KINTAVAR EXPLORATION INC.
(formerly BLACK SPRINGS CAPITAL CORP.)
(A CAPITAL POOL COMPANY)
FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015
(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Kintavar Exploration Inc. (formerly Black Springs Capital Corp.):

We have audited the accompanying financial statements of Kintavar Exploration Inc. (formerly Black Springs Capital Corp.), which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of comprehensive loss, 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 financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 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 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 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 financial statements present fairly, in all material respects, the financial position of Kintavar Exploration Inc. as at December 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Kintavar Exploration Inc.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
April 28, 2017

Kintavar Exploration Inc.
(formerly Black Springs Capital Corp.)
Statements of Financial Position
(Expressed in Canadian Dollars)

		December 31, 2016		December 31, 2015
Assets				
Current				
Cash	$	111,695	$	70,585
Prepaid expenses		-		11,312
Total Assets	$	111,695	$	81,897
Liabilities and Shareholders' Equity				
Current				
Accounts payable	$	57,534	$	607
Accrued liabilities		8,000		8,000
		65,534		8,607
Shareholders' Equity				
Share capital (Note 4)		535,115		433,740
Option reserve (Note 4)		42,338		42,338
Deficit		(531,292)		(402,788)
		46,161		73,290
Total Liabilities and Shareholders' Equity	$	111,695	$	81,897

Nature of Operations and Ability to Continue As a Going Concern (Note 1)
Subsequent events (Note 8)

Approved on behalf of the board

"Kiril Mugerman"

Kiril Mugerman, President, CEO and Director

"Maxime Lemieux"

Maxime Lemieux, Director

See accompanying notes to the financial statements

Kintavar Exploration Inc.
(formerly Black Springs Capital Corp.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended December 31, 2016		Year ended December 31, 2015
Operating expenses				
Transfer agent and filing fees	$	16,404	$	14,165
Office expenses		52,830		60,327
Stock based compensation (Notes 4 and 6)		-		4,060
Professional fees (Note 6)		59,270		67,307
Net loss and comprehensive loss for the year	$	(128,504)	$	(145,859)
Loss per share – basic and diluted	$	(0.04)	$	(0.07)
Weighted average number of common shares outstanding – basic and diluted*		3,080,753		1,962,261

*The Company completed a share consolidation on a basis of 2 to 1 on February 1, 2017. Accordingly, the loss per share and weighted average number of common shares outstanding have been changed to reflect the share consolidation.

Kintavar Exploration Inc.
(formerly Black Springs Capital Corp.)
Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Subscriptions received	Option reserve	Deficit	Total
Balance, December 31, 2014	3,000,000	$ 220,161	$ 108,500	$ 38,278	$ (256,929)	$ 110,010
Common stock issued for cash (Note 4)	3,150,000	213,579	(108,500)	-	-	105,079
Stock based compensation (Note 4)	-	-	-	4,060	-	4,060
Net loss for the year	-	-	-	-	(145,859)	(145,859)
Balance, December 31, 2015	6,150,000	433,740		42,338	(402,788)	73,290
Common stock issued for cash (Note 4)	2,100,000	101,375	-	-	-	101,375
Net loss for the year	-	-	-	-	(128,504)	(128,504)
Balance, December 31, 2016	8,250,000	$ 535,115	$ -	$ 42,338	$ (531,292)	$ 46,161

See accompanying notes to the financial statements

Kintavar Exploration Inc.
(formerly Black Springs Capital Corp.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended December 31, 2016		Year ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	$	(128,504)	$	(145,859)
Adjustment for non-cash item:				
Stock based compensation		-		4,060
Change in operating working capital:				
Decrease in other receivables		-		1,734
Decrease (increase) in prepaid expenses		11,312		(11,312)
Increase (decrease) in accounts payable and accrued liabilities		56,927		(2,696)
Net cash flows used in operating activities		(60,265)		(154,073)
CASH FLOWS FROM FINANCING ACTIVITY				
Common stock issued for cash		101,375		105,079
Net cash flows provided by financing activity		101,375		105,079
Increase (decrease) in cash		41,110		(48,994)
Cash, beginning		70,585		119,579
Cash, ending	$	111,695	$	70,585

See accompanying notes to the financial statements

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

Kintavar Exploration Inc. (formerly Black Springs Capital Corp.) (the "the Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on October 5, 2011 and is a capital pool company ("CPC") as defined pursuant to Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is the identification and evaluation of assets or business with a view of completing a Qualifying Transaction ("QT"). On March 27, 2017, the Company completed the amalgamation with Groupe Ressources Geomines Inc. ("GRG") (Note 8). This transaction constituted the Company's QT. As a result of the QT, the Company changed its name from Black Springs Capital Corp. to Kintavar Exploration Inc.. The head office, and principal address of the Company is 75, boul. de Montagne, Boucherville, QC, J4B 6Y4.

On April 10, 2012, the Company completed its initial public offering on the Exchange. Effective April 11, 2014, the Company received notice from the Exchange notifying the Company that it had been suspended for failure to complete a QT within 24 months of listing on the Exchange in accordance with Policy 2.4. On April 3, 2017, the Company's listing was transferred from NEX Board of the Exchange to the Exchange and trading commenced under the symbol KTR.

As at December 31, 2016, the Company had no source of operating revenues and had accumulated a deficit since inception all of which casts significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to continue raising equity financing. These financial statements do not reflect the adjustments to the carrying value of assets and liabilities, or the impact on the statement of operations and comprehensive loss and financial position classifications that would be necessary were the going concern assumption not appropriate.

The financial statements of the Company were authorized for issue by the Board of Directors on April 28, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates and judgments

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Significant areas requiring the use of estimates include the fair value of stock-based compensation, and the recognition of deferred income tax assets. Actual results may differ from these estimates. Significant areas requiring the use of judgment in applying the Company's accounting policies include fair value of share-based payment, recovery of deferred tax assets and the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss.

Deferred income tax

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd)

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company does not have any assets classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. The company does not have any assets classified as held to maturity investments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of cash.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. The Company does not have any assets classified as available-for-sale.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (Cont'd)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to profit or loss in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:
• significant financial difficulty of the issuer or counterparty; or
• default or delinquency in interest or principal payments; or
• it becoming probable that the borrower will enter bankruptcy or financial re-organization.

With the exception of available-for-sale equity instruments, 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 previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Financial liabilities measured at amortized cost

Accounts payable and accrued liabilities and advance received for exploration work are initially measured at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company's non-derivative financial liabilities consist of amounts due to related party.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Loss per share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to option reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted, shall be based on the number of equity instruments that eventually vest.

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

New and Revised IFRS Issued but Not Effective

The Company has not adopted certain new standards, amendments and interpretations to existing standards, which have been issued by the IASB or the IFRS Interpretations Committee that are only effective for accounting periods beginning on or after January 1, 2015, or later periods.

The following amendments, revisions and new standards that have not been early adopted in these financial statements will not have a material effect on the Company's future results and financial position:

i) IFRS 9 - Financial Instruments (New; to replace IAS 39 and IFRIC 9).

In November 2009 and October 2010, the IASB issued the first phase of IFRS 9, Financial Instruments. In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9. The final version of IFRS 9 was issued in July 2014 and includes a third measurement category for financial assets (fair value through other comprehensive income) and a single, forward-looking 'expected loss' impairment model.

This standard is part of a wider project to replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only three classification categories: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. The new standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management is currently reviewing the impact that this standard will have on its financial statements.

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS (Cont'd)

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. SHARE CAPITAL

Authorized Share Capital

At December 31, 2016 and 2015, the authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

Issued Share Capital

On January 22, 2015, the Company closed a private placement whereby it issued 3,150,000 common shares at $0.07 per share for gross proceeds of $220,500. The Company incurred share issuance costs of $6,921 in connection with this private placement. Of the 3,150,000 common shares, 100,000 shares were issued to a director of the Company.

On December 29, 2016, the Company closed a private placement whereby it issued 2,100,000 common shares at $0.0525 per share for gross proceeds of $110,250. Share issuance costs associated with the private placement were $8,875.

On March 24, 2017, as part of the QT, a share consolidation occurred on a 2 to 1 basis.

Stock option plan

On October 25, 2011, as amended March 6, 2012, the Company approved a share option plan (the "Option Plan") whereby a maximum of 10% of common shares issued and outstanding is reserved for the issuance of non-transferable options to directors, officers, consultants and employees. This Option Plan provides that the terms and conditions of the options and the exercise price of options will be determined by the directors subject to price restrictions and other requirements imposed by the Exchange. The period for exercising the options granted under the Option Plan cannot exceed a period of 10 years and the exercise price must be fully paid before the issuance of shares.

Stock options

On July 2, 2015, the Company granted options to purchase 100,000 shares to an officer of the Company, which may be exercised at $0.10 per share for a term ending July 2, 2020. The Company determined the fair value of the stock options granted using the Black-Scholes calculation model. The Company recognized stock based compensation of $4,060 relating to this grant.

(Expressed in Canadian Dollars)

4. SHARE CAPITAL (cont'd)

Stock options (cont'd)

The following weighted average assumptions were used in the Black Scholes model in calculating the fair value of this option grant:

Expected life	5 years
Risk free interest rate	1.60%
Dividend yield	Nil
Expected volatility	100%
Weighted average fair value of options granted	$ 0.04

A summary of the Company's stock option activity is as follows:

	Number of Options	Exercise price
Outstanding at December 31, 2014	400,000	$ 0.10
Grant	100,000	0.10
Outstanding at December 31, 2015 and 2016	500,000	$ 0.10

The following table summarizes stock options outstanding and exercisable as at December 31, 2016:

Options Outstanding				Options Exercisable	
Expiry Date	Number of options	Remaining contractual life	Exercise price	Number of options	Exercise price
April 11, 2017*	400,000	0.27 years	$0.10	400,000	$0.10
July 2, 2020	100,000	3.49 years	$0.10	100,000	$0.10

*On April 11, 2017, 400,000 stock options remained unexercised and expired.

Escrow Shares

On April 11, 2014, the deadline to complete a QT expired, and pursuant to the rules of the Exchange, 1,000,000 escrowed shares were cancelled effective June 26, 2014. As at December 31, 2015 and 2016, there remains 1,000,000 common shares subject to an escrow agreement in accordance with the Exchange Policy 2.4. The shares will be released over a 36 month period as follows: 10% upon the issuance of notice of final acceptance of a QT by the Exchange, and the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months.

Option Reserve

The option reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

5. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit Risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its only liquid financial asset, cash. The Company limits its exposure to credit risk on liquid financial assets through investing its cash with high credit quality financial institutions. Credit risk is assessed as low.

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is high.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash. The Company's current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates will impact interest income earned. The Company is not exposed to interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of share capital. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Fair Value

The fair value of the Company's cash, accounts payable, and amounts due to related party approximate their carrying value due to their short-term nature.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

Fair Value (cont'd)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

6. RELATED PARTY TRANSACTIONS

Included in professional fees is $1,247 (2015: $909) paid to a director's law firm.

During the year ended December 31, 2015, the Company granted 100,000 stock options to the President and Chief Executive Officer, resulting $4,060 stock based compensation being recognized in the statement of comprehensive loss.

7. INCOME TAXES

The total income tax provision varies from the amounts that would be computed by applying the statutory income tax rates to the loss before income taxes as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Loss for the period	$ (128,504)	$ (145,859)
Statutory income tax rate	26%	26%
Expected tax recovery	(33,411)	(37,923)
Adjustment for tax purposes:		
Share issuance costs not recognized	(2,308)	(1,800)
Non-deductible items	254	1,138
Change in valuation allowance	35,465	38,585
	$ -	$ -

(Expressed in Canadian Dollars)

7. INCOME TAXES (cont'd)

The significant components of the Company's deferred tax assets are as follows:

	December 31, 2016	December 31, 2015
Non-capital losses carried forward	$ 158,684	$ 121,583
Unamortized share issuance costs	2,926	4,562
Valuation allowance	(161,610)	(126,145)
Net future tax assets	$ -	$ -

As at December 31, 2016, the Company had accumulated non-capital losses of approximately $610,323 (2015 – $467,628) that are available to carry forward and offset future years' taxable income. The non-capital losses begin to expire in 2031 and up to 2036.

8. SUBSEQUENT EVENTS

1) On January 3, 2017, the Company entered into an amalgamation agreement with GRG to acquire 100% of GRG by issuing 35,025,929 shares to GRG's shareholders. The amalgamation was completed on March 27, 2017 and constituted the QT for the Company. It resulted in the shareholders' of GRG acquiring control of the Company. A finder's fee of 571,248 common shares were paid in relation to this transaction.

   Concurrent to closing of the agreement, the Company completed a concurrent financing whereby 1,183,510 shares, were issued on a flow through basis, at a price of $0.18 per share, and 5,173,293 units were issued at a price of $0.14 per unit for aggregate gross proceeds of $937,293. Each unit was comprised of one share and one half of share purchase warrant, each whole warrant entitling the holder to acquire one share at a price of $0.18 per share until March 24, 2019. The Company paid cash commission of $7,842 and issued 43,568 warrants as finders' fees. Each finder warrant entitles the holder to purchase one share at a price of $0.18 until March 24, 2019.

2) On February 1, 2017, the Company completed a share consolidation on a 2 to 1 basis.

3) On April 11, 2017, 400,000 stock options expired unexercised.