Newlox Gold Ventures Corp.

March 31, 2017 and 2016

Consolidated Financial Statements

(Expressed in Canadian Dollars)

- Independent Auditor's Report
- Consolidated Statements of Financial Position
- Consolidated Statements of Loss and Comprehensive Loss
- Consolidated Statement of Changes in Shareholders' Equity
- Consolidated Statements of Cash Flows
- Notes to the Consolidated Financial Statements

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Newlox Gold Ventures Corp.

We have audited the accompanying consolidated financial statements of Newlox Gold Ventures Corp., which comprise the consolidated statements of financial position as at March 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Newlox Gold Ventures Corp. as at March 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which describe certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Newlox Gold Ventures Corp.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
July 31, 2017

Newlox Gold Ventures Corp.

NEWLOX GOLD

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	March 31, 2017	March 31, 2016
ASSETS			
Current			
Cash		$ 8,174	$ 697
GST recoverable		8,264	-
		16,438	697
Property, plant and equipment	6	336,404	828,899
Goodwill	3(d)	-	1,201,740
		336,404	2,030,639
		$ 352,842	**$ 2,031,336**
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 156,083	$ 241,682
Advance payable		-	16,007
Due to related parties	11	462,633	319,266
Convertible debentures	7	473,874	348,489
		1,092,590	925,444
SHAREHOLDERS' EQUITY			
Share Capital	8	2,406,451	2,017,991
Equity component of debentures		57,692	57,692
Foreign currency translation reserve		300,232	353,213
Deficit		(3,504,123)	(1,323,004)
		(739,748)	**1,105,892**
		$ 352,842	**$ 2,031,336**

Nature of operations and going concern (Note 1)
Subsequent events (Note 16)

Approved on behalf of the Board:

"Ryan Jackson"	"Jeffrey Benavides"
Director	Director

Newlox Gold Ventures Corp.

Consolidated Statements of Loss and Comprehensive Loss

For the Years ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

	Note	March 31, 2017	March 31, 2016
Sales		$ -	$ 56,942
Cost of sales		-	52,241
		-	4,701
EXPENSES			
Bad debts		-	32,238
Consulting		76,442	43,057
Depreciation	6	11,224	47,820
Management fees	11	221,718	182,084
Office		29,103	30,296
Professional fees		28,557	38,944
Tax		-	11,149
Telephone		4,761	2,320
Transfer agent		15,006	30,300
Travel		10,691	10,603
		397,502	428,811
Loss before other items		**(397,502)**	**(424,110)**
Accretion	7	63,734	75,477
Interest	7	61,651	36,372
Foreign exchange		(3,272)	8,963
Gain on write-off of accounts payable		(4,757)	-
Gain on settlement of debt	8	(77,335)	(95,753)
Write-off of loan receivable	2(i)	20,000	-
Impairment of property, plant and equipment	3(b)	521,856	12,100
Impairment of goodwill	3(d)	1,201,740	-
		1,783,617	37,159
Net loss for the year		**$ (2,181,119)**	**$ (461,269)**
Foreign currency translation adjustments		(52,981)	259,138
Comprehensive loss for the year		**$ (2,234,100)**	**$ (202,131)**
Loss per share - basic and diluted		**$ (0.04)**	**$ (0.01)**
Weighted average number of shares outstanding - basic and diluted		**53,708,886**	**47,203,967**

The accompanying notes are an integral part of these consolidated financial statements.

Newlox Gold Ventures Corp.

Statements of Changes in Shareholders' Equity (Deficiency)

For the Years Ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

	Number of shares	Amount	Subscription received	Equity component of debenture	OCI	Deficit	Total
Balance, March 31, 2015	**45,702,893**	**$ 1,871,991**	**$ 50,000**	**$ 71,405**	**$ 94,075**	**$ (868,211)**	**$ 1,219,260**
Shares issued for cash	3,000,000	150,000	(50,000)	-	-	-	100,000
Share issuance costs	-	(4,000)	-	-	-	-	(4,000)
Convertible debenture transactions	-	-	-	(13,713)	-	6,476	(7,237)
Translation adjustments	-	-	-	-	259,138	-	259,138
Net loss for the year	-	-	-	-	-	(461,269)	(461,269)
Balance, March 31, 2016	**48,702,893**	**2,017,991**	**-**	**57,692**	**353,213**	**(1,323,004)**	**1,105,892**
Shares issued for cash	4,790,000	239,500	-	-	-	-	239,500
Share issuance costs	-	(5,531)	-	-	-	-	(5,531)
Shares issued to settle debt	3,136,511	79,491	-	-	-	-	79,491
Shares issued for services	2,800,000	75,000	-	-	-	-	75,000
Foreign exchange translation adjustments	-	-	-	-	(52,981)	-	(52,981)
Net loss for the year	-	-	-	-	-	(2,181,119)	(2,181,119)
Balance, March 31, 2017	**59,429,404**	**$ 2,406,451**	**$ -**	**$ 57,692**	**$ 300,232**	**$ (3,504,123)**	**$ (739,748)**

The accompanying notes are an integral part of these consolidated financial statements.

NEWLOX GOLD

Newlox Gold Ventures Corp.

Statements of Cash Flows

For the Years Ended March 31, 2017 and 2016

(Expressed in Canadian Dollars)

	March 31, 2017	March 31, 2016
Cash (used in) provided by:		
Operating Activities		
Net loss for the year	$ (2,181,119)	$ (461,269)
Impairment of goodwill	1,201,740	-
Impairment of property, plant and equipment	521,856	12,100
Write-off of loan receivable	20,000	-
Accretion	63,734	73,197
Accrued interest expense	61,651	29,134
Financing costs	-	11,274
Depreciation	11,224	47,820
Gain on write-off of accounts payable	(4,757)	-
Gain on settlement of debt	(77,335)	(95,753)
Shares issued for services	75,000	-
Unrealized foreign exchange	-	-
Changes in non-cash working capital:		
Inventories	-	64,616
Receivables	(8,264)	32,798
Accounts payable	(83,286)	180,048
Due to related parties	-	60,233
Cash used in operating activities	**(399,556)**	**(45,802)**
Investing Activities		
Loan receivable	(20,000)	-
Acquisition of property, plant and equipment	(110,569)	(176,502)
Cash used in investing activities	**(130,569)**	**(176,502)**
Financing Activities		
Advance repayment	(16,007)	-
Issuance of convertible debentures	-	50,000
Repayment of convertible debentures	-	(25,851)
Related parties	297,257	75,942
Share capital issued for cash, net of issuance costs	248,969	96,000
Cash provided by financing activities	**530,219**	**196,091**
Effect of foreign exchange on cash	7,383	(4,145)
Change in cash during the year	7,477	(30,358)
Cash, beginning of the year	697	31,055
Cash, end of the year	**$ 8,174**	**$ 697**

Supplemental Cash Flow Information (Note 15)

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

Newlox Gold Ventures Corp. (the "Company" or "Newlox") was incorporated on April 7, 2011. Pursuant to an arrangement agreement dated April 8, 2011 between the Company and Tulox Resources Inc. ("Tulox"), the Company was assigned an interest in mineral claims in British Columbia, Canada, and commenced operations as a mineral property exploration company. During the year ended March 31, 2014, the Company terminated its interest in the mineral claims and wrote off the carrying value of the mineral property.

The Company's business has since evolved from a mining property exploration company to an environmental reclamation and mineral recovery company pursuing business opportunities in Central and South America. As part of its reclamation business, the Company is applying innovative technologies to reprocess historical tailings to achieve soil remediation and metals extraction.

The head office, principal address, and records office of the Company are located at 1875 Robson Street, Suite 1202, Vancouver, BC V6G 1E5, Canada.

NOTE 2 – BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorised for issue by the Board of Directors on July 31, 2017.

b) Basis of Preparation

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs. Cost is the fair value of the consideration paid or payable at the date of acquisition.

c) Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company returns.

The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Holding	Functional Currency
Newlox Gold Ventures Corp.	Canada	Parent Company	Canadian Dollar
Oro Roca, S.A.	Costa Rica	100%	Costa Rican Colones

Intercompany balances and transactions are eliminated in preparing these consolidated financial statements.

NOTE 2 – BASIS OF PRESENTATION (continued)

d) Going Concern

The Company's continuing operations, as intended, and its financial success is dependent upon its ability to generate profits from its tailing reclamation program and the continuing financial support of its shareholders, creditors, and related parties to finance its operations and expansion activities. The Company has incurred losses since its inception and has an accumulated deficit of $3,504,123 as at March 31, 2017. The Company's ability to continue its operations is dependent upon obtaining additional financing and generating profitable operations in the future. These considerations give rise to uncertainties that cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts or classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Property, Plant and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised to write off the cost of the property and equipment less their residual values over their useful lives using the straight-line method at various rates ranging from 3 years to 10 years. The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

During the year ended March 31, 2017, as a result of performing an assessment of impairment indicators, the Company recorded an impairment charge on property, plant and equipment of $521,856 (2016: $ 12,100).

c) Impairment of Property, Plant and Equipment and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent of other group assets.

If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount of a cash-generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income immediately.

d) Goodwill

Goodwill is measured at cost less accumulated impairment losses. On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds such net assets. For purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs") that is expected to benefit from the combination at the lowest level within the entity at which the goodwill is monitored by management. Goodwill has been allocated to the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as a charge in the consolidated statement of operations and is not subsequently reversed.

As a result of the Company's annual goodwill impairment assessment for the year ended March 31, 2017, the Company recorded an impairment charge of $ 1,201,740.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Loss per Share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding equity instruments were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

f) Share-based compensation

From time to time, the Company grants stock options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of stock options, measured using the Black-Scholes option pricing model at the date of grant, is charged to the consolidated statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of loss and comprehensive loss over the remaining vesting period.

Equity instruments granted to non-employees are recorded in the consolidated statement of loss and comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are recorded in equity reserves until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in equity reserves is reclassified to share capital along with any consideration paid.

g) Income Taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Income Taxes (continued)

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

h) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

NEWLOX GOLD

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

i) Financial Assets (continued)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The Company does not hold financial assets in this category.

- ***Loans and Receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and accounts receivables fall into this category of financial instruments.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognised in profit or loss.

  During the year ended March 31, 2017, the Company recorded an wrote off a loan receivable in the amount of $20,000 due it being determined as not being recoverable.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company does not hold financial assets in this category.

  Held-to-maturity investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired as determined by reference to external credit ratings, then the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial Instruments (continued)

i) Financial Assets (continued)

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in other categories of financial assets. The Company does not hold financial assets in this category.

  Available-for-sale financial assets are measured initially at fair value. The Company's investments in equity instruments are subsequently measured at cost as they do not have a quoted market price in an active market and their fair value cannot be reliably measured.

For financial assets measured at amortized cost, if in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss, or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognised in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process. The Company's accounts payables and accrued liabilities, amounts due to related parties, and convertible debentures fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

NOTE 4 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 3, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements are described below.

a) Impairment of Property, Plant and Equipment and Goodwill

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. Judgment is required to determine if there exist indications of impairment. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors. These assumptions relate to future events and circumstances. Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

b) Useful Lives of Property, Plant and Equipment

Management reviews the useful lives of property, plant and equipment at each reporting date, based on the expected utility of these assets to the Company. The useful lives of these assets may be shortened due to future technological developments.

c) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilise recognised deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realisation of these assets.

d) Foreign Currency Translation

Judgment is required to determine the functional currency of the Company and its subsidiary. The Company determined that the functional currency of its subsidiary is the Costa Rican Colones as this is the currency that most faithfully represents the economic effects of its underlying transactions, events and conditions.

NOTE 5 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company's consolidated financial statements. The Company intends to adopt the following standards when they become effective:

a) IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. The standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of the adoption of this standard on its consolidated financial statements.

b) IFRS 15 – Revenue from Contracts with Customers

IFRS 15 clarifies the principles for recognising revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively, and improve guidance for multiple-element arrangements. The standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. The Company does not expect the adoption of this standard to impact the consolidated financial statements as the Company does not earn revenues.

c) IFRS 16 – Leases

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low-value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. The Company does not have any material lease agreements and does not expect the adoption of this standard to materially impact its consolidated financial statements.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

	Vehicles	Office Furniture and Equipment	Computer Equipment and Software	Processing Facilities	Equipment	Tools	Total
Cost							
Balance, March 31, 2015	$ 42,528	$ 515	$ 3,783	$ 474,861	$ 173,569	$ 4,483	$ 699,739
Additions	-	-	-	167,324	28,723	152	196,199
Impairment	(12,100)	-	-	-	-	-	(12,100)
Foreign currency translation	1,208	15	112	14,067	5,141	134	20,677
Balance, March 31, 2016	31,636	530	3,895	656,252	207,433	4,769	904,515
Additions	29,108	1,188	411	64,661	14,095	1,106	110,569
Disposal	(15,109)	-	-	-	-	-	(15,109)
Foreign currency translation	(1,726)	(42)	(184)	(45,098)	(13,844)	(233)	(61,127)
Impairment of property, plant and equipment	-	-	-	(359,779)	(207,684)	-	(567,463)
Balance, March 31, 2017	**$ 43,909**	**$ 1,676**	**$ 4,122**	**$ 316,036**	**$ -**	**$ 5,642**	**$ 371,385**
Accumulated Depreciation							
Balance, March 31, 2015	**$ 1,887**	**$ 80**	**$ 551**	**$ 16,314**	**$ 6,811**	**$ 206**	**$ 25,849**
Depreciation	8,563	148	1,024	-	37,703	382	47,820
Foreign currency translation	251	9	67	483	1,113	24	1,947
Balance, March 31, 2016	**10,701**	**237**	**1,642**	**16,797**	**45,627**	**612**	**75,616**
Depreciation	9,306	179	1,225	-	-	513	11,224
Disposals	(4,792)	-	-	-	-	-	(4,792)
Foreign currency translation	(561)	(11)	(79)	(761)	-	(28)	(1,440)
Impairment					(45,627)		(45,627)
Balance, March 31, 2017	**$ 14,654**	**$ 405**	**$ 2,788**	**$ 16,036**	**$ -**	**$ 1,097**	**$ 34,981**
Net book value							
March 31, 2016	**$ 20,935**	**$ 293**	**$ 2,253**	**$ 639,455**	**$ 161,806**	**$ 4,157**	**$ 828,899**
March 31, 2017	**$ 29,255**	**$ 1,271**	**$ 1,334**	**$ 300,000**	**$ -**	**$ 4,544**	**$ 336,404**

NOTE 7 – CONVERTIBLE DEBENTURES

	Carrying Value					
		Liability Component		**Equity Component**		**Total**
Balance, March 31, 2015	$	299,253	$	71,405	$	370,658
Issuance of debentures		40,171		14,222		54,393
Gain on settlement of debt		(78,203)		(24,027)		(102,230)
Repayment of debentures		(30,047)		(5,325)		(35,372)
Accretion		75,477		-		75,477
Interest		36,372		-		36,372
Amortization of transaction costs		5,466		1,417		6,883
Balance, March 31, 2016		348,489		57,692		406,181
Accretion		63,734		-		63,734
Interest		61,651		-		61,651
Balance, March 31, 2017	**$**	**473,874**	**$**	**57,692**	**$**	**531,566**

2014 Debentures

On November 14, 2014, the Company issued $385,000 of convertible debentures (the “2014 Debentures”). The principal amount of the Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on November 14, 2016, at $0.10 per common share. The 2014 Debentures are subject to a simple interest rate of 10% per annum, payable together with quarterly blended payments, and are secured by a general security agreement on all of the Company’s present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2014 Debentures at any time, subject to the 2014 Debenture holdings being able to convert within 10 days from receiving such notice.

In connection with the 2014 Debenture financing, the Company issued 7,700,000 share purchase warrants to the debenture holders with a term of two years. Each warrant is exercisable into one common share of the Company at $0.05 per share in the first year, and at $0.15 per share in the second year.

During the year ended March 31, 2017, the Company recorded accretion expense in the amount of $53,958 (2016: $ 12,769) and interest expense of $54,477 (2016: $20,960) in respect of the 2014 Debentures.

NOTE 7 – CONVERTIBLE DEBENTURES (continued)

2015 Debentures

On October 30, 2015 the Company issued $54,393 of convertible debentures (the "2015 Debentures"). The principal amount of the 2015 Debentures may be converted into common shares of the Company at the option of the holder, at any time prior to the maturity date on April 30, 2017, at $0.05 per common share. The 2015 Debentures are subject to a simple interest rate of 12% per annum payable quarterly and are secured by a general security agreement on all of the Company's present and future undertakings and assets. The Company has the right to prepay all or part of the outstanding principal and accrued interest of the 2015 Debentures at any time, subject to the 2015 Debenture holdings being able to convert within 10 days from receiving such notice.

On issuance of the 2015 Debentures, the Company determined the fair value of the liability component was $40,171 using a discount rate of 32.5% and allocated the residual to the equity component.

On November 14, 2015, the Company amended their 2014 Debentures. The amended terms are the 2014 Debentures will be subject an increased rate of interest from 10% to 12%. The maturity date will be extended from November 14, 2016 to May 14, 2017. The 7,700,000 share purchase warrants issued in connection with the 2014 Debenture financing will be exercisable into one common share of the Company at $0.05 until the maturity date of May 14, 2017. The amendment was accounted for as an extinguishment of the original 2014 Debentures and the issuance of a new convertible debenture. On extinguishment, the Company recognised a gain of $102,230 of which $95,753 was allocated to the liability component and recognised in net loss, and $6,476 was allocated to the equity component and recorded in deficit.

During the year ended March 31, 2017, the Company recorded accretion expense in the amount of $9,776 (2016: $ 62,708) and interest expense of $7,174 (2016: $15,412) in respect of the 2015 Debentures.

NOTE 8 – SHARE CAPITAL

a) Authorized Capital

The Company is authorised to issue an unlimited number of common shares without par value.

b) Issued and Outstanding Common Shares

As at March 31, 2017, the Company had 59,429,404 common shares issued and outstanding.

i) Shares Issued during the year ended March 31, 2017

On May 24, 2016, the Company issued 1,350,000 units at $0.05 per unit for total proceeds of $ 67,500 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On May 24, 2016, the Company issued 2,284,379 units having a fair value of $45,688 in connection with agreements to settle debts. Each unit consists of one common share and one share purchase warrant exercisable for gradual incremental prices per share for a term of 3 years. The Company recorded a gain on debt settlement of $68,531 in connection with this issuance.

NOTE 8 – SHARE CAPITAL (continued)

i) Shares Issued during the year ended March 31, 2017 (continued)

On August 9, 2016, the Company issued 220,000 units at $0.05 per unit for total proceeds of $11,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years.

On August 9, 2016, the Company issued 500,000 units having a fair value of $25,000 in connection with agreements to settle debts. Each unit consists of one common share and a total of 500,000 warrants on the same terms as the Warrants included in the Private Placement.

On September 19, 2016, the Company issued 420,000 units at $0.05 per unit for total proceeds of $21,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. The Company incurred $770 in finder's fee for this private placement as well as issued 15,400 finder's Warrants on the same terms as the Warrants included in the private placement. Also, the Company issued 352,132 common shares at $0.05 to settle debt of $17,607. The shares were fair valued at $7,043 and the Company recorded a gain on debt settlement of $8,804.

On December 22, 2016, the Company issued 400,000 units at $0.05 per unit for total proceeds of $20,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. Also, the Company issued 1,800,000 common shares having a fair value of $0.025 for total of $45,000 in respect of consulting services provided to the Company

On February 10, 2017, the Company issued 2,400,000 units at $0.05 per unit for total proceeds of $120,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at variable prices per share for a term of 3 years. Also, the Company issued 1,000,000 common shares having a fair value of $0.03 for total of $30,000 in respect of consulting services provided to the Company

ii) Shares Issued during the year ended March 31, 2016

On May 25, 2015, the Company issued 1,000,000 units at $0.05 per unit for total proceeds of $50,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of two years. The proceeds from this private placement were received during the year ended March 31, 2015 and were included in subscriptions received.

On June 10, 2015, the Company issued 2,000,000 units at $0.05 per unit for total proceeds of $100,000 in connection with a private placement. Each unit consists of one common share and one share purchase warrant exercisable at $0.10 per share for a term of 2 years. The Company incurred $4,000 in finder's fee for this private placement.

NOTE 8 – SHARE CAPITAL (continued)

c) Share Purchase Warrants

The continuity of warrants for the year ended March 31, 2017, is as follows:

Expiry Date	Exercise Price	March 31, 2016	Issued	Expired/ Cancelled	March 31, 2017
November 14, 2016	$0.05	7,700,000	-	7,700,000	-
November 18, 2016	$0.05	335,982	-	335,982	-
May 25, 2017	$0.10	1,000,000	-	-	1,000,000
June 10, 2017	$0.10	2,000,000	-	-	2,000,000
May 24, 2019	$0.10	-	3,728,879	-	3,634,379
August 9, 2019	$0.05	-	442,000	-	440,000
September 19, 2019	$0.05	-	435,400	-	435,400
December 22, 2019	$0.05	-	400,000	-	400,000
February 10, 2020	$0.05	-	2,400,000	-	2,400,000
		11,035,982	7,406,279	8,035,982	10,206,279

Subsequent to March 31, 2017, a total of 3,000,000 warrants exercisable at $0.10 per share purchase warrant expired unexercised.

The continuity of warrants for the year ended March 31, 2016 is as follows:

Expiry Date	Exercise Price	March 31, 2015	Issued	Expired/ Cancelled	March 31, 2016
May 7, 2015	$0.15	360,000	-	360,000	-
December 31, 2015	$0.10	2,500,000	-	2,500,000	-
March 4, 2016	$0.10	9,000,000	-	9,000,000	-
November 14, 2016	$0.05	7,700,000	-	-	7,700,000
November 18, 2016	$0.05	335,982	-	-	335,982
May 25, 2017	$0.10		1,000,000		1,000,000
June 10, 2017	$0.10		2,000,000		2,000,000
		19,895,982	3,000,000	11,860,000	11,035,982

NOTE 9 – COMMITMENTS

The Company has entered into agreements to lease office and processing plant premises from February 2014 to May 2017. As at March 31, 2017, future minimum annual lease payments are as follows:

Fiscal Year	$
2018	1,706
	1,706

NOTE 10 – INCOME TAXES

a) Provision for Income Taxes

The income tax expense of the Company is reconciled to the net income for the year as reported in the consolidated statements of comprehensive loss as follows:

	2017	2016
	$	$
Net loss before tax	(2,181,119)	(461,269)
Expected Income Tax Recovery at Combined Canadian Statutory Tax Rates (2017 – 26%; 2016 – 26%)	(567,000)	(120,000)
Permanent Differences	310,000	-
Effect of adjustment to prior year provision	174,000	-
Other	-	16,000
Change in unrecognized deferred tax assets	83,000	104,000
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at March 31, 2017 and 2016, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Accordingly, the Company recorded deferred tax assets as follows:

Deferred tax assets		
Non-capital losses carried forward	421,000	205,000
Capital losses carried forward	3,000	-
Financing Fees	5,000	11,000
Property, Plant and Equipment	-	8,000
Resource Deductions	-	35,000
	429,000	259,000
Deferred tax liabilities		
Property, plant and equipment	(87,000)	-
Net deferred tax assets	342,000	259,000
Unrecognized deferred tax assets	(342,000)	(259,000)
Net Deferred Tax Assets	-	-

Deferred tax assets are recognised to the extent that the realisation of the related tax benefit through future taxable income is probable. The Company has recorded a full valuation allowance against its deferred tax assets because of uncertainty as to the realisation of these assets. No provision for Costa Rican income taxes has been recorded as the Company is unable to accurately determine the amount of its loss, carry forwards, and other tax attributes at this time.

As at March 31, 2017, the Company had approximately $1,619,000 of Canadian non-capital loss carry forwards available to reduce taxable income for future years. The non-capital losses expire between 2032 and 2037. At March 31, 2017, the Company had capital losses of $20,000 which may be carried forward indefinitely and offset toward future capital gains.

Tax attributes are subject to review, and potential adjustment by tax authorities.

NOTE 11 – RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiary, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in the consolidated financial statements are described as follows.

As at March 31, 2017 and 2016, the Company has the following amounts owing to related parties that are noninterest bearing, unsecured, and have no specified terms of repayment.

	2017	2016
	$	$
Due to a former director and related companies for management and consulting fees (a)	-	42,615
Due to a family member of the Company President	44,710	-
Due to a director (also an officer) for management fees (b)	170,078	94,404
Due to a director for management fees (c)	-	10,500
Due to a director (also an officer) for management fees and advances to the Company (d)	194,792	161,307
Due to a former director and a company controlled by the former director	42,613	-
Due to a director for management fees	1,056	1,056
Due to a company controlled by a former director for management fees	9,384	9,384
Due to Related Parties	462,633	319,266

a) During the year ended March 31, 2017, the Company incurred management fees of $Nil (2016 – $Nil) to a former director and his related companies.

b) During the year ended March 31, 2017, the Company incurred management fees of $137,028 (2016 – $103,649) to a director (also an officer).

c) During the year ended March 31, 2017, the Company incurred management fees of $Nil (2016 – $10,500) to a director.

d) During the year ended March 31, 2017, the Company incurred management fees of $47,259 (2016 – $47,250) to a director (also an officer).

NOTE 12 – SEGMENT INFORMATION

Since the acquisition of Oro Roca on April 14, 2014 (Note 2), the Company's operations consist of the development of a tailings reclamation and mineral recovery business and a precious metals trading program Costa Rica which comprise one reportable segment.

Geographic information

All of the Company's revenue and non-current assets pertain to the Company's operations in Costa Rica.

NOTE 13 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 3(q). The Company's risk management is coordinated at its head office in Canada in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) Foreign Currency Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk is currently considered insignificant.

b) Commodity Price Risk

The Company's revenues, earnings, and cash flows are directly related to the volume and price of previous metals sold and are sensitive to changes in market prices over which it has little or no control. The Company does not utilise financial derivatives or other contracts to manage commodity price risks.

c) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company limits its exposure to credit loss for cash by placing its cash with high-quality financial institutions and for trade receivables by performing standard credit checks. The credit risk for cash and accounts receivables is considered negligible since the counterparties are reputable banks with high-quality external credit ratings and customers with no history of default.

d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company ensures, as far as reasonably possible, that it will have sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. There can be no assurance that the Company will be successful in generating and maintaining profitable operations or will be able to secure future debt or equity financing for its working capital and expansion activities (Note 1).

e) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interests on the Company's convertible debentures are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

f) Fair Value

The carrying values of the Company's financial assets and liabilities approximate their fair values as at March 31, 2017 and 2016.

NOTE 14 – CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company manages its shareholder's equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development and expansion of its business and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk level.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. To maintain or adjust its capital structure, the Company may attempt to issue new shares or debt, dispose of assets, or adjust the amount of cash and cash equivalents. There can be no assurance that the Company will be able to obtain debt or equity capital in the case of operating cash deficits.

The Company has no externally imposed capital requirements and has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the year ended March 31, 2017.

NOTE 15 – SUPPLEMENTAL CASH FLOW INFORMATION

During the year ended March 31, 2017, the Company:

- issued 3,316,511 common shares having a fair value of $79,491 based on their quoted market price to settle debts totaling $156,826. The Company recorded a gain on debt settlement of $77,335 in respect of this share issuance.
- issued 2,800,000 common shares having a fair value of $75,000 in exchange for services performed

NOTE 16 – SUBSEQUENT EVENTS

Private Placement

In June 2017, the Company completed a private placement of 1,446,100 units at $0.05 per unit for total proceeds of $72,305.00. Each unit consists of one common share and one share purchase warrant exercisable at $0.15 for thirty-six months.

In June 2017, the Company executed an agreement with a private investor whereby the parties will expedite the formation of a Revenue Sharing Agreement (the "Transaction") which would raise US$950,000 for the Company. The proposed Transaction would grant the private investor a 15% gross revenue royalty on the Company's first processing plant until the investor has received royalties totalling US$1,000,000. After which, the investor will hold a 10% gross revenue royalty on the first processing plant for the life of the project. The investor would also be granted a 5% gross revenue royalty on all processing plants, current and future, developed by the Company and its subsidiaries, which are not subject to an active gross revenue royalty. The investor has also been offered a right of first refusal to fund the Company's future projects. The Company has received $300,000 from the private investor in respect of this agreement.