fjordland EXPLORATION INC.

Condensed Interim Financial Statements

(Unaudited)
(Expressed in Canadian Dollars)

For the Nine Months Ended September 30, 2017

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Financial Statements
September 30, 2017
(Canadian Funds)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Fjordland Exploration Inc. (“the Company” or “Fjordland”), for the nine months ended September 30, 2017, have been prepared by management and have not been the subject of a review by the Company’s Independent auditor.

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Financial Position
(Unaudited)
(Expressed in Canadian Dollars)

	Note	**September 30, 2017**	December 31, 2016 (Audited)
Assets			
Current			
Cash		$ 2,181,307	$ 204,394
Receivables	5	41,314	1,834
Prepaids		30,105	139
		2,252,726	206,367
Project Advance	8(a)	125,000	18,630
Mineral Properties	8	850,033	380,833
Deposits	7	75,140	3,050
Equipment	6	1,181	1,502
		$ 3,304,080	$ 610,382
Liabilities			
Current			
Accounts payable and accrued liabilities	9	$ 308,652	$ 20,383
Loans	10(a) 11	-	203,341
		308,652	223,724
Shareholders' equity			
Share Capital	12	18,598,965	15,820,888
Share-based compensation reserve	12(d)	440,825	308,108
Deficit		(16,044,362)	(15,742,338)
		2,995,428	386,658
		$ 3,304,080	$ 610,382

Approved and authorized by the Board on October 24, 2017

On behalf of the Board: *"Richard C. Atkinson"* Richard C. Atkinson   *"Victor A. Tanaka"* Victor A. Tanaka

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Comprehensive Loss
(Unaudited)
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	**September 30, 2016**	**September 30, 2017**	**September 30, 2016**
General and administrative expenses				
Accounting and audit	$ 9,000	$ 9,000	$ 27,280	$ 29,500
Administration fees	9,000	9,000	27,000	27,000
Depreciation	107	151	321	452
Filing fees	2,060	500	15,134	9,829
Legal fees	13,826	684	14,009	844
Office and miscellaneous	2,592	2,404	7,782	8,533
Rent	4,775	4,770	14,313	14,108
Marketing	18,968	5,304	21,319	5,751
Share-based compensation	122,007	5,958	157,497	9,857
Transfer fees	5,165	1,876	7,510	4,910
Wages and benefits	231	191	717	572
Loss before other items	(187,731)	(39,838)	(292,882)	(111,356)
Other items				
Operator fees	3,575	-	3,575	-
Financing expenses and interest on loan (Note 9)	(5,041)	(7,397)	(14,960)	(29,973)
Property investigation	-	1,169	-	(3,647)
Loss and comprehensive loss for the period	$ (189,197)	$ (46,066)	$ (304,267)	$ (144,976)
Basic and diluted loss per share	$ (0.01)	$ 0.00	$ (0.01)	$ (0.01)
Weighted Average Shares Outstanding (Revised)	25,740,995	20,756,383	22,635,827	20,756,383

See accompanying notes to the condensed interim financial statements

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Cash Flows
(Unaudited)
(Expressed in Canadian Dollars)

	For the Three Months Ended		For the Nine Months Ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
Cash provided by (used for):				
Operating activities				
Gain (loss) for the period	$ (189,197)	$ (46,066)	$ (304,267)	$ (144,976)
Items not affecting cash:				
Depreciation	107	151	321	452
Bad debt recovery				
Financing expenses and interest on loan payable	5,041	7,397	14,960	29,973
Share-based payments	122,006	5,958	157,497	9,857
Net change in non-cash working capital				
Receivable	(38,512)	18,799	(39,480)	(7,339)
Prepaid expenses	(25,980)	-	(29,966)	136
Project advances	(106,370)	-	(106,370)	-
Accounts payable	76,659	(5,694)	61,362	(40,095)
	(156,246)	(19,455)	(245,943)	(151,992)
Investing activities				
Acquisition and exploration costs related to mineral properties	(218,592)	(100)	(223,293)	7,060
Deposits	(72,090)	-	(72,090)	5,000
	(290,682)	(100)	(295,383)	12,060
Financing activities				
Payment of loans and interest	(218,301)	-	(218,301)	-
Shares issued for cash	2,777,366	307,150	2,777,366	432,150
Share issuance costs	(40,826)	(4,236)	(40,826)	(4,236)
	2,518,239	302,914	2,518,239	427,914
Change in cash	2,071,311	283,359	1,976,913	287,982
Cash position - beginning of period	109,996	11,678	204,394	7,055
Cash position - end of period	$ 2,181,307	$ 295,307	$ 2,181,307	$ 295,307

Supplemental Disclosure with Respect to Cash Flows *(Note 13)*

FJORDLAND EXPLORATION INC.
Condensed Interim Statements of Shareholders' Equity
For the Periods Ended September 30
(Unaudited)
(Expressed in Canadian Dollars)

	Share Capital		Share-based Compensation		Total Shareholder's
	No. of Shares	Amount	Reserve	Deficit	Equity
Balance, December 31, 2015	93,660,415	$15,181,324	$274,876	$(15,299,475)	$156,725
Shares issued for cash					
Private placement, net of issue costs	2,521,500	247,914	-	-	247,914
Exercise of warrants	2,500,000	125,000	-	-	125,000
Exercise of options	1,100,000	55,000	-	-	55,000
Issued for other considerations					
Property acquisition	4,000,000	240,000	-	-	240,000
Transfer to share capital on exercise of options	-	24,790	(24,790)	-	-
Fair value of finder's fee warrants	--	(3,600)	3,600	-	-
Share-based compensation	-	-	9,857	-	9,857
Loss for the period	-	-	-	(144,976)	(144,976)
Balance, September 30, 2016	103,781,915	$15,870,428	$263,543	$(15,444,451)	$689,520

	Share Capital		Share-based Compensation		Total Shareholder's
	No. of Shares	Amount	Reserve	Deficit	Equity
Balance, December 31, 2016	103,781,915	$15,820,888	$308,108	$(15,742,338)	$386,658
Share consolidation (1:5) *(Note 12(b))*	(83,025,532)	-	-	-	-
Shares issued for cash					
Private placement, net of issue costs	7,590,000	778,345	-	-	778,345
Private placement, net of issue costs	16,890,000	1,681,829	-	-	1,681,829
Exercise of warrants	1,596,956	276,366	-	-	276,366
Residual value of unit warrants exercised	-	37,473	(37,473)	-	-
Issued for other considerations					
Property acquisition	200,000	19,000	-	-	19,000
Transfer to share capital on expiry of warrants	-	14,407	(14,407)	-	-
Transfer to deficit on expiry of options	-		(2,243)	2,243	-
Fair value of finder's fee warrants	-	(29,343)	29,343	-	-
Share-based compensation	-	-	157,497	-	157,497
Loss for the period	-	-	-	(304,267)	(304,267)
Balance, September 30, 2017	47,033,339	$18,598,965	$440,825	$(16,044,362)	$2,995,428

See accompanying notes to the condensed interim financial statements

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

Fjordland Exploration Inc. (the “Company” or “Fjordland”) was incorporated on September 19, 1996 pursuant to the *Company Act* (British Columbia) and the common shares were listed for trading on the TSX Venture Exchange (“Exchange”). The Company is in the process of actively exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company is considered to be in the exploration stage and does not have operating cash flow.

The Company’s head office, principal address and registered and records office is 1100, 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, and raise additional funds by way of equity financings. Any acquisition may be subject to shareholder and regulatory approval and obtaining the necessary financing. Should the Company be unable to complete such a transaction, its ability to raise sufficient financing to maintain operations may be impaired. The available funds are insufficient to continue operations for the ensuing year. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this financing in the future. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. STATEMENT OF COMPLIANCE

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared on a historical basis, using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all years presented in these financial statements unless otherwise indicated.

These financial statements were authorized for issue by the Board of Directors on October 24, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The condensed interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

(b) Use of Estimates and Judgment

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Use of Estimates and Judgment (continued)

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

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based payments, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

i) Economic recoverability and probability of future benefits of exploration and evaluation costs

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

ii) Valuation of share-based payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operation and cash flows.

(c) Segmented information

The Company has one operating segment, mineral acquisition and exploration, and operates in one geographical segment, being Canada.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Adoption of New IFRS Pronouncements

The adoption of the following new IFRS pronouncements did not have an effect on the Company's financial statements:

i) IFRS 15, Revenue from Contracts with Customers is effective for annual periods beginning on or after January 1, 2017

(e) New Standards Not Yet Adopted

The Company has not yet adopted the following revised or new IFRS that have been issued but are not yet effective at September 30, 2017:

i) IFRS 9, Financial Instruments (effective date January 1, 2018) introduces new requirements for the classification and measurement of financial assets and liabilities.

ii) FRS 16, Leases is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. This standard is effective for the years beginning on or after January 1, 2019.

The Company is currently assessing the impact that these new accounting standards will have on the consolidated financial statements.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, deposits, accounts payable, accrued liabilities and loans. The fair value of these financial instruments, other than cash, approximates their carrying value, unless otherwise noted. Cash is measured at fair value using level 1 inputs.

Credit Risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in major Canadian financial institutions. The Company's receivables consist of recoveries and reimbursements for mineral property costs. Management believes that the credit risk concentration with respect to these financial instruments is minimal.

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements. The Company is exposed to liquidity risk.

4. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Foreign Exchange Risk

The Company is not exposed to significant foreign exchange risk as it operates in Canada and does not undertake any significant foreign currency transactions.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company defines its capital as shareholder's equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares periodic expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company is not subject to any externally imposed capital restrictions.

5. RECEIVABLES

The Company's receivables are as follows:

		September 30, 2017	December 31, 2016
GST receivable	$	$ 41,314	$ 1,834
	$	$ 41,314	$ 1,834

6. EQUIPMENT

	Furniture and fixtures	Office equipment	Leasehold improvements	Total
Cost				
Balance, December 31, 2016	$6,161	$42,039	$13,699	$61,899
Additions	-	-	-	-
Disposals	-	-	-	-
Balance, September 30, 2017	$6,161	$42,039	$13,699	$61,899
Accumulated depreciation				
Balance, December 31, 2016	$5,936	$40,762	$13,699	$60,397
Depreciation	34	287	-	321
Balance, September 30, 2017	$5,970	$41,049	$13,699	$60,718
Carrying amounts				
As at December 31, 2016	$225	$1,277	$ -	$1,502
As at September 30, 2017	$191	$ 90	$ -	$1,181

7. DEPOSITS

		September 30, 2017	December 31, 2016
Office lease deposit	$	$ 3,050	$ 3,050
Exploration deposits		72,090	-
	$	$ 75,140	$ 3,050

8. MINERAL PROPERTIES

	S. Voisey's Bay LB	Milligan West BC	Western Athabasca Basin Sask	Total
Cost				
Balance December 31, 2016	$329,873	$ -	$50,960	$380,833
Additions:				
Acquisition costs	41,430	-	-	41,430
Administration	5,984	11,409	-	17,393
Property	1,977	139	-	2,116
Drilling	203,159	121,544	-	324,703
Geology	46,902	21,081	-	67,983
Geophysics	15,575	-	-	15,575
Balance, September 30, 2017	$644,900	$154,173	$50,960	$850,033

8. MINERAL PROPERTIES (continued)

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and are in good standing

(a) South Voisey's Bay, Labrador

The Company, in September 2014 as amended November 2014, entered into a Memorandum of Understanding ("MOU") with Commander Resources Ltd ("Commander") whereby the Company was granted an option to earn a 75% undivided interest in the South Voisey's Bay property.

The Company has earned a 15% interest in the property by having expended $350,000 in exploration costs prior to the option agreement expiration on August 15, 2015.

The Company, in June 2017, entered into a Memorandum of Understanding ("MOU") with Commander Resources Ltd ("Commander") whereby the Company was granted a series of options to earn an additional 85% undivided interest in the South Voisey's Bay property.

Under the terms of the agreement, the Company can earn additional interest by incurring the following cash, exploration expenditures and share issuance:

i) 20% interest - 200,000 common shares (issued) and $600,000 in exploration expenditures on or before October 31, 2017

ii) 40% interest - $10,000 and 250,000 common shares on or before July 26, 2018
$15,000 and 300,000 common shares on or before July 26, 2019
$25,000 and 350,000 common shares on or before July 26, 2020
$40,000, 400,000 common shares and $2,400,000 in exploration expenditures on or before October 31, 2021

iii) 25% interest $200,000, 3,000,000 common shares and $5,000,000 in exploration expenditures on or before October 31, 2024.

On September 5, 2017 the Company entered into an agreement with HPX BC Holdings Inc. ("HPX"), an affiliate of Ivanhoe Industries, LLC. Under the terms of the agreement, HPX has subscribed by means of a private placement and has been issued 14,000,000 common shares of the Company for proceeds of $1,400,000. In addition, HPX has agreed to incur, on behalf of the Company, $7,400,000 in exploration expenditures and to make $290,000 of property payments. If the funding is completed and the Company acquires a 100% interest in the South Voisey's Bay project, the Company has agreed to assign a 65% project interest to HPX.

(b) Milligan West, BC

In February 2013, the Company and Serengeti Resources Inc. consolidated certain claims located in north central British Columbia into the Milligan West project. Initially ownership was shared equally, however as a result of the Company electing not to participate in the 2016 exploration program it's interest has been diluted to 43.7%.

8. MINERAL PROPERTIES (continued)

(c) Northwestern Athabasca Basin, Saskatchewan

In March and May 2016, the Company staked mineral claims in the Northwest Athabasca Basin, Saskatchewan at a cost of $50,960.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are as follows:

		September 30, 2017	December 31, 2016
Trades payable	$ $	306,652	$ 4,133
Accruals		2,250	16,250
	$ $	308,652	$ 20,383

10. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

(a) Loans

i) The Company received $150,000 from a corporation controlled by a director of the Company, and issued 600,000 common shares valued at $30,000 as bonus shares to this corporation.

ii) At September 30, 2017, principal of $150,000 and interest of $13,726 was paid to this corporation (Note 11).

(b) Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including share-based compensation, of key management person during the nine months ended September 30, 2017 and 2016 were as follows:

		2017	2016
Administration fees	$ $	27,000	$ 27,000
Accounting fees		27,000	27,000
Share-based payments		77,744	3,898
	$ $	131,744	$ 57,898

(c) Other

For the period ended September 30, 2017 compared with the period ended September 30, 2016, the related transactions were as follows:

Included in accounts payables is $1,322 (2016 - $16,829) owed to the President of the Company.

11. Loans

On May 18, 2015, the Company completed loan arrangements and issued promissory notes ("Notes") for $200,000. The Notes bear interest of 10% per annum and matured on May 17, 2016. In connection with the Notes, the Company, as a bonus to the lenders, issued an aggregate of 800,000 common shares at a total fair value of $40,000, this transaction cost is amortized and expensed over the term of the loan.

On October 31, 2016, the Company paid interest of $29,098.

The Notes matured on May 17, 2016, and the lenders agreed to extend the date of repayment to November 30, 2017. In all other respects, the terms of the Notes have remained unchanged.

At September 30, 2017, the Company paid principal of $200,000 and interest of $18,301 to the lenders, (Note 10(a)).

Balance, December 31, 2016	$	203,341
Financing expenses and interest		14,960
Repayment of loan and interest		(218,301)
Balance, September 30, 2017	$	-

12. SHARE CAPITAL

(a) Authorized

As at September 30, 2017, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares are fully paid.

On June 21, 2017, the Company consolidated its issued and outstanding shares on a 5:1 basis. All shares and per share amount have been restated to reflect the share consolidation.

(b) Issued Share Capital

On June 21, 2017, the Company completed a share consolidation on the basis of one new post-consolidation common share for every five pre-consolidation common shares. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this consolidation.

On July 24, 2017, the Company issued 200,000 common shares, with a fair value of $19,000 or $0.10 per share as consideration towards the acquisition of mineral property (Note 8(a))

On August 18, 2017, the Company completed a non-brokered private placement for the issuance of 6,410,000 units at $0.10 per unit (the "Units") and 1,280 000 Flow-Through Units at $0.125 per unit ("the FT Units") for a total of $801,000. Each Unit and FT Unit consists of one common share and one-half of one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.20 per common share until February 18, 2019. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $0.40 for ten consecutive trading days, the Company may notify the holder in writing that the warrants and finder warrants will expire 20 days from receipt of such notice unless exercised by the holder before such date. The Company paid a finder's fees of $17,000 and issued 80,000 Finder's Warrants valued at $9,955 using the Black-Scholes option pricing model. The Company incurred share issue costs in the amount of $5,655 in connection with the placement.

12. SHARE CAPITAL (continued)

(b) Issued Share Capital (continued)

On September 11, 2017, the Company completed a portion of a non-brokered private placement for the issuance of 2,450,000 units at $0.10 per unit (the “Units”) and 400,000 Flow-Through Units at $0.125 per unit (“the FT Units”) for a total of $300,000. Each Unit and FT Unit consists of one common share and one-half of one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.20 per common share until March 11, 2019. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $0.40 for ten consecutive trading days, the Company may notify the holder in writing that the warrants and finder warrants will expire 20 days from receipt of such notice unless exercised by the holder before such date. The Company paid a finder's fees of $7,600 and issued 38,000 Finder's Warrants valued at $19,388 using the Black-Scholes option pricing model. The Company incurred share issue costs in the amount of $10,570 in connection with the placement.

On September 27, 2017, the Company completed the final portion of a non-brokered private placement for the issuance of 14,000,000 units at $0.10 per unit (the “Units”) for a total of $1,400,000. Each Unit consists of one common share and one-half of one transferable share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.20 per common share until March 17, 2019. The expiry date of each whole warrant is subject to acceleration such that, should the volume weighted average price of the common shares of the Company exceed $0.40 for ten consecutive trading days, the Company may notify the holder in writing that the warrants and finder warrants will expire 20 days from receipt of such notice unless exercised by the holder before such date.

For the period ended September 30, 2017, the Company issued 1,596,956 common shares on the exercise of warrants for proceeds of $276,366.

On June 6, 2016, the Company issued 4,000,000 common shares, with a fair value of $240,000 or $0.06 per share as consideration towards the acquisition of mineral property (Note 8(c)).

On September 27, 2016, the Company completed a non-brokered private placement for the issuance of 2,521,500 units at $0.10 per unit for a total of $252,150. Each unit consisted one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of $0.15 until September 27, 2017, if however; the closing price of the Company's shares are $0.30 or greater for a period of 10 consecutive trading days the Company may notify the holder in writing that the warrants will expire 20 days from receipt of such notice unless exercised by the holder before such date. The Company paid a finder's fees of $3,187 and issued 24,000 Finder's Warrants valued at $1,450 using the Black-Scholes option pricing model. The Company incurred share issue costs in the amount of $5,496 in connection with the placement.

For the period ended September 30, 2016, the Company issued 2,500,000 common shares on the exercise of warrants for proceeds of $125.000.

For the period ended September 30, 2016, the Company issued 100,000 common shares on the exercise of stock options for proceeds of $25,000.

12. SHARE CAPITAL (continued)

(c) Stock Options

Options to purchase common shares have been granted to directors, officers, employees and consultants at exercise prices determined by reference to the market value on the date of the grant.

In June 2017, the Company received shareholder approval to grant up to 3,305,971 common shares under the Company's Stock Option

Stock option transaction are summarized as follows:

	September 30, 2017		December 31, 2016	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of period (Revised)	2,315,000	$0.25	2,495,000	$0.25
Granted	1,116,000	$0.52	40,000	$0.625
Exercised	-	-	(220,000)	$0.25
Expired/Forfeited	(40,000)	$0.63	-	-
Outstanding at end of period	3,305,000	$0.34	2,315,000	$0.25

As at September 30, 2017, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercisable	Expiry Date	Exercise Price
1,270,000	1,270,000	August 2, 2018	$0.25
919,000	919,000	September 16, 2019	$0.25
150,000	150,000	April 10, 2022	$0.35
966,000	241,500	September 12, 2022	$0.55
3,305,000	2,580,500		

The fair value of options granted during the period was $555,559 (2016 - $18,263) or $0.50 (2016 - $0.10) per option. Total share-based compensation expense recognized for the options that vested during the period was $157,497 (2016 - $9,857).

The fair value of the options granted during the period were estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	September 12, 2017	April 10, 2017	2016
Expected dividend yield	0.00%	0.00%	0.00%
Expected stock price volatility	292.26%	183.49%	252.87%
Risk-free interest rate	1.70%	1.12%	.57%
Forfeiture rate	0.00%	0.00%	0.00%
Expected life of options	5 year	5 year	1 year

12. SHARE CAPITAL (continued)

(d) Warrants

On August 15, 2017, the Company received TSX Venture Exchange approval to reprice its outstanding warrants.

The warrant terms for the re-priced warrants is amended to include an accelerated expiry clause, as required by TSX Ventures Exchange policy, such that the exercise period of the warrants will be reduced to 30 days if for any 10 consecutive trading days during the unexpired term of the warrants the closing price of the Company's shares is $0.19 or more. Any insider of the Company who participated as to more than 10% in the financing in which the warrants were issued will be subject to a limit of 10% of their holding on a pro rata basis in accordance with regulatory policies.

The Company, in connection with the private placements dated August 18, 2017, issued warrants allowing the purchase of up to 3,925,000 common shares of which 80,000 relate to Finder's Warrants. All the warrants entitle the holder to purchase one common share at a price of $0.20 expiring on February 18, 2019. The 80,000 Finder's Warrants have a fair value of $9,955 or $0.12 per warrant, based on the Black Scholes option pricing model using the following assumptions: a discount rate of 1.23%, expected life of 2 year, expected volatility of 298.12% and dividend and forfeiture rates of 0%.

The Company, in connection with the private placements dated September 11, 2017, issued warrants allowing the purchase of up to 1,483,000 common shares of which 38,000 relate to Finder's Warrants. All the warrants entitle the holder to purchase one common share at a price of $0.20 expiring on March 11, 2019. The 38,000 Finder's Warrants have a fair value of $19,388 or $0.51 per warrant, based on the Black Scholes option pricing model using the following assumptions: a discount rate of 1.54%, expected life of 2 year, expected volatility of 304.2% and dividend and forfeiture rates of 0%.

The Company, in connection with the private placements dated September 27, 2016, issued warrants allowing the purchase of up to 2,545,500 common shares of which 24,000 relate to Finder's Warrants. All the warrants entitle the holder to purchase one common share at a price of $0.15 expiring on September 27, 2017. The warrants associated with the unit have been valued using the residual value method and have a fair value of $50,430 or $0.02 per warrant. The 24,000 Finder's Warrants have a fair value of $1,450 or $0.06 per warrant, based on the Black Scholes option pricing model using the following assumptions: a discount rate of 0.51%, expected life of 1 year, expected volatility of 266.85% and dividend and forfeiture rates of 0%.

Exercise Price	Expiry Date	Outstanding at December 31, 2016	Warrants Issued	Warrants Exercised	Warrants Expired	Outstanding at September 30, 2017
		(Revised)				
$0.15	October 23, 2017	396,460	-	(396,460)	-	-
$0.25	October 23, 2017	303,540	-	(303,540)		-
$0.15	October 31, 2017	329,540	-	(249,540)	-	80,000
$0.25	October 31, 2017	30,460	-	(30,460)		-
$0.15	January 6, 2018	334,228	-	(234,228)	-	100,000
$0.25	January 6, 2018	7,998		(7,998)		-
$0.15	September 27, 2017	374,730		(374,730)		-
$0.75	September 27, 2017	134,370			(134,730)	-
$0.20	February 18, 2019	-	3,925,000			3,925,000
$0.20	March 11, 2019	-	1,483,000			1,483,000
$0.20	March 27, 2019	-	7,000,000	-	-	7,000,000
		1,911,326	12,408,000	(1,596,956)	(134,730)	12,588,000

13 SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company had non-cash transactions as follows:

		2017		2016
Significant non-cash investing and financing activities:				
Investing activities				
Mineral property expenditures included in accounts payable and accrued liabilities	$	226,907	$	-
Shares issued for mineral properties		19,000		240,000
Financing activities				
Expiration of options and warrants	$	16,650	$	-
Fair value of finder's warrants		29,343		3,600
Residual value of unit warrants	$	37,473	$	-

14. SUBSEQUENT EVENTS

Subsequent to the period ended September 30, 2017, 180,000 warrants were exercised for proceeds of $27,000