IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.

(Formerly Parlane Resource Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended February 28, 2018

(Stated in Canadian Dollars)

(Unaudited)

NOTICE TO READER OF THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements for the period ended February 28, 2018 have been prepared by and are the responsibility of the Company's management. These financial statements have not been reviewed or audited by the Company's auditors.

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.
(Formerly Parlane Resource Corp.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars)
(Unaudited)

As at	**February 28, 2018**	May 31, 2017
ASSETS		
Current assets		
Cash	**$ 901,756**	$ 426,274
Short term investment – Note 4	**2,212,370**	-
Amounts receivable – Note 5	**114,166**	59,491
Marketable securities – Note 6	**-**	23,705
Assets held for sale – Note 7	**-**	1,683,884
Prepaid expenses	**5,067**	1,057
	3,233,359	2,194,411
Non-current assets		
Reclamation deposit – Note 7	**-**	25,000
Exploration and evaluation assets – Note 7	**3,057**	3,057
	3,057	28,057
Total Assets	**$ 3,236,416**	$ 2,222,468
LIABILITIES		
Current liabilities		
Trade and other payables – Note 9	**$ 50,768**	$ 292,497
EQUITY		
Share capital – Note 8	**5,644,742**	5,686,592
Equity reserve – Note 8	**836,337**	836,337
Share subscription received – Note 8	**765,000**	-
Accumulated other comprehensive income (loss)	**-**	1,389
Accumulated deficit	**(4,060,431)**	(4,594,347)
	3,185,648	1,929,971
Total Liabilities and Equity	**$ 3,236,416**	$ 2,222,468

Subsequent Events – Note 3, 8 and 12

APPROVED ON BEHALF OF THE BOARD:

"Robert Eadie"	Director	*"Gary Arca"*	Director
Robert Eadie		Gary Arca	

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

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.
(Formerly Parlane Resource Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Stated in Canadian Dollars)
(Unaudited)

	For the three months ended February 28,		For the nine months ended February 28,	
For the nine months ended February 28,	**2018**	2017	**2018**	2017
Expenses:				
Accounting and audit fees – Note 9	**$ 3,750**	$ 1,473	**$ 16,206**	$ 1,973
Foreign exchange loss	**(261)**	293	**(261)**	1,483
Legal and corporate services – Note 9	**35,816**	6,231	**84,900**	16,510
Management services – Note 9	**40,913**	17,848	**104,766**	47,848
Office, rent and administration – Note 9	**13,215**	4,918	**38,952**	10,918
Shareholder communications – Note 9	**3,606**	1,405	**13,970**	75,081
Transfer agent and filing fees	**17,032**	7,603	**23,526**	17,160
Total expenses	**(114,071)**	(39,771)	**(282,059)**	(170,973)
Other gains (losses):				
Finance revenue (cost)	**5,588**	(4,649)	**13,320**	(13,578)
Gain on sale of Big Bear and Nechako – Note 7	**-**	-	**726,128**	-
Gain on sale of marketable securities – Note 6	**-**	-	**10,990**	-
Gain on sale of subsidiary – Note 5	**65,537**	-	**65,537**	-
Total other gains (losses)	**71,125**	(4,649)	**815,975**	(13,578)
Income (loss) for the period	**(42,946)**	(44,420)	**533,916**	(184,551)
Other comprehensive gain (loss):				
Unrealized gain (loss) on marketable securities – Note 6	**-**	-	**(11,302)**	3,797
Foreign currency reserve – Note 5	**9,913**	-	**9,913**	-
Total other comprehensive gains (losses)	**9,913**	-	**(1,389)**	3,797
Total comprehensive income (loss) for the period	**$ (33,033)**	$ (44,420)	**$ 532,527**	$ (180,754)
Basic and diluted income (loss) per share – Note 10	**$ (0.00)**	$ (0.00)	**$ 0.04**	$ (0.01)

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

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.
(Formerly Parlane Resource Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)
(Unaudited)

For the nine months ended February 28,	2018	2017
Operating Activities:		
Income (Loss) for the period	$ 533,916	$ (184,551)
Adjustments to reconcile loss to net cash used in operating activities:		
Unrealized foreign exchange loss	-	1,633
Gain on sale of marketable securities	(10,990)	-
Finance costs	-	12,670
Interest revenue	(12,370)	-
Gain on sale of Big Bear and Nechako	(726,128)	-
Gain on sale of subsidiary	(65,537)	-
Write-down of non-recoverable cost	1,057	-
Changes in non-cash working capital items:		
Prepaid expenses	(5,067)	-
Amounts receivable	8,377	(9,601)
Trade and other payables	(240,729)	44,782
Cash outflows from operating activities	(517,471)	(135,067)
Investing Activities:		
Cash received from sale of E&E property	2,500,000	-
Interest received	1,485	-
Investment in exploration and evaluation assets	(89,988)	(161,223)
Sale of investment in marketable securities	23,393	-
Purchase of short term investments	(2,200,000)	-
Recovery of reclamation deposit	25,000	-
Cash inflows (outflows) from investing activities	259,890	(161,223)
Financing Activities:		
Proceeds from share issuance	-	705,978
Share subscription received	765,000	-
Share issuance cost	(41,850)	(8,937)
Cash inflows from financing activities	723,150	697,041
Total increase in cash during the period	465,569	400,751
Cash, beginning of the period	426,274	72,485
Effect of foreign exchange on cash	9,913	(3)
Cash, end of the period	$ 901,756	$ 473,233

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

IMINING BLOCKCHAIN AND CRYPTOCURRENCY INC.
(Formerly Parlane Resource Corp.)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the periods ended February 28, 2018 and 2017
(Stated in Canadian Dollars)

	Number of shares outstanding	Share capital	Equity reserve	Subscription received	Accumulated other comprehensive income (loss): Foreign currency translation reserve	Accumulated other comprehensive income (loss): Unrealized gain (loss) on marketable securities	Accumulated deficit	Total equity
Balance – May 31, 2016	10,523,085	$5,003,434	$ 736,139	$ -	$ (9,913)	$ -	$ (4,240,120)	$ 1,489,540
Common shares issued pursuant to:								
- Private placement - at $0.15	2,173,180	325,977	-	-	-	-	-	325,977
- Private placement - at $0.25	1,520,000	288,800	91,200	-	-	-	-	380,000
Shares issuance cost	-	(8,936)	-	-	-	-	-	(8,936)
Unrealized gain on marketable securities	-	-	-	-	-	3,797	-	3,797
Net loss for the period	-	-	-	-	-	-	(184,551)	(184,551)
Balance – February 28, 2017	14,216,265	5,609,275	827,339	-	(9,913)	3,797	(4,424,671)	2,005,827
Common shares issued pursuant to:								
- Convertible debenture - at $0.12	720,000	86,400	(85)	-	-	-	-	86,315
Shares issuance cost	-	(9,083)	9,083	-	-	-	-	-
Unrealized gain on marketable securities	-	-	-	-	-	7,505	-	7,505
Net loss for the period	-	-	-	-	-	-	(169,676)	(169,676)
Balance – May 31, 2017	14,936,265	5,686,592	836,337	-	(9,913)	11,302	(4,594,347)	1,929,971
Realized loss on marketable securities	-	-	-	-	-	(11,302)	-	(11,302)
Subscription received	-	-	-	765,000	-	-	-	765,000
Shares issuance cost	-	(41,850)	-	-	-	-	-	(41,850)
Translation reserve	-	-	-	-	9,913	-	-	9,913
Net income for the period	-	-	-	-	-	-	533,916	533,916
Balance – February 28, 2018	**14,936,265**	**$5,644,742**	**$ 836,337**	**$ 765,000**	**$ -**	**$ -**	**$ (4,060,431)**	**$ 3,185,648**

The accompanying notes form an integral part of these interim financial statements

Note 1 Corporate Information

iMining Blockchain and Cryptocurrency Inc. (the "Company" or "iMining") is the parent company of its consolidated group (the "Group") and was incorporated in the Province of British Columbia on June 1, 2007 under the Business Corporations Act of British Columbia. The Company completed a change of business transaction on the TSX Venture Exchange (the "Exchange") (see Note 3) on April 17, 2018 and changed its name from Parlane Resource Corp. to iMining Blockchain and Cryptocurrency Inc. The Company is listed on the Exchange, having the symbol IMIN-V as a Tier 2 issuer and is in the process of becoming a blockchain and cryptocurrency company. The Company also maintains a resource property that it is in the process of evaluating for further sale or joint venture.

The address of the Company's corporate office and principal place of business is 750 – 580 Hornby Street, Vancouver, British Columbia, Canada.

Note 2 Basis of Preparation

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements, for the nine month period ended February 28, 2018, have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting, however, they do not include all of the information required for full annual financial statements.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2017 annual financial statements.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on April 25, 2018.

b) Basis of Measurement

The unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis.

The unaudited condensed interim consolidated financial statements financial statements are presented in Canadian dollars, which is also the parent Company's functional currency.

Note 2 Basis of Preparation – (cont'd)

b) Basis of Measurement – (cont'd)

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 3 and 4 of the Company's 2017 annual financial statements.

c) Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and all of its subsidiaries, which are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity; is exposed to variable returns in connection with its interest in the entity; and a linkage exists between this power and exposure to variable returns. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control. The Company had two subsidiaries, Minera Mexicana Parlane, S.A. de C.V. ("Minera Mexicana"), which was incorporated in Mexico on November 25, 2009, to carry out Mexican operations and Little Bear Gold Corp. ("Little Bear"), which was incorporated in the Province of British Columbia on July 12, 2011 as 0915318 BC Ltd., to carry out operations on the Company's Bearcat property. On May 4, 2017 the parent company amalgamated with the Canadian subsidiary, Little Bear. On December 1, 2017 the Company sold its subsidiary Minera Mexicana.

All intra-group transactions, balances, income and expenses were eliminated, in full, on consolidation.

d) Going Concern of Operations

The Company has not generated revenue from operations. The Company achieved net income of $533,916 during the period ended February 28, 2018, due to the gain on sale of a property and its subsidiary Minera Mexicana. As of February 28, 2018, the Company's accumulated deficit was $4,060,431. During this period, the Company received $2.5 million for the sale of its Big Bear and Nechako properties (see note 7) and, as such, has sufficient cash resources to meet its obligations for at least twelve months from the end of the reporting period.

As the Company is currently in the pre operational stage (see Note 3 for change of business event), the recoverability of the costs incurred to date is dependent the ability of the Company to obtain the necessary financing to complete the development of its business as required and upon future profitable operations.

Note 2 Basis of Preparation – (cont'd)

d) Going Concern of Operations – (cont'd)

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those recorded in the unaudited condensed interim consolidated financial statements.

Note 3 Change of business to mining of Cryptocurrency

On January 9, 2018, the Company entered into a binding letter agreement to purchase cryptocurrency mining rigs and will engage a third party to host cryptocurrency mining activities on behalf of the Company.

Pursuant to the agreement, the Company will initially acquire 500 S9 Antminer rigs at a cost of US$2,000,000 (paid subsequent to February 28, 2018), and will engage a company (the "Provider") to set-up, host and operate the cryptocurrency mining activities. In exchange for such services, the Provider will receive (i) 6,000,000 shares of the Company (issued subsequent to February 28, 2018) (the "Payment Shares"), and (ii) 10% of net profits generated by the mining activities. The Company will be responsible for all operating costs, to be at an all-in cost of US$0.10 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company to be received by the Provider will be subject to resale restrictions such that 25% (1,500,000) of the Payment Shares will be restricted for four months, 25% will be restricted for six months, 25% will be restricted for 12 months, and 25% will be restricted for 18 months.

The above transactions constituted a Change of Business ("COB") for the Company, as such term is defined in Exchange policies, in that the Company will be involved in mining for cryptocurrencies rather than exploring for minerals. Consequently, the Company halted trading of its common shares from January 10, 2018 until April 20, 2018, upon receiving Exchange approval for change of business pursuant to completing a Filing Statement on April 6, 2018.

The Company had approximately $2,500,000 of cash resources and raised an additional $765,000 to finance the transactions outlined above. To that end, the Company has completed a non-brokered financing and issued 5,100,000 Subscription Receipts (the "Receipts") at $0.15 per Receipt; each Receipt convertible at no additional cost into Units of the Company. Each Unit is comprised of one common share and one-half warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of $0.25 for a period of 12 months from the date of issuance of the Warrant.

Finder's fees were paid in the form of a cash payment of $41,850 and 278,699 brokers' warrants with the same terms and conditions as the warrants comprising part of the units were issued.

Note 3 Change of business to mining of Cryptocurrency – (cont'd)

In conjunction with the COB, the Company also acquired the intellectual property rights to the "iMining" brand, including worldwide tradename, trademarks, and URL site. The cost to acquire these rights was $550,000, subsequently paid as to $250,000 in cash and 2,000,000 shares of the Company at a fair value of $0.15 per share. The Company changed its name to reflect the change in business focus accordingly.

Note 4 Short term investments

At February 28, 2018, the Company held a cashable Guaranteed Investment Certificate with a market value of $2,212,370 (May 31, 2017– $Nil), earning interest income at approximately 1.05% per annum.

Note 5 Amounts Receivable

At February 28, 2018, amounts receivable comprised of GST receivable of $4,146 (May 31, 2017 – $24,921), Minera Mexicana sale $75,450 (May 31, 2017– $Nil) and BC Exploration tax credit of $34,570 (May 31, 2017 – $34,570).

During the period ended February 28, 2018 the Company sold its subsidiary, Minera Mexicana for $75,450 (US$59,400) and will be paid over the next 3 quarters. A gain of $65,537 was reported on the statements of income and comprehensive income.

Note 6 Marketable Securities

Marketable securities consisted of an available-for-sale investment in Global Resource Investment Trust PLC ("GRIT"). During the period ended February 28, 2018, the Company sold the entire investment for net proceeds of $23,393 and a realized gain on sale of marketable securities of $10,990 recorded in the statements of income and comprehensive income.

(Stated in Canadian Dollars)

Note 7 Assets Held for Sale and Exploration and Evaluation Assets

Exploration and evaluation assets	Big Bear Property	Bearcat Property	Nechako Property	Total
Acquisition costs:				
Balance, May 31, 2016	$ 909,460	$ 682	$ -	$ 910,142
Acquisition cost	-	-	50,000	50,000
Reclassification to assets held for sale	(909,460)	-	(50,000)	(959,460)
Balance, May 31& February 28, 2018	**$ -**	**$ 682**	**$ -**	**$ 682**
Exploration costs:				
Balance, May 31, 2016	$ 643,761	$ 2,375	$ -	$ 646,136
Assays and sampling	31,466	-	-	31,466
Geological consulting	62,177	-	-	62,177
Truck usage and repair	7,653	-	-	7,653
Travel	13,937	-	-	13,937
Exploration tax credit	(34,570)	-	-	(34,570)
Reclassification to assets held for sale	(724,424)	-	-	(724,424)
Balance, May 31& February 28, 2018	**$ -**	**$ 2,375**	**$ -**	**$ 2,375**
Total Exploration and evaluation assets				
Balance, May 31, 2017	$ -	$ 3,057	$ -	$ 3,057
Balance, February 28, 2018	**$ -**	**$ 3,057**	**$ -**	**$ 3,057**

	Big Bear Property	Nechako Property	Total
Assets held for sale			
Balance, May 31, 2016	$ -	$ -	$ -
Reclassification to assets held for sale	1,633,884	50,000	1,683,884
Balance, May 31, 2017	1,633,884	50,000	1,683,884
Additions	89,988	-	89,988
Disposal of Big Bear and Nechako	(1,723,872)	(50,000)	(1,773,872)
Balance, February 28, 2018	**$ -**	**$ -**	**$ -**
Total Assets held for sale			
Balance, May 31, 2017	$1,633,884	$ 50,000	$ 1,683,884
Balance, February 28, 2018	**$ -**	**$ -**	**$ -**

Note 7 Assets Held for Sale and Exploration and Evaluation Assets – (cont'd)

Big Bear and Nechako Project

On June 16, 2017, the Company received approval, at a special shareholder meeting, for the sale of all of the Company's interest in the Big Bear and Nechako properties to New Gold Inc. ("New Gold") for a total cash consideration of $2.5 million. The sale proceeds were subsequently collected and the properties transferred to New Gold. The disposition of Big Bear was recorded during the period ended February 28, 2018 and a gain of $726,128 is reported in the statements of income and comprehensive income. In addition, the Company had been required to provide financial assurance to the Ministry of Energy and Mines for the reclamation costs on the property of $25,000. During the quarter ended February 28, 2018, amounts on deposit with the ministry of $26,182, including finance income of $1,182, for the reclamation bond were refunded to the Company.

Bearcat Claim

During the year ended May 31, 2015, the Company staked the 389-hectare Bearcat 1 claim situated 76 kilometres west of Quesnel and six kilometres northwest of Nazko.

Environmental Protection Practices and Rehabilitation Provision

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in a material liability to the Company.

Note 8 Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares, without par value, issuable in series.

The holders of common shares are entitled to one vote per share at meetings of the Company and to receive dividends, which are declared from time-to-time. No dividends have been declared by the Company since its inception. All shares are ranked equally with regard to the Company's residual assets.

During the period ended February 28, 2018, the Company did not issue any common shares.

Note 8 Share Capital – (cont'd)

a) Common Shares – (cont'd)

Share Subscription Received

During the period ended February 28, 2018, pursuant to the COB transaction (see Note 3), the Company received subscriptions for 5,100,000 Receipts at $0.15 for a total subscription of $765,000.

Subsequent to February 28, 2018 the company completed its COB (see Note 3) and issued 5,100,000 Units at $0.15 for gross proceeds of $765,000, pursuant to the non-brokered financing. Each Unit is comprised of one common share and one-half warrant ("Warrant"). Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of $0.25 for a period of 12 months from the date of issuance of the Warrant.

Finder's fees were paid in the form of a cash payment of $41,850 and 278,699 brokers' warrants with the same terms and conditions as the warrants comprising part of the units were issued.

The Company also issued 6,000,000 shares pursuant to the assets acquisition and issued 2,000,000 shares pursuant to the acquisition of the intellectual property rights to the "iMining" brand.

Issuances for Cash

On December 7, 2016, the Company completed tranche 1 of a non-brokered private placement with the issuance of 1,520,000 units priced at $0.25 per unit, for gross proceeds of $380,000. Each Unit consists of one common share of the Company and one share purchase warrant, each warrant entitling the holder thereof to acquire an additional common share of the Company for a period of five years at a price of $0.30 per share. The private placement was subscribed to by certain directors and officers of the Company.

The Company calculated the fair value of the share component to be the lesser of the market price for the shares on the date of grant, which was $0.19 per share, and the offering price, which was $0.25 per unit. The shares, therefore, had a market price of $0.19 per share or $288,800. As a result, the fair value of the warrants was calculated to be $0.06 per one warrant, or $91,200, being the difference between the $0.25 per unit price and the $0.19 value of the share component of the units. As such, share capital was increased by $288,800 and equity reserve increased by $91,200.

On October 4, 2016 the Company completed tranche 2 of a non-brokered private placement with the issuance of 765,400 units priced at $0.15 per unit, for gross proceeds of $114,810. Each unit consists of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

a) Common Shares – (cont'd)

Issuances for Cash – (cont'd)

holder thereof to acquire an additional common share of the Company for a period of two years at a price of $0.20 per share.

The fair value of the shares was equal to the proceeds raised in the private placement and as a result, no amount was allocated as the fair value of the warrants. A cash payment of $8,036 and 53,578 agents' warrants, with the same terms and conditions as the unit warrants, was paid as a finders' fee. Share issue costs include $9,083 calculated as the fair value of the agents' warrants.

The fair value of agents' warrants was determined using the Black-Scholes model with the following assumptions:

Stock price	$0.18
Exercise price	$0.20
Dividend rate	0%
Expected life	2 Years
Expected annual volatility	270.84%
Risk-free rate	0.57%

On August 2, 2016 the Company completed tranche 1 of a non-brokered private placement with the issuance of 1,407,780 units priced at $0.15 per unit, for gross proceeds of $211,167. Each unit consists of one common share of the Company and one-half of one share purchase warrant with each whole warrant entitling the holder thereof to acquire an additional common share of the Company for a period of two years at a price of $0.20 per share. A cash payment of $900 was paid as a finders' fee. The fair value of the shares was equal to the proceeds raised in the private placement and as a result, no amount was allocated as the fair value of the warrants.

Convertible Debenture

During the year ended May 31, 2017 the holder of the Debenture elected to convert the Debenture into Units of the Company priced at $0.15 per Unit. The Debenture, together with interest at 8.0% per annum, was converted into 720,000 common shares of the Company and 360,000 warrants. A price of $0.12, being the Company's closing market price on the date of issuance, was used in the determination of the $86,400 fair value of the shares. Equity reserve includes $21,600 calculated as the fair value of the warrants, being the residual value of the unit price and the market price of the shares. Upon conversion, the convertible option value of $21,685 was transferred from equity reserve to share capital.

(Stated in Canadian Dollars)

Note 8 Share Capital – (cont'd)

b) Share Purchase Warrants

A summary of the Company's outstanding share purchase warrants is presented below:

	Number of Warrants	Weighted Average Exercise Price
Outstanding at May 31, 2016	-	$ -
Warrants Issued	3,020,167	0.25
Outstanding at May 31, 2017 and February 28, 2018	**3,020,167**	**$ 0.25**

At February 28, 2018, there were 3,020,167 warrants outstanding and exercisable to purchase one common share for each option held as follows.

Number of Shares	Exercise Price	Expiry Date
703,889	$0.20	August 2, 2018
436,278	$0.20	October 4, 2018
360,000	$0.20	April 20, 2019
1,520,000	$0.30	December 7, 2021
3,020,167	**$0.25**	

Subsequent to February 28, 2018, 1,000,000 share purchase warrants, exercisable at $0.30 per warrant, were exercised by a director and officer of the Company and 2,828,699 share purchase warrants exercisable at $0.25 per warrant, were issued pursuant to the COB financing.

c) Share-Based Payments

The Company, in accordance with the policies of the Exchange, is authorized to grant share purchase options to directors, officers, employees and service providers to acquire up to 10% of common shares outstanding (the "Plan"). Under the Plan, options may be granted at no less than the closing market price of the Company's shares on the day preceding the grant for a maximum term of 5 years.

No amounts are paid or payable by the recipient on receipt and the options are not dependent on any performance-based criteria. Share purchase options will vest when granted except where granted for investor relations activities which vest and may be exercised in accordance with the vesting provisions as to ¼ of the options each 3 months. No share purchase options were granted during the period ended February 28, 2018 and the year ended May 31, 2017, and during the period ended February 28, 2018, 2,000 options at an exercise price of $1.00 expired.

(Stated in Canadian Dollars)

Note 9 Related Party Transactions

The following is a summary of charges incurred by the Company with related parties:

For the period ended February 28,		**2018**		2017
Accounting fees	**$**	**4,500**	$	1,000
Legal fees		**500**		6,000
Management services		**65,000**		47,500
Office, rent and administration		**9,500**		10,000
Shareholder Communication		**500**		1,000
Total	**$**	**80,000**	$	65,500

During the period ended February 28, 2018, the Company incurred expenses of $80,000 (February 28, 2017 - $65,500) from companies controlled by directors and officers of the Company. Included in accounts payable at February 28, 2018 is $43,624 (May 31, 2017: $155,125) due to directors of the Company and to a company controlled by a director. These balances are in respect of management activities and reimbursable expenses.

Note 10 Loss Per Share

The denominator for the calculation of loss per share, being the weighted average number of common shares, is calculated as follows:

	Three months ended February 28,		**Nine months ended February 28,**	
	2018	2017	**2018**	2017
Issued and outstanding, beginning of the period	**14,936,265**	12,696,265	**14,936,265**	10,523,085
Weighted average shares issued during the period	**-**	1,401,778	**-**	1,957,171
Basic and diluted weighted average shares	**14,936,265**	14,098,043	**14,936,265**	12,480,256

Note 11 Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital.

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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the period ended February 28, 2018.

Note 12 Financial Instruments

a) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of February 28, 2018. Future cash flows from interest income on cash and reclamation deposits will be affected by interest rate fluctuations.

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk. The Company's exposure to interest rate fluctuations is minimal.

b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and short term investment, the balance of which at February 28, 2018, are $901,756 (May 31, 2017 - $426,274) and $2,212,370 (May 31, 2017 - $Nil) respectively. Cash and GIC are held at a chartered Canadian financial institution, accordingly management believes credit risk is minimal.

c) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. As at February 28, 2018, the Company was holding cash of $901,756 (May 31, 2017 - $426,274) and short term investments of $2,212,370 (May 31, 2017 - $Nil). The Company's trade and other payables are due in the short term.

As at February 28, 2018, the Company had a working capital of $3,182,591. The Company has sufficient cash resources to meet its immediate obligations for at least twelve months from the end of the reporting period. While the Company has been successful in obtaining the necessary financing through the issuance of common shares and loans from related parties in the past, if management believes that additional funds are required, there is no assurance it will be able to raise funds in this manner in the future.