. In some circumstances option payments received by or made by the Company are made in whole or in part through the issuance of common shares. The value of these share-based payments is calculated using the closing price of the shares on the date of issue as determined by the public exchange upon which they are listed as this is the most readily determinable value.

When the Company enters the development stage for a CGU, the exploration and evaluation costs are transferred into mine development costs and all subsequent expenditures on the construction, installation or completion of infrastructure net of incidental revenue, is capitalized. Upon commencement of commercial production, all mine development assets for the relevant CGU are transferred to producing mine assets at which point the costs will commence being charged to earnings on a unit-of-production basis.

3. Significant accounting polices (continued)

g) Property and equipment

On initial recognition, property and equipment assets are valued at cost, being the purchase price plus the directly attributable costs of acquisition to bring the assets to the location and condition necessary for the assets to be put into use. Subsequent to acquisition, these assets are recorded at cost less accumulated depreciation. Depreciation methods and rates by significant categories of property and equipment that are calculated to write off the cost of the assets, less estimated residual values, over their useful lives. The method and rates used by category are as follows:

	Depreciation method	Depreciation rate
Computer equipment and software	Declining balance	50%

Residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Changes to estimated residual values or useful lives are accounted for prospectively as a change in estimates.

Property and equipment are reviewed for impairment if there is an indication that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of "value in use" (being the net present value of expected future cash flows of the relevant cash generating unit ("CGU"), or "fair value less costs to sell." Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Company could receive for the assets in an arm's length transaction.

The discount rate applied in calculating net present value of expected future cash flows, is based upon pre-tax discount rates that reflect current market assessments of the time value of money and the risks associated with the relevant cash flows, to the extent that such risks are not reflected in the forecasted cash flows.

If the carrying amount of the asset exceeds its recoverable amount, the asset impairment loss is charged to earnings and reduces the carrying amount of the asset. A previously recognized impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally precipitated the impairment. This reversal is recognized in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized in prior years.

Gains or losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included in other gains and losses in the statements of profit or loss.

h) Gains and losses on short-term investments

The Company maintains an investment portfolio of publicly traded securities. These investments are recorded at fair value at year end and differences are recorded in income.

i) Foreign currencies

Both the presentation currency and functional currency of the Company is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each financial statement reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Non-monetary items that are carried at fair value and were measured in a foreign currency are translated at the rate prevailing at the date when the fair value was determined. Foreign exchange gains and losses on the foregoing transactions are recorded in profit or loss.

3. Significant accounting polices (continued)

j) Significant accounting judgements and estimates

The preparation of 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 included in the statement of profit or loss. (Refer to Note 3)
c) the estimate of the amount of asset retirement obligation and the inputs used in determining the net present value of the liabilities for asset retirement obligations included in the balance sheet.

k) Share-based payment transactions

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity-settled share based payment reserve in equity. Employees, for the purpose of this calculation, also include individuals who provide services similar to those performed by a direct employee, including directors and consultants of the Company. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. Consideration received on the exercise of stock options is recorded as share capital and the related equity-settled share based payment amount is transferred to share capital. If options expire without being exercised, the value associated therewith is transferred from equity-settled share based payment reserve to other reserves.

l) Loss per share

Basic loss per common share is computed by dividing the net earnings loss attributable to common shareholders by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. Only “in-the-money” dilutive instruments impact the dilution calculations and potentially dilutive instruments shall only be treated as dilutive when their conversion increases loss per share. Refer to Note 11 for a summary of options and warrants outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the calculation in the periods disclosed because their effect was anti-dilutive**.**

m) Income taxes

Income tax on net earnings or loss for the periods presented is comprised of current and deferred tax as applicable. Tax on income in interim periods is accrued using the tax rate that would be applicable to expected

(Expressed in Canadian Dollars)

3. Significant accounting polices (continued)
m) Income taxes (continued)

total annual earnings. Income tax pertaining to earnings or loss is recognized in earnings or loss; income taxes pertaining to items recognized directly in equity is recorded through equity. Current tax is the tax expected to be payable on the taxable income for the year calculated using rates that have been enacted or substantively enacted by the balance sheet date. It includes adjustments for tax expected to be payable or recoverable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill, not deductible for tax purposes, and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets are only recognized to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary difference can be utilized.

n) Leases

The Company leases office space pursuant to a sublease agreement that does not transfer substantially all the risks and rewards incidental to ownership. Consequently the lease is classified as an operating lease. The lease obligations are recognized as an expense on a straight-line basis over the term of the lease.

4. Cash

Cash is comprised of:

		Sept 30, 2016		Sept 30, 2015
Current bank accounts	**$**	**182,481**	$	46,550
Cash investments		**5,850**		-
Current bank accounts	**$**	**188,331**	$	46,550

5. Accounts receivable

		Sept 30, 2016		Sept 30, 2015
Trade receivables	**$**	**-**	$	28
Due from related parties		**1,161**		696
Sales tax receivables		**747**		753
	$	**1,908**	$	1,477

(Expressed in Canadian Dollars)

6. Short-term investments

		Sept 30, 2016		Sept 30, 2015
Société d'Exploration Minière Vior Inc. **Common shares** (Sept 30, 2016 - 75,000, Sept 30, 2015 - 150,000)	**$**	**9,000**	$	8,250
Spruce Ridge Resources Ltd. **Common shares** (Sept 30, 2016 - 11,000,000, Sept 30, 2015 - 11,000,000)		**440,000**		275,000
Commander Resources Ltd. **Common shares** (Sept 30, 2016 - 100,000, Sept 30, 2015 - 100,000)		**4,500**		1,500
	$	**453,500**	$	284,750

On February 17, 2015, Société d'Exploration Minière Vior Inc. completed a one for five share consolidation. The transaction included the outstanding warrants to be adjusted by the same consolidation ratio:

	Pre-consolidation February 16, 2015	Post-consolidation February 17, 2015
Common shares held	750,000	150,000
Warrants	200,000	40,000

Each warrant may be exercised to purchase one common share of Société d'Exploration Minière Vior Inc., at a price of $0.60 per share post-consolidation ($0.12 per share pre-consolidation) to August 24, 2015. On August 24, 2015, the warrants expired without exercise.

The common shares of Société d'Exploration Minière Vior Inc., Spruce Ridge Resources Ltd. and Commander Resources Ltd. were valued at their fair value, based on their respective period-end trading prices, at September 30, 2016 and September 30, 2015.

7. Exploration and evaluation assets

Year ended September 30, 2016	British Columbia Cariboo Gold Property
	$
Exploration expenditures:	
Balance, September 30, 2016 and 2015	**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**

(Expressed in Canadian Dollars)

7. Exploration and evaluation assets (continued)

		British Columbia	
Year ended September 30, 2015	**Total**	**Ches Property**	**Cariboo Gold Property**
	$	$	$
Exploration expenditures:			
Balance, September 30, 2014	3,600	3,600	-
Geological consulting	6,750	6,000	750
Field	(985)	(985)	-
Travel	882	882	-
Geochemical	10,471	10,471	-
Excavating	9,495	9,495	-
Mobilization and demobilization	16,300	16,300	-
Equipment rental	1,970	1,970	-
Decommissioning obligation	7,370	7,370	-
BC mining exploration tax credit	(16,123)	(15,898)	(225)
Impairments	(39,205)	(39,205)	-
Balance, September 30, 2015	**525**	**-**	**525**
Property acquisition costs			
Balance, September 30, 2014	10,424	10,424	-
Acquisition costs incurred	500	-	500
Impairments	(10,424)	(10,424)	-
Balance, September 30, 2015	**500**	**-**	**500**
Total exploration and evaluation assets, September 30, 2015	**1,025**	**-**	**1,025**

8. Property and equipment

		Computer equipment and software
Cost		
Balance at September 30, 2016 and 2015	**$**	**9,685**
Accumulated depreciation		
Balance, September 30, 2015		8,953
Depreciation		329
Balance September 30, 2016	**$**	**9,282**
Net book value		
September 30, 2015	$	732
September 30, 2016	**$**	**403**

(Expressed in Canadian Dollars)

9. Accounts payable and accrued liabilities

	Sept 30, 2016	Sept 30, 2015
Trade payables	**$ 545**	$ 829
Due to related parties	**11,848**	7,177
Sales taxes payable	**19**	-
Accrued liabilities	**15,000**	17,000
	$ 27,412	$ 25,006

10. Decommissioning obligation

Changes in the decommissioning obligation:

	Sept 30, 2016	Sept 30, 2015
Balance, beginning of year	**$ -**	**$** -
Ches property additions	**-**	7,370
Ches property expenditures	**-**	(7,370)
Balance, end of year	**$ -**	**$** -

The above noted provision represents estimated costs to restore the Company's mineral properties including the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal obligations as at the respective year end dates for current and future decommissioning obligations.

11. Share capital, stock options and warrants

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding common share capital

	Sept 30, 2016	Sept 30, 2015
	Number of shares	
Balance, end of period	**107,309,126**	**84,309,126**

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-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.

Subsequent to September 30, 2016 and up to the approval date of these financial statements there were no shares issued or cancelled and returned to treasury.

During the year ended September 30, 2015 there were no shares issued or cancelled and returned to treasury.

(Expressed in Canadian Dollars)

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

c) Stock options outstanding

Expiry	Number of options Sept 30, 2016	Number of options Sept 30, 2015	exercise price
January 9, 2017	500,000	500,000	$0.10

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.

d) Stock option transactions

	Number of options	Weighted average exercise price
Balance, September 30, 2014	1,125,000	$0.13
Expired	(625,000)	$0.13
Balance, September 30, 2015	500,000	$0.10
Expired	-	$0.10
Balance, September 30, 2016	500,000	$0.10

Subsequent to September 30, 2016 and up to the approval date of these financial statements, there were no stock options granted.

e) Warrant transactions and warrants outstanding

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

Year ended September 30, 2016:

Exercise Price	Expiry	Balance Sept 30, 2015	Warrants Issued	Warrants Expired	Balance Sept 30, 2016
$0.05	March 23, 2021	-	2,300,000	-	2,300,000

There were no warrant transactions during the year ended September 30, 2015.

Subsequent to September 30, 2016 and the approval date of these financial statements, no warrants were issued or expired.

(Expressed in Canadian Dollars)

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.

The following summarizes the categories of the various financial instruments:

		Sept 30, 2016		Sept 30, 2015
		Carrying Value		
Financial Assets				
Financial assets measured at fair value:				
Short-term investments	**$**	**453,500**	$	284,750
Financial assets measured at amortized cost:				
Cash		**188,331**		46,550
Accounts receivable		**1,161**		724
	$	**189,492**	$	47,274
Financial Liabilities				
Financial liabilities measured at amortized cost:				
Accounts payable and accrued liabilities	**$**	**27,412**	$	25,006

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

		Sept 30, 2016		Sept 30, 2015
Administrative consulting fees	**$**	**13,555**	$	10,640
Occupancy costs		**18,383**		9,667
Office, secretarial, supplies and others		**13,347**		29,723
Insurance		**10,629**		11,478
Directors' fees		**900**		1,000
Computer network and website maintenance		**1,043**		2,061
Travel and promotion		**79**		200
	$	**57,936**	$	64,769

14. Loss per share

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

(Expressed in Canadian Dollars)

14. Loss per share (continued)

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

Weighted average number of common shares:		**2016**		**2015**
Basic		**96,407,756**		84,309,126
Effect of dilutive securities:				
Stock options		**-**		-
Warrants		**-**		-
Diluted		**96,407,756**		84,309,126
Loss per share				
Basic	$	0.00	$	0.00
Diluted	$	0.00	$	0.00

15. Income tax information

Rate reconciliation:

The combined provision for taxes in the consolidated statement of income (loss) and other comprehensive income (loss) reflects an effective tax rate which differs from the expected statutory rate as follows:

		2016		**2015**
Income (loss) before income taxes	**$**	**90,174**	$	(39,586)
Computed expected expense (recovery) based on a combined rate of 27.00% (2015 - 25.50%)		**24,347**		(10,094)
Change resulting from:				
Non-deductible (taxable) items and other		**(23,020)**		(13,251)
Non-capital loss expired		**-**		26,800
Unrecognized deferred tax asset		**2,045**		262,688
Change in tax rate		**(3,372)**		(266,143)
Income tax expense	**$**	**-**	$	-

Changes to federal and provincial tax rates were announced in 2015 which resulted in an adjustment to the opening carrying value of temporary differences. The combined statutory rate increased to 27.00% for 2016 (2015 - 25.50%). The deferred combined statutory rate is expected to be 27.00% for 2017 and subsequent years (2015 - 27.00%).

(Expressed in Canadian Dollars)

15. Income tax information (continued)

Temporary differences and tax loss not recognized for accounting purposes:

		2016		2015
Non-capital loss carry-forwards	**$**	**2,340,064**	$	2,249,692
Capital loss carry-forwards		**443,553**		405,871
Share issuance costs		**21,364**		47
US net operating loss		**302,599**		279,952
Property and equipment		**17,927**		17,598
Mineral properties		**5,422,664**		5,457,192
Short-term investments		**296,016**		402,157
Total	**$**	**8,844,187**	$	8,812,509

As future taxable profits of the Company are uncertain, no deferred tax asset has been recognized. As at September 30, 2016, the Company had unused non-capital loss carry forwards of approximately $2.3 million that expire between the years 2026 and 2036. Capital loss carry-forwards may be carried forward indefinitely. The Company has unused US net operating loss carry forwards of approximately $230,000 USD that expire between the years 2025 and 2036.

During the year ended September 30, 2016, the Company received a British Columbia mining exploration tax credit in the amount of $13,465 for qualified expenditures made in 2015 totalling $44,884 relating to both the Ches property and the Cariboo property (see Note 7 - Exploration and evaluation assets). There were no qualifying expenditures made in 2016.

16. 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, 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:

			Sept, 30 2016		Sept 30, 2015
Key management remuneration					
President and director	a	**$**	**4,000**	$	8,000
Corporate Secretary	d		**5,963**		18,309
Directors' fees	b		**900**		1,000
Total Management remuneration		**$**	**10,863**	$	27,309

			Sept 30, 2016		Sept 30, 2015
Other related party transactions					
Manson Creek Resources					
Office rent and operating costs paid	c	**$**	**18,383**	$	3,000
General and administrative and secretarial costs paid	c	**$**	**3,573**	$	1,713
General and administrative and secretarial costs received	c	**$**	**(1,105)**	$	(1,111)
Guatavita Gold Corporation					
Office rent and operating costs paid	d	**$**	**-**	$	6,455
General and administrative and secretarial costs paid	d	**$**	**7,365**	$	27,638
General and administrative and secretarial costs received	d	**$**	**-**	$	(393)

(Expressed in Canadian Dollars)

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

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

Balances Receivable (Owing)			Sept 30, 2016		Sept 30, 2015
Consulting fees:					
President and director	a	**$**	**(4,200)**	$	**(4,200)**
Office rent and operating costs:					
Manson Creek Resources Ltd.	c	**$**	**(6,315)**	$	**-**
General and administrative and secretarial costs:					
Guatavita Gold Corporation	d	**$**	**-**	$	**(1,437)**
Manson Creek Resources Ltd.	c	**$**	**(1,333)**	$	**(525)**
Guatavita Gold Corporation	d	**$**	**-**	$	**374**
Manson Creek Resources Ltd.	c	**$**	**1,161**	$	**315**

Management compensation payable to "key management personnel" during the years ended September 30, 2016 and 2015 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. There were no options granted to officers and directors during the year ended September 30, 2016. 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 assets. During the year ended September 30, 2016 $4,000 (2015 - $Nil), was expensed through reporting to shareholder expenses or general and administrative expenses, $Nil (2015 - $8,000), was capitalized to exploration and evaluation assets and $Nil (2015 - $Nil) was expensed through pre-acquisition and evaluation asset expenditures.

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.

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 bills on a quarterly basis for these expenses. Included in these billings were the services provided by the Corporate Secretary. Effective January 1, 2012 to March 31, 2015, the Company leased office space from Guatavita. The Company incurred certain administrative expense on Guatavita's behalf that were subsequently billed to Guatavita on a quarterly basis. Effective December 31, 2015, the Company is no longer receiving services from or providing services to Guatavita. Guatavita and the Company share three common officers and one common director. Subsequent to 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.

(Expressed in Canadian Dollars)

17. Commitments

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 $13,600. As at September 30, 2016, the committed base lease costs to the termination of the lease are as follows:

October 1, 2016 - March 31, 2017	$	5,216

18. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss for the years ended:

		Sept 30, 2016		Sept 30, 2015
Income (loss) and comprehensive income (loss)	**$**	**90,174**	$	(39,586)
Depreciation		**329**		627
Impairment charges (recovery)		**(2,967)**		49,629
Interest and other income		**(141)**		(139)
Gain on short-term investments		**(174,600)**		(105,000)
Changes in assets and liabilities pertaining to operations:				
Accounts receivable		**(431)**		(329)
Prepaid expenses		**1,285**		78
Accounts payable and accrued liabilities		**2,406**		(12,161)
2015 accrued impairment reversed		**2,000**		-
Cash paid to suppliers and contractors	**$**	**(81,945)**	$	(106,881)

19. Segment disclosures

During the years ended September 30, 2016 and 2015, 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.

20. 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.

The externally imposed capital requirement that the Company is exposed to relates to flow-through shares. Pursuant to flow-through agreements entered into with flow-through share subscribers, the Company has committed to use the full proceeds of these issuances to incur qualifying mineral exploration expenditures within a prescribed time frame. Should the Company not incur these expenditures, they are required to pay the flow-through subscribers an amount equal to the tax payable by the subscriber as a result of the

20. Capital (continued)

Company's failure to incur the expenditures. As at September 30, 2016 and September 30, 2015 there were no qualifying expenditures required by flow-through agreements, consequently there was no restricted cash at September 30, 2016 and September 30, 2015.

21. 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 and cash held in Bankers' Acceptances and Term Deposits. The Company has had a history of prompt receipt of its receivables and considers credit risk to be low on these instruments as at September 30, 2016 and September 30, 2015.

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 continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for 12 months assuming similar activity levels to the previous year. However, increases in activity levels, new property acquisitions and any level of exploration on its mineral properties will require 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. The investments in common shares are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price value of these investments can vary from period to period. During the year ended September 30, 2016, the market price fluctuation on the investments held resulted in a net gain of $212,282 (2015 - $105,000) on short-term investments. In 2016 at 10% change in fair value of the Company's marketable investments would result in a charge to income of $45,350 (2015 - $28,475). 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.

NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Northern Abitibi Mining Corp. ("Northern Abitibi" or "the Company") for the year ended September 30, 2016. The information included in this MD&A, with an effective date of December 19, 2016, should be read in conjunction with the Consolidated Financial Statements as at and for the year ended September 30, 2016 and related notes thereto. Northern Abitibi's common shares trade on the TSX Venture Exchange under the symbol "NAI". 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 Consolidated Financial Statements for the year ended September 30, 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as at and for the year ended September 30, 2016. The Company has consistently applied the same accounting policies throughout all periods presented. 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 "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Northern Abitibi's exploration projects in the following MD&A is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Provinces of British Columbia and Newfoundland and Labrador and the President and Director of Northern Abitibi. 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, limited operating history, 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.

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.

- **Principal Business of the Company**

The Company, 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 limited indicator of its performance and potential.

- **Highlights – year ended September 30, 2016**
  - The Company has staked the Cariboo Gold Property located in central British Columbia. For more information refer to Note 3 "Mineral properties, Cariboo Gold property, British Columbia" below.
  - The Company continues to evaluate and interpret all available historic exploration data from the Cariboo Gold Property and design an appropriate exploration program for 2017.
  - 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. Proceeds net of share issuance costs were $203,334 and will be used to fund working capital requirements.
  - 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.

- **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.

Ches, British Columbia

In December 2014, the Company received the assay results for the surface sampling on the Ches property. Significant intervals of highly anomalous copper and zinc have been encountered in the trenches demonstrating the system contains significant anomalies in bedrock. These values range from 200 to 1000 ppm copper, and 200 to 5150 ppm zinc. After a thorough review of the 2014 exploration results the Company decided to terminate the Option Agreement on the Ches property and on March 5, 2015, the Company returned the property to the vendors. During the summer of 2015 all reclamation work was completed on the property and the reclamation bond held by the Government of British Columbia was returned. The Company has no further legal obligations or commitments with respect to the Ches property.

- **Operating results**

Year ended September 30, 2016 compared to the year ended September 30, 2015:

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

	Three months ended September 30		Year ended September 30	
	2016	2015	**2016**	2015
General and administrative expenses	**$ (16,649)**	$ (12,676)	**$ (57,936)**	$ (64,769)
Reporting to shareholders	**-**	-	**(4,017)**	(4,174)
Professional fees	**(15,101)**	(15,101)	**(17,126)**	(17,245)
Stock exchange and transfer agent fees	**(2,314)**	(2,040)	**(8,126)**	(8,281)
Depreciation	**(82)**	(157)	**(329)**	(627)
Recovery (impairment charges)	**2,000**	14,295	**2,967**	(49,629)
Interest and other	**35**	-	**141**	139
Gain from short-term investments	**57,000**	47,249	**174,600**	105,000
Net and comprehensive income (loss)	**$ 24,889**	$ 31,570	**$ 90,174**	$ (39,586)

In general, the objective to tightly manage costs as a strategy to conserve resources during these economically challenging times remains a priority for the Company. 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.
- The recovery (impairment) charges in 2016 and 2015 relate to the Ches property, which was returned to the vendors in March 2015. In Q3 2016, the Company received a B.C. Mining Tax credit resulting in a recovery of $13,465 (20145 - $1,083). In 2016, the Company reported a net recovery of $2,967, 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 and an over accrual of reclamation costs of $2,000 at September 30, 2015.
- During fiscal 2016, the Company incurred a realized loss of $37,682 resulting from the sale of the Company's partial holdings of the Société d'Exploration Minière Vior Inc. shares. The transactions resulted in a cash inflow of $5,850. There were no similar transactions in fiscal 2015.
- In the current period, the Company recognized a gain on short-term investments of $57,000; however, over the twelve month period, a total gain of $212,282 was recognized. The gain on short-term investments results from adjusting the Company's holdings in common shares of Société d'Exploration Minière Vior Inc. ("Vior Inc."), Spruce Ridge Resources Ltd. ("Spruce Ridge") and Commander Resources Ltd. ("Commander") to fair value at the respective period ends. At September 30, 2016 Spruce Ridge shares were trading at $0.040 versus $0.025 at September 30, 2015, resulting in a net gain of $165,000. At September 30, 2015 these shares were trading at $0.025 per share versus $0.015 at September 30, 2014, resulting in a gain of $110,000. At September 30, 2016, the Vior Inc. shares were trading at $0.12 per share versus $0.055 at September 30, 2015, resulting in a gain of $3,750. 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. On February 17, 2015, Société d'Exploration Minière Vior Inc. completed a one for five share consolidation. These shares were trading at $0.015 per share (pre-consolidation) at September 30, 2014 and $0.055 per share (post-consolidation) at September 30, 2015 resulting in a net loss of $3,000 at September 30, 2015. As well, the Vior Inc. warrants held by the Company expired without exercise on August 24, 2015 resulting in an additional loss of $500 at September 30, 2015. Finally, the value of the Commander Resources Ltd shares increased

from $0.015 at September 30, 2015 to $0.045 at September 30, 2016 resulting in a gain of $3,000. During the comparative periods the value of the shares fell from $0.03 per share at September 30, 2014 to $0.015 per share at September 30, 2015 resulting in a loss of 1,500. These market price declines result in significant valuation adjustments from period to period.

General and administrative expenses

	Three months ended September 30		Year ended September 30	
	2016	**2015**	**2016**	**2015**
Administrative consulting fees	$ 5,470	$ 1,558	$ 13,555	$ 10,640
Occupancy costs	6,013	1,500	18,383	9,667
Office, secretarial and supplies	2,463	6,074	13,347	29,723
Travel and promotion	79	-	79	200
Insurance	2,207	2,910	10,629	11,478
Directors' fees	300	-	900	1,000
Computer network and website maintenance	117	634	1,043	2,061
Total	$ 16,649	$ 12,676	$ 57,936	$ 64,769

- Administrative consulting fees, which consist of fees for the CFO, the controller and geological consulting, are up by approximately $2,900 and are in accordance with budgeted expenditures. Geological consulting fees of $4,000 were incurred, primarily relating to the private placement financing during the year and investigation of other opportunities for the Company. There were no fees for the services provided by the CFO in either the current period or comparative period.
- Occupancy costs are up by approximately $4,500 in the current quarter and by $8,700 for the current year. This increase is a result of a new lease entered into April 1, 2015 and a subsequent changes to the office cost sharing arrangements in February 2016 with the Company's related parties. See Note 17 - "Related party balances and transactions and key management remuneration" and Note 18 - "Commitments" in the audited consolidated financial statements dated September 30, 2016 which accompany this document. Occupancy costs are expected to be approximately $2,000 per month until the lease terminates March 31, 2017
- There is drop of $3,600 in office, secretarial and supplies expenditures during the current from comparative periods and $16,400 year to date. The majority of the expenditures relate to office salary allocations, and are in accordance with the budget. The current period and year to date changes result because the Company is no longer receiving services from Guatavita Gold Corporation, a related party. See Note 17 - "Related party balances and transactions and key management remuneration" in the audited consolidated financial statements dated September 30, 2016 which accompany this document. Administrative services are provided by individuals on a contract basis as needed.
- There is no significant variance in insurance fees paid during the current and comparative years.
- As a voluntary cost management measure, director's fees were not paid during a portion of the years ended September 30, 2016 and 2015; however, in Q3 2016, these fees were reinstated due to the improved working capital situation.

Professional fees

The following summarizes the components of professional fees included in the statement of net and comprehensive income (loss):

	Three months ended September 30		Year ended September 30	
	2016	**2015**	**2016**	**2015**
Legal and filing fees	$ 101	$ 101	$ 1,061	$ 2,275
Audit fees	15,000	15,000	16,065	14,970
Total	$ 15,101	$ 15,101	$ 17,126	$ 17,245

- The variance of approximately $8,600 between the current and comparative year in audit and accounting expenditures include an under accrual of fiscal 2015 audit fees of $1,000.
- In the current and comparative periods legal and filing fees consist primarily of fees for news releases and SEDAR continuous disclosure filings and correspond with the volume of activity in each period. Also included are nominal legal fees for filing annual returns.

- **Liquidity and Capital Resources**

The Company's working capital position at September 30, 2016 was $625,118 (September 30, 2015 - $332,887) an increase of $292,000. 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. Proceeds net of share issuance costs were $203,334 and will be used to fund working capital requirements.

Other significant changes to working capital are as follows:

- An increase in the fair market value of the short-term investments from $284,750 at September 30, 2015 to $453,500 at September 30, 2016, resulted in a net gain of $212,282.
- During the 3 month period ended June 30, 2016, the Company sold 75,000 Vior Inc. shares resulting in realized loss of $37,682 and a cash inflow of $5,850.
- Operations for the year ended September 30, 2016 used approximately $82,000 which included an increase in accounts receivable of $431, a decrease of $1,285 in prepaid expenses and a decrease of $2,406 on accounts payable (a net increase in working capital of $3,260).
- During the three month period ended June 30, 2016, the Company received a B.C. Mining Exploration tax credit of $13,465, relating to the year ended September 30, 2015. As well, the Company received a refund $2,542 in WCB expenditures relating to the Viking property, NFLD, from years ended September 30, 2,009 to 2011.
- Additionally, the Company invested $1,600 in exploration and evaluation assets, primarily for property acquisition related to the Cariboo Gold property in British Columbia.

The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for 12 months assuming similar activity levels to the previous year. However, increases in activity levels, new property acquisitions and any level of exploration on it mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations".

- **Financing**

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.

During the year ended September 30, 2015, there were no financing activities.

- **Contractual Obligations**

The Company is party to a lease for office space that terminates March 31, 2017. As at September 30, 2016, the contractual cash obligations for the following five fiscal years are as follows:

Nature of obligation	2017	2018	2019	2020	2021
Office lease base rent	$ 5,216	$ -	$ -	$ -	$ -

Pursuant to the lease, the Company is also required to pay lease operating costs that approximate $1,135 per month.

- **Exploration Expenditures**

Refer to “Exploration and evaluation assets,” Note 7 to the Consolidated Financial Statements.

- **Off-Balance Sheet Transactions**

There are no off-balance sheet transactions to report.

- **Selected Annual financial Information**

The following selected financial data has been extracted from the Consolidated Financial Statements, for the fiscal years ended September 30, 2016, 2015 and 2014 and should be read in conjunction with those Consolidated Financial Statements.

For the years ended or as at September 30	2016	2015	2014
Financial Results	**$**	**$**	**$**
Interest and other income	141	139	1,527
Net income (loss) and comprehensive income (loss) for the year	90,174	(39,586)	(308,818)
Basic and diluted earnings (loss) per share	0.00	0.00	0.00
Financial Position			
Working capital	625,118	332,887	344,347
Total assets	655,564	359,650	411,397
Capital stock	13,767,552	13,597,338	13,597,338
Reserves	1,919,197	1,886,077	1,886,077
Deficit	(15,058,597)	(15,148,771)	(15,109,185)

Included in the income for 2016 is a recovery of mineral properties aggregating $2,967, (impairment of 2015 - $49,629 and 2014 - $33,627). Other Comprehensive Income (Loss) pertaining to the revaluation of marketable securities from period to period resulted in a $212,282 gain in 2016, (gain of $105,000 - 2015, loss of $137,050 - 2014) being included in Net and Comprehensive Income (Loss).

- **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 in accordance with IFRS.

Three months ended	**Sep 30 2016 (Q4 2016)**	**Jun 2016 (Q3 2016)**	**Mar 31 2016 (Q2 2016)**	**Dec 31 2015 (Q1 2016)**	**Sep 30 2015 (Q4 2015)**	**Jun 30 2015 (Q3 2015)**	**Mar 31 2015 (Q2 2015)**	**Dec 31 2014 (Q1 2015)**
	$	$	$	$	**$**	**$**	**$**	**$**
Loss before recovery (impairment) of exploration and evaluation assets	(34,146)	(14,867)	(22,602)	(15,919)	(29,974)	(17,065)	(20,414)	(27,643)
Recovery (impairment) of exploration and evaluation assets	2000	967	-	-	14,295	1,083	(65,007)	-
Loss before other items	(32,146)	(13,900)	(22,602)	(15,919)	(15,679)	(15,982)	(85,421)	(27,643)
Interest and other income	35	40	66	-	-	99	40	-
Gain (loss) on short-term investments	57,000	173,350	55,250	(111,000)	47,249	(50,499)	164,250	(56,000)
Comprehensive profit (loss)	24,889	159,490	32,714	(126,919)	31,570	(66,382)	78,869	(83,643)
Basic and diluted earnings (loss) per share	0.00	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, gains on sale of exploration and evaluation assets, income from flow-through shares, 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 and warrants in publicly traded Companies as partial consideration for the sale of mineral property interests in the current and 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.

- **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*

- **Related Party Transactions and Key Management Remuneration**

Related party transactions for the years ended September 30, 2016 and 2015 are disclosed and explained in Note 16 to the Audited Consolidated Financial Statements for the year ended September 30, 2016 which accompany this MD&A.

- **Share Capital and Equity Reserves**

Refer to Note 11 to the financial statements and the Consolidated Statement of Equity for common share capital, stock option and warrant transactions during the year ended September 30, 2016 and balances as at that date. There were no changes to share capital, options or warrants during the period from October 1, 2016 to December 19, 2016, the date of this report.

- **Financial Instruments**

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable (net of sales tax) 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.

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, government grant receivables and cash held in Bankers' Acceptances and Term Deposits. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at September 30, 2016 and September 30, 2015.

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 continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration and other operating expenses for 12 months assuming similar activity levels to the previous year. However, increases in activity levels, new property acquisitions and any level of exploration on it mineral properties will require 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

Market risk consists of currency risk, price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. 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 risks at this time. As the Company has not yet developed producing mineral interests, it is not exposed to commodity price risk at this time. As 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. The Company's equity investments are subject to market price risk. These investments were received as 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 year ended September 30, 2016, the market price fluctuation on the investments held resulted in a net gain of 212,282 (75.6%) (2015 - $105,000 (58%)) on short-term investments. In 2016, a 10% change in fair value of the Company's marketable investments would result in a charge to income of $45,350 (2015 - 28,475).

- **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.

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.

- **Risks**

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

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 wells 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.

- **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 sales or abandonments. The estimated values of exploration and evaluation assets are assessed by management when 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 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 decline in value.

The Company’s estimate for asset retirement obligations is based on existing laws, contracts or other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which requires 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.

- **New Accounting Policies**

The Company did not adopt any new accounting policies during the year ended September 30, 2016.

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, 2016. New amendments related to IFRS 9 were 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, 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.

- **Other**

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