CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Unaudited - Prepared by Management

Expressed in Canadian dollars

October 31, 2017

Metalex Ventures Ltd.
October 31, 2017

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NOTICE TO READER

These condensed consolidated interim financial statements of Metalex Ventures Ltd. ("the Company") for the six month period ended October 31, 2017 have been prepared by and are the responsibility of the Company's management.

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	October 31, 2017	April 30, 2017
ASSETS			
Current assets			
Cash		$ 541,117	$ 707,516
Receivables	4	15,777	11,668
Prepaid expenses		22,191	36,592
		579,085	755,776
Non-current assets			
Reclamation deposit		1,095,924	1,093,093
Exploration and evaluation assets	5	275,362	264,862
Long-term deposit		45,000	45,000
Total Assets		$ 1,995,371	$ 2,158,731
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	$ 3,348,901	$ 3,030,547
Provision for indemnity	8	1,728,000	1,666,000
		5,076,901	4,696,547
SHAREHOLDERS' DEFICIENCY			
Share capital	9	90,577,989	90,572,489
Reserves	9	9,498,666	9,498,666
Deficit		(103,158,185)	(102,608,971)
		(3,081,530)	(2,537,816)
Total Liabilities and Shareholders' Deficiency		$ 1,995,371	$ 2,158,731

Nature and continuance of operations (Note 1)
Commitments (Note 8)

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)

	Note	Three Months Ended October 31, 2017	Three Months Ended October 31, 2016	Six Months Ended October 31, 2017	Six Months Ended October 31, 2016
EXPENSES					
Exploration expenditures	6	322,152	232,126	$ 383,622	$ 334,515
Indemnity interest expense		31,000	31,400	62,000	62,800
Directors fees	9	(2,979)	27,873	(4,595)	41,719
Office and administrative		20,999	14,147	39,843	41,355
Professional fees		45,617	41,534	50,484	41,569
Transfer agent and filing fees		7,197	5,901	7,770	7,428
Travel and promotion		16,273	2,712	16,582	2,841
		(440,259)	(355,693)	(555,706)	(532,227)
Interest income		4,019	2,556	6,513	5,248
Foreign exchange gain		215	503	(21)	535
		4,234	3,059	6,492	5,783
Loss and comprehensive loss for the year		$ (436,025)	$ (352,634)	$ (549,214)	$ (526,444)
Basic and diluted loss per share		$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average number of shares		112,946,295	108,097,165	112,901,730	108,097,165

See accompanying notes to condensed consolidated interim financial statements.

Metalex Ventures Ltd.

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

	Note	Number of Common Shares	Share Capital	Reserves	Deficit	Total
Balance at April 30, 2016		108,097,165	$ 90,378,001	$ 9,487,666	$ (101,831,173)	$ (1,965,506)
Loss for the year		-	-	-	(526,444)	(526,444)
Balance at October 31, 2016		108,097,165	$ 90,378,001	$ 9,487,666	$ (102,357,617)	$ (2,491,950)
Balance at April 30, 2017		112,857,165	$ 90,572,489	$ 9,498,666	$ (102,608,971)	$ (2,537,816)
Share issuance	10(b)	100,000	5,500	-	-	5,500
Loss for the year		-	-	-	(549,214)	(549,214)
Balance at October 31, 2017		112,957,165	$ 90,577,989	$ 9,498,666	$ (103,158,185)	$ (3,081,530)

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)

	Six Months Ended October 31, 2017	2016
OPERATING ACTIVITIES		
Loss for the year	$ (549,214)	$ (526,444)
Items not affecting cash:		
Interest accrued on reclamation deposit	(2,831)	(1,642)
Interest accrued on indemnity provision	62,000	62,800
	(490,045)	(465,286)
Net changes in non-cash working capital items:		
Decrease in receivables	(4,109)	33,454
Increase in prepaid expenses	14,401	(22,976)
Increase (decrease) in accounts payable and accrued liabilities	318,354	283,081
Net cash used for operating activities	(161,399)	(171,727)
INVESTING ACTIVITIES		
Purchase of minority JV interest	(5,000)	-
Net cash used for investing activities	(5,000)	-
Net decrease in cash	(166,399)	(171,727)
Cash, beginning of year	707,516	799,712
Cash, end of year	$ 541,117	$ 627,985
Cash paid for interest during the year	$ -	$ -
Cash paid for taxes during the year	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 13)

See accompanying notes to condensed consolidated interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Metalex Ventures Ltd. (the "Company" or "Metalex") 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 condensed consolidated interim 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. The Company is not generating operating cash flows and will require additional funding in order to maintain its activities for the coming year. 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, 2017. 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, 2017.

These Financial Statements were approved for issue by the Audit Committee on December 15, 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 subsidiary. 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 condensed consolidated interim financial statements include the accounts of the Company and its direct wholly-owned subsidiary (Note 9). All significant intercompany transactions and balances have been eliminated.

2. BASIS OF PRESENTATION (*continued*)

Use of Estimates

The preparation of these condensed consolidated interim 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 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.

iv) The recognition of the indemnity liability provision. The Company considers the likelihood of this provision coming due in determining whether or not to include the provision in the liabilities of the Company.

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.

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 has no leases, other than an informal arrangement with a related party for shares office space. As such, the Company does not expect any impact to the financial statements from the adoption of this standard.

(Expressed in Canadian Dollars)

4. RECEIVABLES

The Company's receivables are as follows:

	October 31, 2017	April 30, 2017
Related party receivables (Note 9)	$ 8,356	$ 6,953
GST receivable	7,421	4,715
Total	$ 15,777	$ 11,668

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, 2017	$ -	$ 264,862	$ 264,862
Additions	10,500	-	10,500
Balance, October 31, 2017	$ 10,500	$ 264,862	$ 275,362

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

Kyle Lake Project, Ontario

As at October 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"), a company related by virtue of a common director. 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.

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

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 October 31, 2017, the Company has a 76.2% contributing interest in various mineral claims located in the Wemindji James Bay region of Quebec for the exploration of diamonds. In August, 2017, the Company signed an agreement with Threegold Resources Inc ("Threegold"), regarding the non-diamond commodities joint venture. Threegold agreed to assign its right, title and interest in this joint venture to the Company in exchange for $5,000 and the issuance of 100,000 common shares of the Company. Approval of this agreement was obtained from the TSX Ventures Exchange on August 11, 2017; 100,000 common shares were issued to Threegold, and payment was made. As such, the Company now owns 100% of the non-diamond project.

James Bay Lowlands Property, Ontario

As at October 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 October 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 October 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 October 31, 2017 is estimated at $1,573,530 (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.

(Expressed in Canadian Dollars)

6. EXPLORATION EXPENDITURES

	Attawapiskat, Ontario	James Bay, Quebec	Kyle Lake, Ontario	Mali	Morocco	Total
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	-	-	1,759	2,715
Licenses, rent and other	-	985	1,177	-	-	2,162
Labour	-	42,188	22,513	-	16,381	81,082
Sample laboratory analysis	-	90,524	-	-	77,086	167,610
Shipping and freight	-	2,936	33,992	1,100	5,077	43,105
Travel and accomodation	-	13,329	12,434	-	144	25,907
Net exploration expenditures during the period	-	162,347	70,478	1,100	100,590	334,515
Cumulative expenditures, October 31, 2016	9,415,145	8,264,097	46,168,617	166,100	6,125,109	70,139,068
Net exploration expenditures to year end	141	19,968	97,520	4,201	21,044	142,874
Cumulative expenditures, April 30, 2017	9,415,286	8,284,065	46,266,137	170,301	6,146,153	70,281,942
Additions						
Aircraft field transport	-	67,500	-	-	-	67,500
Camp and field supplies	-	14	2,394	-	-	2,408
Drill supplies	-	332	-	-	-	332
Equipment rental	-	-	7,500	-	-	7,500
Fuel	-	343	-	-	-	343
Licenses, rent and other	-	34,269	1,177	-	-	35,446
Labour	-	53,015	45,935	-	283	99,233
Sample laboratory analysis	-	39,285	-	-	53,121	92,406
Shipping and freight	-	1,836	34,952	1,100	2,658	40,546
Telephone and communication	-	16	-	-	-	16
Travel and accomodation	-	9,164	28,728	-	-	37,892
Net exploration expenditures during the period	-	205,774	120,686	1,100	56,062	383,622
Cumulative expenditures, October 31, 2017	$ 9,415,286	$ 8,489,839	$ 46,386,823	$ 171,401	$ 6,202,215	$ 70,665,564

(Expressed in Canadian Dollars)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	October 31, 2017	April 30, 2017
Trade payables	$ 46,623	$ 7,762
Accrued liabilities	194,794	199,389
Related party payables (Note 9)	3,107,484	2,823,396
Total	$ 3,348,901	$ 3,030,547

8. COMMITMENTS

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 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 $558,000 (April 30, 2017 – $496,000) has been accrued on this balance to October 31, 2017.

During the 2017 fiscal year, the Company raised $238,000 in flow through funds which are required to be incurred on eligible exploration expenditures in Quebec. As at October 31, 2017, the Company had incurred $207,650 in eligible exploration expenditures and had a commitment to spend the remaining $30,350 in flow through funds prior to December 31, 2017. As at the date of these financial statements, the Company has fulfilled this commitment and incurred the remaining required expenditures.

During the 2016 fiscal year, the Company raised $350,000 in flow through funds which were required to be incurred on eligible exploration expenditures. As at October 31, 2016, the Company had fully incurred the entire balance.

9. RELATED PARTY DISCLOSURES

The Financial Statements include the financial statements of Metalex Ventures Ltd. and its wholly owned subsidiary, Mali Gold Mine Ltd. (incorporated in the country of Mali).

(Expressed in Canadian Dollars)

9. RELATED PARTY DISCLOSURES *(continued)*

During the three and six month periods ended October 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.

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

	Three month periods ended October 31,		Six month periods ended October 31,	
	2017	2016	**2017**	2016
Laboratory and mineralogical costs	**$ 64,859**	$ 52,292	**$ 76,597**	$ 86,097
Administration fees (10%)	**11,424**	4,323	**13,475**	6,957
Geological consulting fees	**30,651**	23,336	**41,198**	42,542
Shared field expenditures	**21,583**	7,000	**23,083**	7,640
Shared office and administrative costs	**3,084**	2,988	**5,750**	6,153
	$ 131,601	$ 89,939	**$ 160,103**	$ 149,389

	Three month periods ended October 31,		Six month periods ended October 31,	
	2017	2016	**2017**	2016
C.F. Mineral Research Ltd.	**$ 64,859**	$ 52,292	**$ 76,597**	$ 86,097
Element 29 Ventures Ltd.	**52,057**	27,149	**64,010**	44,926
Kel-Ex Development Ltd.	**14,685**	10,498	**19,496**	18,366
	$ 131,601	$ 89,939	**$ 160,103**	$ 149,389

(Expressed in Canadian Dollars)

9. RELATED PARTY DISCLOSURES *(continued)*

The Company's expenses recovered from (credited to) related parties consist of the following:

	Three month periods ended October 31, **2017**	2016	Six month periods ended October 31, **2017**	2016
Shared field expenditures	**$ 6,007**	$ 2,285	**$ 9,298**	$ 4,607
Shared office and administrative costs	**4,297**	15,006	**8,925**	21,093
	$ 10,304	$ 17,291	**$ 18,223**	$ 25,700

	Three month periods ended October 31, **2017**	2016	Six month periods ended October 31, **2017**	2016
Cantex Mine Development Corp.	**$ 3,947**	$ 3,393	**$ 8,850**	$ 6,766
Diamante Minerals, Inc.	**418**	-	**1,140**	-
Element 29 Ventures Ltd.	**2,787**	1,826	**2,787**	3,522
Kel-Ex Development Ltd.	**4,780**	10,441	**5,446**	11,830
Northern Uranium Corp.	**(1,628)**	1,631	**-**	3,582
	$ 10,304	$ 17,291	**$ 18,223**	$ 25,700

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

	October 31, 2017	April 30, 2017
C.F. Mineral Research Ltd.	**$ 968,897**	$ 888,470
Element 29 Ventures Ltd.	**18,760**	9,871
Kel-Ex Development Ltd.	**2,119,825**	1,925,055
	$ 3,107,482	$ 2,823,396

The Company accrued a $1,170,000 indemnity liability (see note 8) 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.

(Expressed in Canadian Dollars)

9. RELATED PARTY DISCLOSURES *(continued)*

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

		October 31, 2017		April 30, 2017
Cantex Mine Development Corp.	**$**	**1,127**	$	1,549
Diamante Minerals, Inc.		**-**		1,930
Element 29 Ventures Ltd.		**2,927**		-
Kel-Ex Development Ltd.		**4,302**		411
Northern Uranium Corp.		**-**		3,063
	$	**8,356**	$	6,953

The remuneration of directors and officers is as follows:

		Three month periods ended October 31, 2017		2016		**Six month periods ended October 31, 2017**		2016
Director fees[1]	**$**	**(2,979)**	$	33,516	**$**	**(4,595)**	$	41,718
Wages and benefits[2]		**38,419**		18,083		**55,749**		49,247
	$	**35,440**	$	51,599	**$**	**51,154**	$	90,965

(1) Directors fees are amounts accrued under the Company's deferred share unit plan as described in Note 10 (d). Each quarter, $15,000 in DSUs are accrued under the plan; 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) Wages and benefits includes amounts paid or accrued for geological consulting fees and payroll costs due to related parties.

10. 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 August 11, 2017, the Company obtained approved from the TSX Ventures Exchange for the issuance of 100,000 common shares of the Company to Threegold Resources Inc for the purchase of the minority joint venture interest of the Quebec non-diamond project.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL AND RESERVES (*continued*)

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, 2016 and 2017	6,466,000	$ 0.12	9,252,800	$ 0.08
Expired	-	-	(6,500,000)	0.07
Outstanding, October 31, 2017	6,466,000	$ 0.12	2,752,800	$ 0.10
Number currently exercisable	6,466,000	$ 0.12	2,752,800	$ 0.10

The following stock options were outstanding at October 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		

As at October 31, 2017, there were 2,752,800 outstanding warrants, exercisable at $0.10 and expiring December 30, 2018.

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 October 31, 2017, $194,794 of deferred compensation (April 30, 2017 – $199,389) has been accrued in accounts payable which equates to 3,895,872 shares (April 30, 2017 – 3,323,146 shares).

11. 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 and accounts payable and accrued liabilities 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. The Company considers this foreign currency risk to be insignificant.

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 typically 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 (July 31, 2017 - $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 July 31, 2017, the Company had $4,115 in outstanding related party receivables; the Company has subsequently received $2,405 (58.5% 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 12. 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.

12. CAPITAL RISK MANAGMENT

The Company includes equity, comprised of issued common shares, reserves, 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.

12. CAPITAL RISK MANAGMENT

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. The Company has made no changes to its objective, nor is the Company subject to external capital requirements.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transactions for the six month period ended October 31, 2017 was the issuance of 100,000 common shares pursuant to the purchase of the minority joint venture interest, valued at $5,500. There were no significant non-cash transactions for the six month period ended October 31, 2016.