METALEX VENTURES LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - prepared by management

Expressed in Canadian dollars

January 31, 2017

Metalex Ventures Ltd.

January 31, 2017

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NOTICE TO READER

These condensed consolidated interim financial statements of Metalex Ventures Ltd. ("the Company") for the nine months ended January 31, 2017 have been prepared by and are the responsibility of the Company's

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by International Financial Reporting Standards for a review of interim financial statements by an entity's auditor.

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Note	January 31, 2017	April 30, 2016
ASSETS			
Current assets			
Cash		$ 771,612	$ 799,712
Receivables	4	9,096	40,733
Prepaid expenses		80,694	59,187
		861,402	899,632
Non-current assets			
Reclamation deposit		1,092,281	1,089,808
Exploration and evaluation assets	5	264,862	264,862
Long-term deposit		5,000	5,000
Total Assets		$ 2,223,545	$ 2,259,302
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	$ 2,977,422	$ 2,682,808
Provision for indemnity	9	1,635,000	1,542,000
		4,612,422	4,224,808
SHAREHOLDERS' DEFICIENCY			
Share capital	11	90,574,462	90,378,001
Reserves	11	9,498,666	9,487,666
Deficit		(102,462,005)	(101,831,173)
		(2,388,877)	(1,965,506)
Total Liabilities and Shareholders' Deficiency		$ 2,223,545	$ 2,259,302

Nature and continuance of operations (Note 1)
Commitments (Note 9)

Approved by the Board of Directors:

"Chad Ulansky"	*"Lorie Waisberg"*
Chad Ulansky	Lorie Waisberg

See accompanying notes to condensed consolidated interim financial statements

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

		Three Months Ended January 31,		Nine months ended January 31,	
	Note	2017	2016	2017	2016
EXPENSES					
Exploration expenditures	6	$ 49,241	$ 4,006	$ 383,756	$ 528,278
Indemnity interest expense		31,500	31,500	94,300	94,400
Management fees	11(d)	(10,248)	57,033	31,471	38,829
Office and administrative		23,089	32,206	64,444	79,968
Professional fees		2,921	7,371	44,490	54,450
Share-based compensation	11(d)	-	509,087	-	509,087
Transfer agent and filing fees		7,427	8,807	14,855	18,996
Travel and promotion		2,073	21,928	4,914	37,673
Loss before other items		(106,003)	(671,938)	(638,230)	(1,361,681)
OTHER ITEMS					
Interest income		2,308	4,105	7,556	13,945
Foreign exchange gain		(693)	2,049	(158)	19,112
		1,615	6,154	7,398	33,057
Loss and comprehensive loss for the period		$ (104,388)	$ (665,784)	$ (630,832)	$ (1,328,624)
Basic and diluted loss per share		$ (0.00)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of shares		109,804,556	108,097,165	108,666,295	102,115,281

See accompanying notes to condensed consolidated interim financial statements

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Reserves	Deficit	Total
Balance at April 30, 2015		95,097,165	$ 89,739,278	$ 9,677,724	$ (100,877,344)	$ (1,460,342)
Share issuance	11(b)	13,000,000	650,000	-	-	650,000
Share issuance costs	11(b)	-	(11,277)	-	-	(11,277)
Stock-based compensation	11(c)	-	-	14,638		14,638
Stock-based compensation adjustment for re-pricing	11(c)	-	-	494,449		494,449
Reserves transferred on expired and cancelled options	11(d)	-	-	(278,750)	278,750	-
Loss for the period		-	-	-	(1,328,624)	(1,328,624)
Balance at January 31, 2016		108,097,165	$ 90,378,001	$ 9,908,061	$ (101,927,218)	$ (1,641,156)
Balance at April 30, 2016		108,097,165	$ 90,378,001	$ 9,487,666	$ (101,831,173)	$ (1,965,506)
Share issuance	11(b)	4,760,000	238,000	-	-	238,000
Share issuance costs	11(b)	-	(30,539)	-	-	(30,539)
Loss for the period		-	-	-	(630,832)	(630,832)
Balance at January 31, 2017		112,857,165	$ 90,585,462	$ 9,487,666	$ (102,462,005)	$ (2,388,877)

See accompanying notes to condensed consolidated interim financial statements

Metalex Ventures Ltd.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in Canadian Dollars)

	Nine months ended January 31, 2017	2016
OPERATING ACTIVITIES		
Loss for the year	$ (630,832)	$ (1,328,624)
Items not affecting cash:		
Interest accrued on reclamation deposit	(2,473)	(3,557)
Interest accrued on indemnity provision	94,300	94,400
Share-based compensation	-	509,087
	(539,005)	(728,694)
Net changes in non-cash working capital items:		
Decrease in receivables	31,637	152,766
Increase in prepaid expenses	(21,507)	(43,248)
Increase (decrease) in accounts payable and accrued liabilities	293,314	(718,152)
Net cash used for operating activities	(235,561)	(1,337,328)
FINANCING ACTIVITIES		
Issuance of share capital	238,000	650,000
Issuance cost	(30,539)	(11,277)
Net cash provided by financing activities	207,461	638,723
Net decrease in cash	(28,100)	(698,605)
Cash, beginning of year	799,712	1,630,815
Cash, end of year	$ 771,612	$ 932,210
Cash paid for interest during the year	$ -	$ -
Cash paid for taxes during the year	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 15)

See accompanying notes to consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Metalex Ventures Ltd. (the "Company") is incorporated under the Business Corporations Act, British Columbia and is considered to be in the exploration stage with respect to its mineral properties. To date, the Company has not generated significant revenues from operations and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "MTX".

The Company's head office and location of books and records is 203-1634 Harvey Avenue, Kelowna, British Columbia, Canada, V1Y 6G2.

The recoverability of the amounts comprised in mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Continued operations of the Company are dependent on its ability to develop its mineral properties, receive continued financial support, complete equity financings, or generate profitable operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements (the "Financial Statements"), including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). As a results, they do not conform in all respects with the disclosure requirements for annual financial statements under IFRS and should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended April 30, 2016. The accounting policies and methods of application are consistent with those used in the Company's consolidated financial statements for the year ended April 30, 2016.

These Financial Statements were approved for issue by the Board of Directors on March 16, 2017.

Basis of Consolidation and Presentation

These Financial Statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These Financial Statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiary (Note 10). All significant intercompany transactions and balances have been eliminated.

2. BASIS OF PRESENTATION (*continued*)

Use of Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially and adversely from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on acquisition costs incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

ii) The inputs used in calculating the fair value for share-based compensation expense included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based compensation expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimated forfeiture rate.

iii) The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

iv) The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

New Standards Not Yet Adopted

IFRS 9 "Financial Instruments" **–** This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement" and will be applicable to fiscal years beginning on or after January 1, 2018. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company does not expect any impact to the financial statements from the adoption of this standard.

(Unaudited – Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

New Standards Not Yet Adopted *(continued)*

IFRS 16 "Leases" – This new standard will be applicable to fiscal years beginning on or after January 1, 2019. IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. At present, the Company's sole lease is for office space. As such, the Company does not expect significant impact to the financial statements from the adoption of this standard.

4. RECEIVABLES

The Company's receivables are as follows:

	January 31, 2017	April 30, 2016
Related party receivables	$ 8,298	$ 35,795
GST receivable	798	4,888
Third party receivable	–	50
Total	$ 9,096	$ 40,733

5. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets 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 exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its properties is in good standing.

The carrying values of the Company's exploration and evaluation assets are as follows:

	James Bay, Quebec	Kyle Lake, Ontario	Total
Balances as at April 30, 2015	$ 80,000	$ 264,862	$ 344,862
Written off during the year	(80,000)	-	(80,000)
Balances as at April 30, 2016 and January 31, 2017	$ -	$ 264,862	$ 264,862

The Company's one reportable operating segment is the acquisition and exploration of mineral properties; the Company's assets are now entirely in Canada.

During the year ended April 30, 2016, it was noted that the original claim blocks acquired from Kel-Ex Developments Ltd. were allowed to lapse. While the project in Quebec has continued and evolved, the original exploration and evaluation asset no longer has value. As such, the amount was written off in the 2016 fiscal year.

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

Kyle Lake Project, Ontario

As at January 31, 2017, the Company has a 100% earned interest in certain mineral claims located in the Kyle Lake area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex Development Ltd. ("Kel-Ex"). In September 2011, the Company acquired all of Arctic Star Exploration Corp's ("Arctic Star") remaining joint venture interests in the Company's Kyle Lake, James Bay Lowlands and Attawapiskat projects for a lump sum payment of $264,862. Also pursuant to the agreement, the Company will pay Arctic Star a further $2,000,000 in circumstances where a mine is put into production on the claims comprising the Kyle Lake project.

Morocco

In May 2004, the Company entered into an agreement with the Office National de Hydrocarburers et des Mines ("ONHYM") to conduct preliminary exploration work in Southern Morocco in order to identify areas on which to undertake further exploration work. In May 2005, the Company added additional areas for exploration work on the same terms and conditions as the first agreement. The agreements were governed by the laws and regulations of the Kingdom of Morocco and were valid until November 2006.

In April 2011, the Company entered into a new joint venture agreement with the ONHYM for further exploration of the claim areas. The Company will hold a 60% interest while ONHYM will retain a 40% interest in the project. Both parties will be responsible for funding their respective interests. The Company's 36 month agreement with ONHYM has expired and the Company is in the process of extending it for a further 18 months.

Wemindji James Bay Property, Quebec

As at January 31, 2017, the Company has a 75.3% contributing interest in various mineral claims located in the Wemindji James Bay region of Quebec for the exploration of diamonds. The Company also holds a 78.9% contributing interest in a joint venture for the exploration of non-diamond commodities (ie: various base and precious metals) within the same claim area.

James Bay Lowlands Property, Ontario

As at January 31, 2017, the Company has a 62.5% earned interest in certain mineral claims located in the Ring of Fire region of the James Bay Lowlands, Ontario. Certain of these claims were previously included as part of the Kyle Lake project and were optioned to White Pine Resources Inc. ("WPR"), which owns the remaining 37.5% interest. Pursuant to the agreement, a joint venture has been formed whereby each party will fund future exploration activities in proportion to their earned interests. These claims are subject to a 10% carried interest in favour of Kel-Ex.

Attawapiskat Property, Ontario

Big Red Diamond Joint Venture

As at January 31, 2017, the Company has a 83.9% working interest (72% earned interest) in certain mineral claims in the Attawapiskat area of Ontario. These claims are subject to a 10% carried interest in favour of Kel-Ex.

Dumont Joint Venture

As at January 31, 2017, the Company has a 82.5% working interest (61.7% earned interest) in certain mineral claims located in the vicinity of Attawapiskat, Ontario. These claims are subject to 10% carried interests in favour of each of Kel-Ex and DNI Metals Inc. (formerly Dumont Nickel Inc.).

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

Mali

The Company had a 100% interest in two gold exploration licenses. The annual exploration commitments for both permits in CFA Francs ("CFA"), with Canadian Dollar equivalents using exchange rates at January 31, 2017 is estimated at $1,462,550 (CFA 692,000,000).

To date, the exploration commitments have not been met. The Company's licenses expired during the year ended April 30, 2013. The Company is assessing its option to renew its license; however, due to the current political climate, the Company has been unable to renew its licenses.

(Unaudited – Expressed in Canadian Dollars)

6. EXPLORATION EXPENDITURES

	Attawapiskat, Ontario	James Bay, Quebec	Kyle Lake, Ontario	Mali	Morocco	Total
Cumulative expenditures, April 30, 2015	$ 9,415,145	$ 8,102,222	$ 45,919,255	$ 161,102	$ 5,538,996	$ 69,136,720
Additions						
Aircraft field transport	-	20,489	-	-	-	20,489
Camp and field supplies	-	680	64	-	15,377	16,121
Drill supplies (recovery)	-	(154)	-	-	-	(154)
Equipment rental	-	-	-	-	236,724	236,724
Fuel	-	2,750	-	-	-	2,750
Licenses, rent and other	-	243	2,170	3,165	-	5,578
Labour	-	41,828	67,761	-	157,838	267,427
Sample laboratory analysis	-	117,944	-	-	14,014	131,958
Shipping and freight	-	4,367	30,920	183	9,554	45,024
Telephone and communication	-	132	-	-	542	674
Travel and accomodation	-	13,304	21,211	-	21,512	56,027
Total additions	-	201,583	122,126	3,348	455,561	782,618
Cost recoveries	-	(254,340)	-	-	-	(254,340)
Net exploration expenditures during the period	-	(52,757)	122,126	3,348	455,561	528,278
Cumulative expenditures, January 31, 2016	9,415,145	8,049,465	46,041,381	164,450	5,994,557	69,664,998
Net exploration expenditures to year end	-	52,285	56,758	550	29,962	139,555
Cumulative expenditures, April 30, 2016	9,415,145	8,101,750	46,098,139	165,000	6,024,519	69,804,553
Additions						
Aircraft field transport	-	7,604	-	-	-	7,604
Camp and field supplies	-	3,825	362	-	143	4,330
Equipment rental	-	956	184	-	1,759	2,899
Licenses, rent and other	-	985	2,357	3,071	-	6,413
Labour	-	42,188	38,782	-	17,281	98,251
Sample laboratory analysis	-	90,524	-	-	86,625	177,149
Shipping and freight	-	3,795	51,962	1,650	10,347	67,754
Telephone and communication	-	-	-	-	-	-
Travel and accomodation	-	16,506	18,152	-	144	34,802
Total additions	-	166,383	111,799	4,721	116,299	399,202
Cost recoveries	-	(15,446)	-	-	-	(15,446)
Net exploration expenditures during the period	-	150,937	111,799	4,721	116,299	383,756
Cumulative expenditures, January 31, 2017	$ 9,415,145	$ 8,252,687	$ 46,209,938	$ 169,721	$ 6,140,818	$ 70,188,309

(Expressed in Canadian Dollars)

7. EQUIPMENT

	Field equipment	Computer equipment	Furniture and fixtures	Total
Cost:				
Balance at April 30, 2015 and January 31, 2016	$ 1,071,917	$ 18,135	$ 5,194	$ 1,095,246
Dispositions	-	(15,377)	-	(15,377)
Balance as April 30, 2016 and January 31, 2017	$ 1,071,917	$ 2,758	$ 5,194	$ 1,079,869
Accumulated depreciation:				
Balance at April 30, 2015 and January 31, 2016	$ 1,071,917	$ 18,135	$ 5,194	$ 1,095,246
Dispositions	-	(15,377)	-	(15,377)
Balance as April 30, 2016 and January 31, 2017	$ 1,071,917	$ 2,758	$ 5,194	$ 1,079,869
Carrying amounts				
As at April 30, 2016	$ -	$ -	$ -	$ -
As at January 31, 2017	$ -	$ -	$ -	$ -

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	January 31, 2017	**April 30, 2016**
Trade payables	$ 7,065	$ 37,949
Accrued liabilities	207,358	175,134
Related party payables	2,762,999	2,469,725
Total	$ 2,977,422	$ 2,682,808

9. COMMITMENTS

In addition to the exploration commitments described in Note 5, the Company is committed to minimum future lease payments for office premises through to July, 2018 as follows:

Fiscal year ending April 30, 2017	$ 2,468
Fiscal year ending April 30, 2018	9,872
Fiscal year ending April 30, 2019	1,412

(Expressed in Canadian Dollars)

9. COMMITMENTS *(continued)*

During the 2010 and 2011 fiscal years, the Company completed a succession of flow-through share arrangements and renounced the expenditures to investors in accordance with Canadian income tax legislation. The Company was required to incur eligible Canadian exploration expenditures in order to ensure investors were eligible for the tax deductions. As at April 30, 2013 and 2014, the Company did not incur all the required expenditures and the investors are no longer eligible to receive certain tax deductions. Consequently, the flow-through share premium liability has been reduced to $nil and the Company had recorded a provision of $1,170,000 towards potential indemnification of tax liabilities to purchasers of the flow-through shares as at April 30, 2013. Interest of $465,000 (April 30, 2016 – $372,000) has been accrued on this balance to January 31, 2017.

During the nine month period ended January 31, 2017, the Company raised $238,000 in flow through funds which are required to be incurred on eligible exploration expenditures on the Quebec project. As at January 31, 2017, the Company has spent $384 and has a commitment to spend the remaining $237,616 prior to December 31, 2017.

10. RELATED PARTY DISCLOSURES

The Financial Statements include the financial statements of Metalex Ventures Ltd. and its subsidiary listed in the following table:

		Proportion of Ownership Interest	
Name of Subsidiary	**Country of Incorporation**	**January 31, 2017**	**April 30, 2016**
Mali Gold Mine Ltd.	Mali	100%	100%

During the nine month periods ended January 31, 2017 and 2016, the Company had related party transactions with the following companies related by way of common directors or shareholders:

- C.F. Mineral Research Ltd. (“CF Minerals”) – a private company owned by the Metalex Chairman. CF Minerals provides heavy mineral geochemistry services to the Company.
- Cantex Mine Development Corp. (“Cantex”) - a publicly listed company with common directors and management. Metalex and Cantex share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Diamante Minerals, Inc. (“Diamante”) - a publicly listed company with common management. Metalex and Diamante share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.
- Element 29 Ventures Ltd. (“Element 29”) - a private company owned by the Metalex CEO. Element 29 provides geological consulting services to the Company.
- Kel-Ex Development Ltd. (“Kel-Ex”) - a private company owned by the Metalex Chairman. Kel-Ex provides administration, payroll and office services to the Company.
- Northern Uranium Corp. (“Northern”) - a publicly listed company with common directors and management. Metalex and Northern share office space and thus have certain shared expenditures which get re-billed on a cost-recovery basis.

The key management personnel of the Company are the Directors, Chief Executive Office, Chief Financial Officer and Chief Operating Officer.

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

The Company's related party expenses consist of the following:

	Three months ended January 31, 2017	Three months ended January 31, 2016	Nine months ended January 31, 2017	Nine months ended January 31, 2016
Laboratory and mineralogical costs	**$ 25,013**	$ 2,841	**$ 111,110**	$ 3,810
Administration fees (10%)	**914**	2,526	**7,871**	12,569
Geological consulting fees	**15,377**	70,402	**57,919**	109,759
Shared field expenditures	**10,034**	9,134	**17,674**	21,296
Shared office and administrative costs	**2,583**	2,812	**8,736**	22,717
	$ 53,921	$ 87,715	**$ 203,310**	$ 170,151

	Three months ended January 31, 2017	Three months ended January 31, 2016	Nine months ended January 31, 2017	Nine months ended January 31, 2016
C.F. Mineral Research Ltd.	**$ 25,013**	$ 2,841	**$ 111,110**	$ 3,810
Cantex Mine Development Corp.	**-**	3,121	**-**	3,971
Element 29 Ventures Ltd.	**23,103**	48,476	**68,029**	83,756
Kel-Ex Development Ltd.	**5,805**	29,719	**24,171**	74,255
Northern Uranium Corp.	**-**	3,558	**-**	4,359
	$ 53,921	$ 87,715	**$ 203,310**	$ 170,151

The Company's expenses recovered from related parties consist of the following:

	Three months ended January 31, 2017	Three months ended January 31, 2016	Nine months ended January 31, 2017	Nine months ended January 31, 2016
Shared field expenditures	**$ 94,051**	$ 19,659	**$ 98,658**	$ 122,668
Shared office and administrative costs	**5,220**	31,675	**26,313**	25,781
	$ 99,271	$ 51,334	**$ 124,971**	$ 148,449

	Three months ended January 31, 2017	Three months ended January 31, 2016	Nine months ended January 31, 2017	Nine months ended January 31, 2016
Cantex Mine Development Corp.	**$ 95,426**	$ 1,625	**$ 102,192**	$ 14,758
Diamante Minerals Inc.	**838**	-	**4,360**	4,272
Element 29 Ventures Ltd.	**-**	266	**-**	-
Kel-Ex Development Ltd.	**1,169**	26,147	**12,999**	9,463
Northern Uranium Corp.	**1,838**	23,296	**5,420**	119,956
	$ 99,271	$ 51,334	**$ 124,971**	$ 148,449

(Expressed in Canadian Dollars)

10. RELATED PARTY DISCLOSURES *(continued)*

Included in accounts payable of the Company are the following amounts due to related parties:

		January 31, 2017		April 30, 2016
C.F. Mineral Research Ltd.	**$**	**872,289**	$	755,624
Element 29 Ventures Ltd.		**6,455**		18,527
Kel-Ex Development Ltd.		**1,884,255**		1,695,574
	$	**2,762,999**	$	2,469,725

The Company accrued a $1,170,000 indemnity liability (see note 9) related to the fiscal 2010 and 2011 flow through arrangements. The majority of the liability is attributable to the Company's Chairman of the Board, as he had been the largest subscriber of these flow-through subscriptions. As such, this is an additional related party payable to the amounts shown above.

Included in receivables of the Company are the following amounts due from related parties:

		January 31, 2017		April 30, 2016
Cantex Mine Development Corp.	**$**	**6,825**	$	3,548
Diamante Minerals, Inc.		**214**		2,390
Kel-Ex Development Ltd.		**771**		1,192
Northern Uranium Corp.		**488**		28,665
	$	**8,298**	$	35,795

The remuneration of directors and officers is as follows:

	Three months ended January 31,				Nine months ended January 31,			
		2017		2016		**2017**		2016
Director fees(1)	**$**	**(10,247)**	$	57,033	**$**	**31,471**	$	38,829
Share-based compensation(2)		**-**		14,638		**-**		14,638
Wages and benefits(3)		**19,369**		49,714		**68,616**		96,662
	$	**9,122**	$	121,385	**$**	**100,087**	$	150,129

(1) Directors fees are amounts accrued under the Company's deferred share unit plan as described in Note 11 (d). Each quarter, $15,000 in DSUs are accrued under the plans; the total number of DSUs outstanding is then adjust based on the fair market value of the share price, resulting in fluctuations in the amount of fees expensed.
(2) Share-based compensation is the fair value of options granted to directors and management personnel. During the period ended January 31, 2016, the Company re-priced stock options previously issued to directors and management; total adjustment to stock-based compensation for previously granted options was $494,449.
(3) Wages and benefits include amounts paid or accrued for geological consulting fees and payroll costs due to related parties.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital

On September 4, 2015, the Company completed a private placement for flow through and non-flow through shares. The Company issued 7,000,000 flow through units ("FT units") at a price of $0.05 per FT unit and 6,000,000 non-flow through units ("units") at $0.05 per unit. Each FT unit is comprised of one flow through share and one-half a warrant, with each whole warrant exercisable at $0.07 for a term of two years; each unit it comprised of one non-flow through share and one-half a warrant exercisable at $0.07 for a term of two years. The Company incurred share issuance costs relating to this private placement of $11,277.

On December 30, 2016, the Company completed a private placement for flow through shares. The Company issued 4,760,000 flow through units ("FT Units") at a price of $0.05 per FT unit. Each FT unit is comprised of one flow through share and one-half of a non-flow through warrant, with each warrant entitling the holder to acquire a non-flow through share at a price of $0.10 for a term of two years. Finder's fees of $18,640 were paid and 372,800 finder's warrants valued at $11,000 using the Black-Scholes option pricing model with an expected life of 2 years, volatility of 163.34%, a risk free rate of 0.74% and dividend rate of 0.% were issued in conjunction with the flow through shares. Share issuance costs of $11,899 were paid for the private placement.

c) Stock options and warrants

The Company, in accordance with its shareholder approved stock option plan as amended, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of the issued and outstanding common shares. The exercise price of the options issued under the plan is determined by the Board of Directors at the time the options are granted. The options vest immediately upon grant, unless otherwise determined by the Board of Directors, and are exercisable for up to a period of ten years from the date of grant.

Stock option transactions are summarized as follows:

	Stock Options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, April 30, 2015	6,716,000	$ 0.47	-	$ -
Granted	400,000	0.08	6,500,000	0.07
Expired/cancelled	(650,000)	0.80	-	-
Outstanding, January 31, and April 30, 2016	6,466,000	0.12	6,500,000	0.07
Granted	-	-	2,752,800	0.10
Outstanding, January 31, 2017	6,466,000	$ 0.12	9,252,800	$ 0.08
Number currently excersisable	6,466,000	$ 0.12	9,252,800	$ 0.08

11. SHARE CAPITAL AND RESERVES (*continued*)

c) **Stock options and warrants** *(continued)*

The following stock options and warrants were outstanding at January 31, 2017:

	Number	Exercise Price	Expiry Date
Options	610,000	$ 0.08	October 20, 2020
	1,700,000	0.08	March 28, 2021
	3,756,000	0.15	December 19, 2023
	400,000	0.08	January 13, 2026
	6,466,000		

	Number	Exercise Price	Expiry Date
Warrants	6,500,000	$ 0.07	September 3, 2017
	2,752,800	0.10	December 30, 2018
	9,252,800		

d) **Deferred share unit plan**

The Company has a deferred share unit plan whereby directors can receive compensation in the form of a deferred share unit. Under the plan, directors will earn compensation quarterly ($7,500 initial value per quarter per director) at which time the number of deferred share units will be determined based on the weighted average of the Company's trading price for the last five trading days at the end of the quarter. Upon leaving the Board, directors, at their discretion, will receive shares for the deferred compensation. Under the deferred share plan, directors are entitled to receive the cash value equal to the fair value of the deferred shares outstanding. Accordingly, the value of the deferred liability is equal to the fair value of the shares. As of January 31, 2017, $172,096 of deferred compensation (April 30, 2016 – $140,625) has been accrued in accounts payable which equates to 3,073,146 shares (April 30, 2016 – 2,343,750 shares).

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables, accounts payable and accrued liabilities and provision for indemnity approximate their fair value because of the short-term nature of these instruments.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

Currency risk - While the Company's capital is raised in Canadian dollars, the Company is also conducting business in Morocco whose currency is the dirham. As such, the Company is subject to risk due to fluctuations in the exchange rates for that currency as well as the United States and Canadian dollar. The Company does not use derivative financial instruments to reduce its exposure to foreign currency risk.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT *(continued)*

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 in large Canadian financial institutions. The Company's receivables consist mainly of mineral property recoveries due from joint venture partners, receivables from related parties for shared expenditures and GST receivable due from the Federal Government of Canada. The Company is subject to the risk that its joint venture partners will default on amounts owing for their portion of exploration expenditures (April 30, 2016 - $Nil). Any such amounts defaulted would dilute that partners' interest in the exploration joint venture and would require the Company to pick up the proportionate share of future exploration expenditures. As at January 31, 2017, the Company had $8,298 in outstanding related party receivables; the Company has subsequently received all of this balance.

Interest rate risk - Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no material interest bearing financial obligations or assets.

Liquidity risk - Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company manages its liquidity risk through the management of its capital structure and financial leverage as outlined in Note 13. The Company is exposed to liquidity risk.

Price risk - The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of diamonds and other minerals. The Company's input costs are also affected by the price of fuel. Management monitors diamond, precious metal and fuel prices to determine the appropriate course of action to be taken by the Company.

13. CAPITAL RISK MANAGMENT

The Company includes equity, comprised of issued common shares, reserves, convertible advance and deficit, in the definition of capital.

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company is in the exploration stage; as such, it has historically relied on the equity markets to fund its activities. The Company's primary objective with respect to capital management is to ensure adequate liquid capital resources are in place to fund the exploration and development of its mineral properties while maintaining its ongoing operations. To secure the additional capital to pursue these plans, the Company may attempt to raise additional funds through the issuance of debt and or equity.

14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions for the nine month period ended January 31, 2016 included:

- the transfer of reserves, representing expired stock options valued at $278,750;
- the transfer of reserves, representing pre-pricing of stock options valued at $494,449;
- and the issuance of stock-based compensation in the amount of $14,638.

Significant non-cash transactions for the nine month period ended January 31, 2017 include the issuance of 372,800 finder's warrants valued at $11,000.