Redhawk Resources, Inc.

Condensed Consolidated Interim Financial Statements

Six Month Period Ended September 30, 2016 and 2015

(Unaudited – prepared by Management)

(Presented in Canadian Dollars)

Unaudited Interim Financial Statements

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited condensed consolidated interim financial statements for the period ended September 30, 2016.

Redhawk Resources, Inc.
Condensed consolidated interim statements of financial position
(Presented in Canadian dollars – unaudited)

	Notes	September 30, 2016	March 31, 2016
ASSETS			
Current assets			
Cash and cash equivalents		$ 67,577	$ 31,266
Receivables and prepaid expenses	4	21,216	35,855
		88,793	67,121
Non-current assets			
Reclamation deposits		1,312	1,299
Property and equipment		284,399	293,111
Investment in associate	5, 13	11,845,806	24,800,371
		12,131,517	25,094,781
TOTAL ASSETS		**$ 12,220,310**	**$ 25,161,902**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	$ 266,286	$ 141,947
Convertible debentures	12	246,853	274,320
Derivative liability	12	47,330	7,954
		560,469	424,221
Non-Current liabilities			
Long-term debt - notes payable	7	648,894	646,138
TOTAL LIABILIITES		**1,209,363**	**1,070,359**
SHAREHOLDERS' EQUITY			
Share capital	8	49,779,279	49,779,279
Contributed surplus	8	11,509,152	11,507,060
Accumulated other comprehensive income	8	6,762,708	6,665,344
Deficit		(57,040,192)	(43,860,140)
TOTAL SHAREHOLDERS' EQUITY		**11,010,947**	**24,091,543**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 12,220,310**	**$ 25,161,902**

Nature of operations and going concern – Note 1

ON BEHALF OF THE BOARD:

Director: "Steven C. Bastable"

Director: "J. Stephen Barley"

See accompanying notes to the condensed consolidated interim financial statements

Redhawk Resources, Inc.
Condensed consolidated interim statements of loss and comprehensive loss
(Presented in Canadian dollars – unaudited)

	Three month period ended September 30, 2016	Three month period ended September 30, 2015	Six month period ended September 30, 2016	Six month period ended September 30, 2015
Expenses				
Filing fees	$ 2,226	$ 8,141	$ 8,777	$ 21,680
Insurance	4,000	8,625	8,000	17,250
Investor relations	195	3,458	749	4,458
Management and consulting fees	56,741	92,859	127,166	141,247
Office and sundry	10,909	21,307	20,979	33,792
Professional fees	31,176	36,735	56,312	71,173
Project generation	22,359	18,801	34,460	38,126
Rent	1,267	4,929	5,967	7,998
Share-based compensation	-	39,065	1,363	65,004
Transfer agents	4,710	6,210	6,776	7,765
Travel and accommodations	1,389	6,450	2,662	10,892
Total expenses	(134,972)	(246,580)	(273,211)	(419,385)
Interest expense	(7,462)	-	(14,256)	-
Foreign exchange gain (loss)	(7,983)	(1,257)	(3,317)	(5,216)
Management fee income (Note 5)	17,534	-	95,559	-
Mark to market adjustment on US dollar denominated warrants	2,353	(1,550)	2,631	(1,550)
Impairment (Note 5 and 13)	(12,987,458)	-	(12,987,458)	-
Net loss for period	**$(13,117,988)**	**$ (249,387)**	**$ (13,180,052)**	**$ (426,151)**
Other comprehensive income				
Items that may be reclassified subsequently to net income				
Exchange differences on translating foreign operations	230,444	1,645,536	97,364	1,307,412
Total comprehensive income / (loss)	**$(12,887,544)**	**$ 1,396,149**	**$ (13,082,688)**	**$ 881,261**
Loss per share – basic and diluted	**$ (0.08)**	**$ (0.00)**	**$ (0.08)**	**$ (0.00)**
Weighted average number of common shares outstanding	**157,698,138**	**157,698,138**	**157,698,138**	**157,698,138**

Redhawk Resources, Inc.
Condensed consolidated interim statements of changes in equity
(Presented in Canadian dollars - unaudited)

	Share capital		Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
	Number of shares	Amount				
Balance at March 31, 2015	157,698,138	$ 49,779,279	$ 11,422,492	$ 6,049,295	$ (43,183,641)	$ 24,067,425
Shares issued for cash - options exercised	-	-	-	-	-	-
Warrants	-	-	5,796	-	-	5,796
Share-based compensation	-	-	65,004	-	-	65,004
Currency translation adjustment	-	-	-	1,307,412	-	1,307,412
Loss for the period	-	-	-	-	(426,151)	(426,151)
Balance at September 30, 2015	**157,698,138**	**$ 49,779,279**	**$ 11,493,292**	**$ 7,356,707**	**$ (43,609,792)**	**$ 25,019,486**
Balance at March 31, 2016	**157,698,138**	**$ 49,779,279**	**$ 11,507,060**	**$ 6,665,344**	**$ (43,860,140)**	**$ 24,091,543**
Warrants	-	-	729	-	-	729
Share-based compensation	-	-	1,363	-	-	1,363
Currency translation adjustment	-	-	-	97,364	-	97,364
Loss for the period	-	-	-	-	(13,180,052)	(13,180,052)
Balance at September 30, 2016	**157,698,138**	**$ 49,779,279**	**$ 11,509,152**	**$ 6,762,708**	**$ (57,040,192)**	**$ 11,010,947**

Redhawk Resources, Inc.
Condensed consolidated interim statements of cash flows
(Presented in Canadian dollars - unaudited)

	Three month period ended September 30, 2016	2015	Six month period ended September 30, 2016	2015
Operating activities				
Loss for the period	$(13,117,988)	$ (249,387)	$ (13,180,052)	$ (426,151)
Adjustments for non-cash items:				
Depreciation	5,755	5,809	11,511	11,619
Share-based payments	-	39,065	1,363	65,004
Fair value of broker warrants	-	5,796	-	5,796
Share of net loss of associates			-	-
Impairment	12,987,458		12,987,458	-
Interest expense	-	-	14,256	-
Changes in non-cash working capital items:				
Receivables and prepaid expenses	10,013	1,783	14,638	12,643
Trade payables and accrued liabilities	100,881	13,191	124,340	(28,531)
Net cash flows used in operating activities	(13,881)	(183,743)	(26,486)	(359,620)
Investing activities				
Investment in associate	11,689		63,706	-
Net cash flows used in investing activities	11,689	-	63,706	-
Financing activities				
Convertible debentures, net	(37,109)	239,329	(41,724)	239,329
Derivative liability	46,499	28,315	40,105	28,315
Net cash flows received from financing activities	9,390	267,644	(1,619)	267,644
Currency impact on cash and cash equivalents	(840)	(160)	710	317
Increase / (decrease) in cash and cash equivalents	6,358	83,741	36,311	(91,659)
Cash and cash equivalents, beginning	61,219	17,061	31,266	192,461
Cash and cash equivalents, ending	**$ 67,577**	**$ 100,802**	**$ 67,577**	**$ 100,802**

1. Nature of operations and going concern

Redhawk Resources, Inc. (the "Company") and its wholly owned subsidiaries, Redhawk Copper, Inc. and Redhawk Resources (USA), Inc., are engaged principally in the acquisition, exploration and development of resource property in the U.S.A.

The head office and principal address of the Company is located at Suite 610, 700 West Pender Street, Vancouver, British Columbia, Canada, V6C 1G8. The Company's registered and records office address is Suite 2600, 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1.

Going concern

These condensed consolidated interim financial statements have been prepared as applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several adverse conditions cast significant doubt upon the validity of this assumption. Consistent with other entities in the exploration stage, the Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations, and has significant cash requirements to meet its overhead and continue its exploration activities. As at September 30, 2016, the Company's working capital was negative $471,676.

The Company's ability to meet its administrative expenses and complete its planned exploration and development activities is dependent upon management's ability to secure additional financing. While management has been successful in obtaining funding in the past, there can be no assurance that it will be able to do so in the future. If the going concern assumption was not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

2. Statement of compliance

These condensed consolidated interim financial statements were authorized for issue on November 14, 2016, by the directors of the Company.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent 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"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended March 31, 2016.

The condensed consolidated interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended March 31, 2016.

Basis of preparation

The consolidated financial statements of the Company have been prepared on the accruals basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

(Presented in Canadian dollars)

3. Summary of significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the accounting policies described in Note 3 of the Company's Annual Financial Statements as at and for the year ended March 31, 2016. Accordingly, these condensed consolidated interim statements for the six month period ended September 30, 2016, and 2015 should be read together with the Annual Financial Statements as at, and for the year ended March 31, 2016.

4. Receivables and prepaid expenses

		September 30, 2016	March 31, 2016
Value-added tax receivables	$	3,924	$ 4,186
Prepaids		17,292	31,669
	$	21,216	$ 35,855

5. Investment in associate – Copper Creek Project LLC

The associate of the Company as at September 30, 2016, is Copper Creek Project LLC ("CCP"), a Limited Liability Corporation incorporated on August 26, 2014, in Delaware, USA.

Anglo American US Holdings Inc. ("Anglo Holdings"), entered into an agreement among RDK Copper and Copper Creek Project LLC ("CCP" a limited liability company pursuant to the laws of Delaware). The agreement provided for exploration and development efforts on the Copper Creek property.

CCP has a primary focus on the development of the Copper Creek copper-molybdenum project in San Manuel, Arizona, USA.

The material terms of the agreement have been disclosed in the Company's Annual Audited Financial Statements for the year ended March 31 2016, as well as in the Unaudited Condensed Consolidated Financial Statements for the period ended June 30 2016.

On October 28, 2016, Anglo American U.S. Holdings Inc. gave notice to the Company of their voluntary withdrawal and resignation as a member of Copper Creek LLC.

The Company has recognized a partial impairment of the Investment in Associate – Copper Creek LLC

(See Note 13- Subsequent Events)

(Presented in Canadian dollars)

6. Trade payables and accrued liabilities

		September 30, 2016	March 31, 2016
Trade payables	$	24,762	$ 7,068
Amounts due to related parties (Note 9)		209,609	90,867
Accrued liabilities		31,915	44,012
	$	266,286	$ 141,947

7. Long term debt – notes payable

		September 30, 2016	March 31, 2016
Amounts due to suppliers	$	205,185	$ 204,515
Amounts due to related parties (Note 9)		443,709	441,623
	$	648,894	$ 646,138

The Company has indebtedness to a number of officers, current and previous directors and advisors. The indebtedness has arisen principally from cash payments being made for less than the accrued and recorded liabilities for services provided. The notes payable are a summary of these obligations, and have the following attributes:

(1) To be paid in full on December 31, 2017;

(2) Non-interest bearing;

(3) The notes may be used as partial or full payment under any future private placement of the Company's common shares. This may be before December 31, 2017. If so used, the amount will then be deemed to be a payment on the principal amount of the note.

8. Share capital and contributed surplus

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At September 30, 2016, there were 157,698,138 issued and fully paid common shares (March 31, 2016 – 157,698,138).

Warrants

At September 30, 2016, there were 191,500 warrants issued and outstanding with an exercise price of $0.055 (March 31, 2016 – 191,500 with an exercise price of $0.055).

(Presented in Canadian dollars)

8. Share capital and contributed surplus (cont'd)

The following table summarizes information about the granted and outstanding warrants during the six month period ended September 30, 2016, and the year ended March 31, 2016:

	September 30, 2016		March 31, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning of period	191,500	$ 0.055	420,000	$ 0.35
Warrants granted	-	-	191,500	$0.055
Warrants expired	-	-	(420,000)	0.35
Warrants outstanding, end of period	191,500	$ 0.055	191,500	$ 0.055

Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the TSX requirements, grant to directors, officers, employees and technical consultants of the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance is a fixed total of 27,705,457. Such options will be exercisable for a period of up to five years from the date of grant. The Board of Directors has the discretion to impose vesting periods on any options granted and, as such, options typically vest in accordance with the following schedule: 25% on date of grant and 12.5% on each of the three, six, nine, twelve, fifteenth and eighteen month anniversaries of the date of grant.

The changes in options during the period ended September 30, 2016, and the year ended March 31, 2016, are as follows:

	September 30, 2016		March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of period	11,775,000	$ 0.06	12,410,000	$ 0.47
Options granted	-	-	11,325,000	0.05
Options cancelled/expired	(100,000)	0.05	(11,960,000)	0.47
Options outstanding, end of period	11,675,000	$ 0.06	11,775,000	$ 0.06
Options exercisable, end of period	8,868,750	$ 0.08	4,696,875	$ 0.08

(Presented in Canadian dollars)

8. Share capital and contributed surplus (cont'd)

Details of options outstanding as at September 30, 2016, are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding	Number of options exercisable
$0.05 - $0.25	3.90 years	11,225,000	8,418,750
$0.26 - $0.35	0.93 years	450,000	450,000
	3.79 years	11,675,000	8,868,750

During the six month period ended September 30, 2016, and 2015, the Company recorded share-based compensation of $1,363 (2015 - $65,004) relating to options vested during the period.

During the six month period ended September 30, 2016, 100,000 options expired unexercised.

Contributed surplus

Stock option

The stock option contributed surplus records items recognized as share-based payments until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

Warrant

The warrant contributed surplus records items recognized as part of a unit financing until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Presented in Canadian dollars)

9. Related party transactions

Related party balances

The following amounts due to related parties are included in liabilities:

		September 30, 2016	March 31, 2016
Directors and officers of the Company - trade		209,609	90,867
Directors and officers of the Company - long term notes payable		443,709	441,623
	$	653,318	$ 532,490

Key management compensation [2]

		Six month period ended		
		September 30, 2016		September 30, 2015
Management fees	$	198,795	$	127,215
Consulting		-	$	7,800
Share-based compensation		1,363		40,738
	$	200,158	$	175,753

Key management is considered to be the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Directors.

10. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents, short-term investments held in bank accounts and reclamation bonds. The majority of cash and short-term deposits are held with major banks in Canada and U.S.A. This credit risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

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

10. Financial risk management (cont'd)

anticipated cash flows from operations and its holdings of cash and cash equivalents. The exposure for trade payables and accrued liabilities is considered insignificant.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. For further information, related to liquidity refer to Note 1.

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at September 30, 2016	**Less than 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**
Trade payables and accrued liabilities	266,286	-	-	-
Convertible debenture	246,853	-	-	-
Derivative liability	47,330	-	-	-
Long-term debt – notes payable	-	648,894	-	-
Total	**560,469**	**648,894**	**-**	**-**

As at March 31, 2016	**Less than 1 year**	**1-2 years**	**2-5 years**	**Over 5 years**
Trade payables and accrued liabilities	141,947	-	-	-
Convertible debenture	256,122			
Derivative liability	7,954			
Long-term debt – notes payable	-	646,138	-	-
Total	**406,023**	**646,138**	**-**	**-**

Foreign exchange risk

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

The Company operates internationally with offices and operations in the US, which gives rise to the risk that its financial instruments may be adversely impacted by exchange rate fluctuations. A portion of the Company's expenses are incurred in US dollars. The Company is also exposed to foreign exchange risk in relation to debt held in USD.

A significant change in the currency exchange rate between the US dollar relative to the Canadian dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into foreign currency contracts to hedge its risk against foreign currency fluctuations.

Financial assets and liabilities that are denominated in US dollars are as follows:

	September 30, 2016	**March 31, 2016**
Cash and cash equivalents	$ 69,180	$ 31,048
Trade payables and accrued liabilities	(124,821)	(50,047)
Convertible loan	(280,704)	(277,922)
Long-term debt	(278,080)	(275,324)
	$ (614,425)	$ (572,245)

(Presented in Canadian dollars)

10. Financial risk management (cont'd)

Based on the above net exposures, as at September 30, 2016, a 10% change in the US dollar to Canadian dollar exchange rate would impact the Company's net loss by $61,443.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks because the long term debt agreements are comprised of non-interest bearing notes payable (See Note 8).

Capital Management

The capital structure of the Company consists of shareholders' equity.

The Company is not subject to any externally imposed capital requirements.

Fair value

The Company's financial instruments consist of cash and cash equivalents, short term investments, reclamation bonds, long term debt and trade payables and accrued liabilities. The fair value of cash and cash equivalents, short term investments and reclamation bonds approximates their carrying value due to their short term maturity. The fair value of long term debt, trade payables and accrued liabilities may be less than the carrying value as a result of the Company's credit and liquidity risk (Note 1).

IFRS establishes a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices in active markets for the same instrument.

Level 2 – Valuation techniques for which significant inputs are based on observable market data.

Level 3 – Valuation techniques for which any significant input is not based on observable market data.

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mineral properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at September 30, 2016		
	Canada	**U.S.**	**Total**
Reclamation deposits	$ -	$ 1,312	$ 1,312
Property and equipment	-	284,399	284,399
Investment in associate (Note 5 and 13)	-	11,845,806	11,845,806
	$ -	$ 12,131,517	$ 12,131,517

11. Segmented information

	As at March 31, 2016		
	Canada	U.S.	Total
Reclamation deposits	$ -	$ 1,299	$ 1,299
Property and equipment	-	293,111	293,111
Investment in associate (Note 5)	-	24,800,371	24,800,371
	$ -	$ 25,094,781	$ 25,094,781

12. Convertible debentures

On August 25, 2015, the Company closed a non-brokered private placement of 214 convertible debentures at a price of US$1,000 per debenture and raised gross proceeds of US$214,000 (CDN$296,196). The debentures accrued interest at 10% per annum and matured one year from the closing date. Commencing one day following the closing date, until close of business on the maturity date, the principal amount of the debentures was convertible, at the option of the holder, into units of the Company at a price of $0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitled the holder to subscribe for an additional share at the price of $0.07 per share for two years from the closing date.

In connection with the private placement the Company issued 191,500 broker warrants and paid a cash finder's fee. Each broker warrant entitled the holder to acquire one common share of the Company at an exercise price of $0.055 until August 24, 2017.

Effective August 23, 2016, the terms of the Debentures were amended as follows:

- The maturity date is extended from August 24, 2016, to August 24, 2017
- The conversion price of the Units is reduced from $0.05 per Unit to $0.045 per Unit
- The exercise price of the warrants is reduced from $0.07 to $0.06
- The interest rate of the Debentures increased to 12% effective August 24, 2016
- The warrants expiry date is extended to August 24, 2019

The Company has received all necessary approval of the amendments.

As the convertible debentures are denominated in US dollars and are contingently convertible into common shares denominated in Canadian dollars, the conversion feature is a derivative liability. The derivative liability is measured at fair value with a recognition of changes in fair values included in the statement of loss and comprehensive loss. The Company has measured the fair value of the derivative liability. At September 30, 2016, the Company determined the fair value of the derivative component of the convertible debentures to be $47,330.

The statement of financial position discloses in the current liability section two components of the convertible debentures obligation, for a total liability of $294,183, including $32,454 in accrued interest. This disclosed liability is the total of funds raised less costs related to the financing.

(Presented in Canadian dollars)

13. Subsequent event

(1) On October 28, 2016, Anglo American US Holdings Inc.("Anglo") provided the Company with notice of a voluntary withdrawal as a member of Copper Creek LLC, effective as of that date.

The substance of this withdrawal is that the entire 60% ownership interest of Anglo in CCP transfers back to the Company. Anglo will no longer have any rights, title, interest or claim in CCP or the assets of same. Anglo's obligations remain as to 60% of any reclamation costs, the amount which will be determined by a reclamation study.

As well, under the terms of the agreement, Anglo remains responsible for ensuring the funding of CCP in order to have CCP discharge property payments due within 90 days from Anglo's notice of withdrawal. The sum of the property payments in this 90-day period is US$596,091.

The Company has adopted the position that the factors for the withdrawal existed at the period ended September 30, 2016.

The following unaudited September 30, 2016, Financial Summary of Copper Creek Project LLC gives effect to a partial impairment of the non- current assets, as at the period then ended.

		September 30, 2016 (unaudited)		March 31, 2016 (unaudited)
Current assets	$	1,108,333	$	1,047,683
Non-current assets		13,652,477		32,816,272
Total Assets	**$**	**14,760,810**	**$**	**33,863,956**
Current liabilities	$	1,120,817	$	1,224,949
Non-current liabilities		1,793,187		1,533,350
Total Liabilities		2,914,004		2,758,300
Equity - Members				
LLC Members				
Anglo Exploration USA		1,000		6,161,133
Redhawk Resources Inc.		11,845,806		24,944,523
Total Members equity		11,846,806		31,105,656
Total Equity and liabilities	**$**	**14,760,810**	**$**	**33,863,956**

(2) Non-brokered Private Placement- Zambia Option

The Company announced on September 14, 2016, a non- brokered private placement for up to 15,000,000 units of the Company at a price of $0.07 per unit to raise total proceeds of $1,050,000. The proceeds are intended for projects in Zambia as announced in the news release of that date. On October 28, 2016, the Company announced the extension of the due diligence period review to November 15, 2016. The private placement has not closed as of the date these financial statements were approved by the Board of Directors.