RJK EXPLORATIONS LTD.

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 & 2015

EXPRESSED IN CANADIAN DOLLARS

RJK EXPLORATIONS LTD.

A Canadian Company focusing on Canadian Projects

RJX.A

Management's Responsibility for Financial Reporting

The accompanying financial statements of RJK Explorations Ltd. included in this Annual Report are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. When alternative accounting methods exist, management has selected those it deems to be most appropriate in the circumstances.

The significant accounting policies used are described in Note 3 to the financial statements. The financial statements include estimates based on the experience and judgment of management in order to ensure that the financial statements are presented fairly, in all material respects. Financial information presented elsewhere in the annual report is consistent with that in the financial statements.

The management of the Company developed and continues to maintain systems of internal accounting controls and management practices designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors exercises its responsibilities for ensuring that management fulfils its responsibilities for financial reporting and internal control with the assistance of its Audit Committee. The Audit Committee is appointed by the Board and all of its members are Directors who are not officers or employees of RJK Explorations Ltd. The Committee meets periodically to review quarterly financial reports and to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues. The Committee reviews the Company's annual financial statements and recommends their approval to the Board of Directors.

These financial statements have been audited by Palmer Reed, Chartered Accountants, the independent auditor, on behalf of the shareholders. Palmer Reed, Chartered Accountants, has full and free access to the Audit Committee and may meet with or without the presence of management.

Signed "Glenn C. Kasner"
President and Chief Executive Officer

Signed "Amanda J. Kasner"
Chief Financial Officer

Kirkland Lake, Ontario
April 28, 2017

Web Site: http://www.rjkexplorations.com

THE KASNER GROUP

PALMER REED
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
RJK Explorations Ltd.

We have audited the accompanying financial statements of RJK Explorations Ltd., which comprise the balance sheets as at December 31, 2016 and December 31, 2015 and the statements of operations and comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 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 financial statements present fairly, in all material respects, the financial position of RJK Explorations Ltd. as at December 31, 2016 and December 31, 2015, and its financial performance and cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to Note 2(c) to the financial statements, which indicates as at December 31, 2016 the Company had an accumulated deficit of $22,125,277. These conditions, along with other matters as set forth in Note 2(c), indicate the existence of a material uncertainty that may cast significant doubt about the ability of RJK Explorations Ltd. to continue as a going concern. Our opinion is not qualified in respect of this matter.

TORONTO, ONTARIO

April 28, 2017

Palmer Reed

Chartered Accountants
Licensed Public Accountants

RJK EXPLORATIONS LTD.

BALANCE SHEETS
AS AT DECEMBER 31, 2016 and 2015
EXPRESSED IN CANADIAN DOLLARS

	DECEMBER 31 2016	DECEMBER 31 2015
ASSETS		
CURRENT ASSETS		
Cash (Note 6)	**$ 129,320**	$ 12,932
Accounts receivable (Note 7)	**-**	29,771
Prepaid expenses	**206**	224
TOTAL CURRENT ASSETS	**129,526**	42,927
Mineral properties (Note 5)	**4,304,216**	3,987,254
Plant and equipment (Note 8)	**24,997**	32,941
TOTAL NON-CURRENT ASSETS	**4,329,213**	4,020,195
TOTAL ASSETS	**$ 4,458,739**	$ 4,063,122
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**$ 404,083**	$ 820,012
TOTAL CURRENT LIABILITIES	**404,083**	820,012
NON-CURRENT LIABILITIES		
Class B preferred shares (Note 9)	**170,828**	170,828
TOTAL LIABILITIES	**574,911**	990,840
SHAREHOLDERS' EQUITY (Note 9)		
Common stock (Class A shares)	**22,833,516**	22,327,008
Class B preferred shares	**256,242**	256,242
Contributed surplus and reserves	**2,919,357**	2,667,669
Deficit	**(22,125,287)**	(22,178,637)
TOTAL SHAREHOLDERS' EQUITY	**3,883,828**	3,072,282
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 4,458,739**	$ 4,063,122

Description of business (Note 1)
Going concern (Note 2c)

APPROVED ON BEHALF OF THE BOARD:

Signed "Glenn C. Kasner"
DIRECTOR

Signed "Dan Mackie"
DIRECTOR

The accompanying notes are an integral part to these audited financial statements.

RJK EXPLORATIONS LTD.

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
EXPRESSED IN CANADIAN DOLLARS

	December 31 **2016**	2015
EXPENSES		
Shareholder information	**$ 49,675**	$ 20,572
Professional fees	**196,369**	150,650
Office and general expenses	**23,366**	6,147
Depreciation	**7,944**	7,944
Stock based compensation (Note 9)	**66,596**	-
Operating loss	**(343,950)**	(185,313)
Net writeoff of accounts payable	**397,300**	-
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**53,350**	(185,313)
Weighted average number of common shares outstanding	**11,324,692**	9,168,011
BASIC AND DILUTED INCOME (LOSS) PER COMMON SHARE	**$ 0.005**	$ (0.020)

The accompanying notes are an integral part to these audited financial statements.

RJK EXPLORATIONS LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
EXPRESSED IN CANADIAN DOLLARS

	2016	2015
OPERATING ACTIVITIES		
NET INCOME (LOSS) FOR THE YEAR	**$ 53,350**	$ (185,313)
ADD ITEMS NOT REQUIRING A CASH OUTLAY		
Depreciation	**7,944**	7,944
Share based compensation	**66,596**	-
CHANGES IN NON-CASH WORKING CAPITAL ITEMS		
Accounts receivable	**29,771**	(15,611)
Prepaids	**(18)**	4
Accounts payable and accrued liabilities	**(415,939)**	162,163
CASH FLOWS USED IN OPERATING ACTIVITIES	**(258,296)**	(30,813)
INVESTING ACTIVITIES		
Mineral properties	**(316,917)**	(213)
CASH FLOWS USED IN INVESTING ACTIVITIES	**(316,917)**	(213)
FINANCING ACTIVITIES		
Net proceeds from issue of common stock	**574,316**	33,673
Shares for debt transaction	**117,285**	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	**691,601**	33,673
CHANGE IN CASH DURING THE YEAR	**116,388**	2,647
CASH, beginning of year	**12,932**	10,285
CASH, end of year	**$ 129,320**	$ 12,932

The accompanying notes are an integral part to these audited financial statements.

RJK EXPLORATIONS LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015
EXPRESSED IN CANADIAN DOLLARS

	COMMON STOCK (Class A Shares)					
	# OF SHARES	AMOUNT	CLASS B PREFERRED SHARES	CONTRIBUTED SURPLUS AND RESERVES	DEFICIT	TOTAL
Balance, January 1, 2015	89,378,647	$ 22,293,335	$ 256,242	$ 2,667,669	$ (21,993,324)	$3,223,922
Share capital issued	3,433,333	34,333	-	-	-	34,333
Loss and comprehensive loss for the year	-	-	-	-	(185,313)	(185,313)
Share issue costs	-	(660)	-	-	-	(660)
Balance, December 31, 2015	92,811,980	$ 22,327,008	$ 256,242	$ 2,667,669	$(22,178,637)	**$3,072,282**
Rollback of RJX.A shares 10:1 July 22, 2016	(83,530,782)	-	-	-	-	-
Private placement	5,000,000	575,000	-	-	-	575,000
Fair value of warrants issued with private placements	-	(185,092)	-	185,092	-	-
Shares for debt	689,913	117,285	-	-	-	117,285
Income and comprehensive income for the year	-	-	-	-	53,350	53,350
Share based payment	-	-	-	66,596	-	66,596
Share issue costs	-	(685)	-	-	-	(685)
Balance, December 31, 2016	**14,971,111**	**$ 22,833,516**	**$ 256,242**	**$ 2,919,357**	**$(22,125,287)**	**$3,883,828**

The accompanying notes are an integral part to these audited financial statements.

1. DESCRIPTION OF BUSINESS

RJK Exploration Ltd. (the "Company") is a mineral exploration company originally formed in 1922 and is engaged in the acquisition and exploration of early stage mineral resource properties in productive Greenstone belts. The Company's current focus is exploration for gold, copper and silver in the Blackwater area of British mineral properties and will acquire additional properties and venture capital as opportunities present themselves. The Company is a reporting issuer in Ontario, Alberta and British Columbia and trades on the TSX Venture Exchange as a Tier II reporting issuer under the symbol "RJX.A".

The address of the Company's corporate office and principal place of business is 4 Al Wende Avenue, Kirkland Lake, Ontario, Canada.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to raise additional funds to continue its exploration activities and, while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration expenses is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals; and attaining profitable production.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on April 28, 2017.

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

(c) Going Concern of Operations

As at December 31, 2016 the Company had a negative working capital of $274,547 ($777,085 in 2015), had not yet achieved profitable operations, had accumulated losses of $22,125,287 (2015 - $22,178,637) and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern. The Company is in the exploration stage and has no proven reserves or production relating to its operations. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the statement of financial position classifications used in the financial statements.

The future profitability of exploration properties and the Company's continued existence are dependent upon the preservation of its interests in the underlying properties, the development of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currencies

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency 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 translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the unaudited condensed interim statement of loss and comprehensive loss. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(b) Cash

Cash and cash equivalents includes cash on hand and deposits held at financial institutions. For cash flow statement presentation purposes, cash and cash equivalents includes bank overdrafts.

(d) Mineral Exploration and Evaluation Expenditures

Pre-exploration costs are expensed in the period in which they are incurred.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss/income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

If the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Mineral exploration and evaluation expenditures are classified as intangible assets.

(e) Plant and Equipment

On initial recognition, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depreciation is provided at rates calculated to write off the cost of the plant and equipment, less their estimated residual value, using the straight line method at various useful lives:

Equipment	10 years
Building	40 years

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

(f) Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at the financial year-end. Other non-financial assets, including mineral exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is a group of assets for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to the profit or loss, except to the extent they reverse gains previously recognized in other comprehensive loss/income.

(g) Financial Instruments

Financial assets and liabilities are classified into one of the following categories based on the purpose for which the asset was acquired or for which the liability was incurred.

Cash and cash equivalents	Fair value through profit or loss
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Class B preferred shares	Compound financial instruments

<u>Fair Value Through Profit or Loss</u>

Fair value through profit or loss makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

<u>Loans and Receivables</u>

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses.

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Other Financial Liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transactions costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Compound Financial Instruments

Compound financial instruments issued by the Company are classified separately as financial liabilities and equity based on the substance of the contractual agreement. On the date of issue, the fair value of the liability component is measured using the effective market rate of interest for a similar non-convertible instrument. This amount is accounted for as a liability at amortized cost using the effective interest method until the instrument is extinguished. The equity component is determined by deducting the amount of the liability component from the total fair value of the compound instrument. This amount is recognized in equity, net of any tax effects, and is not subsequently remeasured.

(h) Income Taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(i) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s Class A common shares, share warrants and flow-through shares are classified as equity instruments. The Company's Class B shares are equity but disclosed as a non-current liability as they are redeemable at the option of the holder. They are classified as non-current as the holders have signed an agreement to not redeem them within the next year.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognised as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share proceeds in Note 6.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Loss Per Share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(j) Share-Based Payments

The fair value of share options granted to employees are recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an 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, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(k) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 - Financial Instruments ("IFRS 9") covers the classification and measurement of financial assets and financial liabilities. The effective date of this new standard is for annual periods beginning on or after January 1, 2018. The Company is currently assessing the financial impact of this new standard.

IFRS 2 - Final amendments to Share-Based Payments ("IFRS 2") were issued in June 2016 to clarify the classification and measurement of share-based payment transactions. These amendments deal with variations in the final settlement arrangements including; (a) accounting for cash-settled share-based payment transactions that include a performance condition, (b) classification of share-based payment transactions with net settlement features, and (c) accounting for modifications of share-based payment transactions from cash-settled to equity. These changes are effective for annual periods beginning on or after January 1, 2018. The Company is currently assessing the impact of the changes to IFRS 2.

IFRS 16 - Leases will replace IAS 17 Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial adoption of IFRS 16. The Company is currently assessing the impact of adopting IFRS 16.

IAS 7 - Statement of Cashflows. The IASB issued amendments to IAS 7, Statement of Cash Flows ("IAS7"), in January 2016. The amendments are effective for annual periods beginning on or after January 1, 2017. This amendment will require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The Company will adopt the amendments to IAS 7 in its financial statements for the annual period beginning on January 1, 2017. The Company is currently assessing the impact of adopting IAS 7.

(l) Changes in Accounting Policies

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2016. These changes were made in accordance with the applicable transitional provisions and did not have a material impact on the Company's financial statements.

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. The Company adopted this policy January 1, 2016.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The Company adopted this policy January 1, 2016.

IAS 38 - Intangible Assets ("IAS 38") and IAS 16 – Property, Plant and Equipment ("IAS 16"), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The Company adopted this policy January 1, 2016.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

RJK Explorations Ltd. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(continued)*

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

(a) Mineral Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

(b) Title to Mineral Property Interest

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(c) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

(d) Share-Based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model. This estimate also requires determining the most appropriate inputs to the Black-Scholes valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for stock-based payment transactions are disclosed in Note 9.

EXPRESSED IN CANADIAN DOLLARS

5. MINERAL PROPERTIES

The Company's mineral property interests consist of various early stage exploration projects as detailed below.

	December 31, 2016	December 31, 2015
STARES-GOLDIE PROPERTY:		
Balance, beginning of the year	$ 516,919	$ 516,919
Balance, end of the year	$ 516,919	$ 516,919
WEST BLACKWATER PROPERTY:		
Balance, beginning of the year	$ 1,901,624	$ 1,901,411
Other exploration costs	-	213
Balance, end of the year	$ 1,901,624	$ 1,901,624
EAST BLACKWATER PROPERTY:		
Balance, beginning of the year	$ 942,456	$ 942,456
Balance, end of the year	$ 942,456	$ 942,456
NORTHEAST BLACKWATER PROPERTY:		
Balance, beginning of the year	$ 611,144	$ 611,144
Balance, end of the year	$ 611,144	$ 611,144
MAUDE LAKE GOLD PROPERTY:		
Balance, beginning of the year	$ -	$ -
Acquisition/staking	260,000	-
Other exploration costs	8,954	-
Assaying, surveys and maps	48,008	-
Balance, end of the year	$ 316,962	$ -
OTHER PROPERTIES:		
Balance, beginning of the year	$ 15,111	$ 15,111
Balance, end of the year	$ 15,111	$ 15,111
Mineral Properties, end of the year	**$ 4,304,216**	$ 3,987,254

EXPRESSED IN CANADIAN DOLLARS

The Company has no work commitments on these properties over the next three years. On May 16, 2016, the Company entered into a purchase agreement to the Maude Lake Gold Property from Globex Mining Enterprises Inc. The Company gained an undivided 100% in property subject to a Royalty to Globex, and an annual fee of $250,000 adjusted to CPI. A signing bonus of $10,000 was also paid. The first annual fee of $250,000 was paid on August 16, 2016.

The impairment assessment of mineral exploration and evaluation assets resulted in no amounts being written off the carrying value of the Company's properties during the year ended December 31, 2016. All the properties noted above are 100% owned and located throughout Canada.

6. CASH

Cash at banks and on hand earn interest at floating rates based on daily bank deposit rates.

As at December 31, 2016, there were no unspent flow through funds which have to be spent on qualifying exploration and evaluation expenses.

		December 31, 2016		December 31, 2015
Unrestricted cash	**$**	**129,320**	$	12,932
Flow through dollars		**-**		-
Total Cash	**$**	**129,320**	$	12,932

7. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Accounts receivable is comprised solely of goods and services tax receivable from the Federal Government of Canada.

Accounts payable consists of the following:

		December 31, 2016		December 31, 2015
Trade accounts payable	**$**	**53,886**	$	78,346
Related parties included in trade payables		**208,941**		402,300
Accrued liabilities		**11,375**		17,300
Amount due to related parties		**72,000**		266,941
Promissory note payable due to Mistango Resources		**57,881**		55,125
Total	**$**	**404,083**	$	820,012

In Q4 2016, $117,285 of debt was exchanged for 689,913 common shares. Of this shares-for-debt settlement, $60,000 (352,942 common shares) were to related parties.

In Q4 2016, the CEO of the Company also forgave $435,900 in management fees and former debt owing to him, of which $49,400 was accrued HST receivable. $10,800 of accounts payable to a vendor was also forgiven during the period.

Promissory note payable bears interest of 5% per annum (includes $7,881 of interest), and is repayable in full on December 17, 2017.

EXPRESSED IN CANADIAN DOLLARS

8. PLANT AND EQUIPMENT

		Building		Equipment		**Totals**
Balance, January 1, 2015						
Cost	$	3,475	$	78,567	**$**	**82,042**
Accumulated amortization		(3,038)		(38,119)		**(41,157)**
Net book value		437		40,448		**40,885**
Amortization		(87)		(7,857)		**(7,944)**
Balance, December 31, 2015						
Cost		3,475		78,567		**82,042**
Accumulated amortization		(3,125)		(45,976)		**(49,101)**
Net book value		350		32,591		**32,941**
Amortization		(87)		(7,857)		**(7,944)**
Balance, December 31, 2016						
Cost		3,475		78,567		**82,042**
Accumulated amortization		(3,213)		(53,832)		**(57,045)**
Net book value	$	262	$	24,735	**$**	**24,997**

Depreciation expense for the year amounted to $7,944 (2015 - $7,944).

9. SHAREHOLDERS' EQUITY

(a) i) COMMON SHARES

The Company is authorized to issue an unlimited number of common shares.

ii) ISSUED

	Number of Shares		Amount
Balance, December 31, 2014	89,378,647	$	22,293,335
Private placement (iii)	3,433,333		34,333
Share issuance costs	-		(660)
Balance, December 31, 2015	92,811,980		22,327,008
Rollback of RJX.A shares 10:1 July 22, 2016 (iv)	(83,530,782)		-
Private placement (v)	5,000,000		575,000
Black Scholes value of warrants issued with private placement	-		(185,092)
Shares for debt (vi)	689,913		117,285
Share issuance costs	-		(685)
Balance, December 31, 2016	14,971,111	$	22,833,516

iii) MAY 1, 2015 PRIVATE PLACEMENT

The Company closed a non-brokered private placement of 3,433,333 Class A subordinate voting shares at a price of $0.01 per share pursuant to a discretionary waiver of the $0.05 minimum pricing requirement granted by the TSX Venture Exchange, for a total proceeds of $34,333.33.

EXPRESSED IN CANADIAN DOLLARS

9. SHAREHOLDERS' EQUITY *(continued)*

iv) JULY 22, 2016 SHARE CONSOLIDATION

The TSX Venture Exchange approved a share consolidation of the Company's issued and outstanding Class "A" subordinate voting shares effective at the open of the Market on July 22, 2016. The Board of Directors of the Company has determined, in accounting with the special resolution approved by the Shareholders on May 28, 2016, to consolidate the outstanding Class "A" shares at a ratio of ten pre-consolidation shares to one post-consolidation share. Prior to consolidation, the Company had 92,811,980 Class "A" Shares outstanding. As of the effective date of July 22, 2016 and after giving effect to the consolidation, the Company had 9,281,198 Class "A" Shares issued outstanding. For period ended December 31, 2015, the 10:1 share consolidation was applied for comparative purposes.

With shareholder approval on October 4, 2016, all authorized, issued and outstanding Class B Multiple Voting Shares ("Class B Shares") were also consolidated on a ration of ten pre-consolidation Class B Shares for each one post-consolidation Class B Shares, such that the number of authorized post-consolidation Class B Shares is 85,414.

v) AUGUST 11, 2016 PRIVATE PLACEMENT

The Company closed a non-brokered private placement, raising gross proceeds of $575,000. Under the terms of the offering, 5,000,000 units were sold at a price of $0.115 per unit, each unit being comprised of one Class A subordinate voting share of the Company and one Class A voting share purchase warrant, with each warrant entitling the holder to purchase an additional Class A subordinate voting share for up to two years at a price of $0.20 per warrant share during the first year of the term, and at a price of $0.30 during the second year of the term.

vi) SHARES FOR DEBT

On November 9, 2016, the Company completed a shares-for-debt settlement to related parties and a consultant. An aggregate of 689,913 Class A subordinate voting shares of the Company were issued to settle $117,285 of debt. The debt settlement share issuances were at a deemed price of $0.17 per share.

v) CLASS B PREFERRED SHARES

There are currently 85,414 Class B preferred shares outstanding, which are bifurcated as both a liability and equity. These shares have been classified as a compound financial instrument. The Company recognizes $170,828 ($170,828 – 2015) as a liability and $256,242 ($256,242 – 2015) as equity. At any time, a holder of Class B Voting Shares may require the Company to redeem, in whole or any part of the Class B Voting Shares so held upon the payment of $0.20 for each share redeemed. Any holder of Class B Voting Shares is entitled, at the holder's option, to convert any number of the Class B Voting Shares into Class A Subordinate Voting Shares on a 1:1 basis. The Class B Voting shares will be deemed to be converted into Class A Subordinate Voting Shares under a take-over bid that is at a price above the market price of the Class A Subordinate Voting Shares.

(b) WARRANTS

	Number of Warrants	Amount	Weighted Average Exercise Price
Balance, December 31, 2014	834,500	$ 2,956	$ 0.10
Warrants expired during the year	(834,500)	(2,956)	0.10
Balance, December 31, 2015	-	-	-
Warrants issued throughout the year	5,000,000	185,092	0.20
Balance, December 31, 2016	5,000,000	$ 185,092	$ 0.20

EXPRESSED IN CANADIAN DOLLARS

9. SHAREHOLDERS' EQUITY *(continued)*

The warrants expire as follows:

Number of Warrants	Exercise price	Expiry Date
5,000,000	0.20 / 0.30	August 2018
5,000,000		

The fair value at issue date is determined using a Black-Scholes pricing model that takes into account the exercise price, the term of the warrant, the impact of dilution, the share price at grant date and expected price volatility (153.2%) of the underlying share, the expected dividend yield (0%) and the risk free interest rate (0.52%) for the term of the option.

The warrants issued in 2016 have a two-year term, with the exercise price being $0.20 in the first year, and $0.30 in the second.

(b) STOCK OPTIONS

RJK has a stock option plan pursuant to which options to purchase Class A Subordinate Voting Shares may be granted to certain officers, directors and employees. The plan allows for the issuance of a rolling 10% of common shares outstanding.

The change in stock options issued during the year ended December 31, 2016 are as follows:

		Weighted average exercise price
Options outstanding - December 31, 2014	5,950,000	$ 0.11
Expired	(1,700,000)	0.10
Options outstanding - December 31, 2015	4,250,000	0.11
Share consolidation	(3,825,000)	-
Expired	(250,000)	0.12
Issued	700,000	0.12
Options outstanding - December 31, 2016	875,000	$ 0.12

The following table summarizes information about stock options outstanding and exercisable at December 31, 2016:

Exercise Price	Number of Options	Number of Options Vested		Expiry Date
			-	
0.12	700,000	700,000	-	December 2021
0.10	175,000	175,000	-	January 2018
	875,000	875,000		

EXPRESSED IN CANADIAN DOLLARS

9. SHAREHOLDERS' EQUITY *(continued)*

OPTIONS ISSUED TO EMPLOYEES

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The company grants all employee stock options with an exercise price equal to or greater than the market value of the underlying common shares on the date of grant. Compensation expense recorded for the year ended December 31, 2016 was $66,596 (NIL in 2015).

Option pricing models require the input of highly subjective assumptions noted above. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's purchase options.

OPTIONS ISSUED TO NON-EMPLOYEES

Options issued to non-employees, are measured based on the fair value of the goods or services received, at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted, using a valuation model.

(d) CONTRIBUTED SURPLUS AND RESERVES

Contributed surplus is made up of the following amounts:

		Amount
Warrants reserve	$	185,092
Options reserve		216,775
Contributed surplus		2,517,490
Total contributed surplus	$	2,919,357

The following events have impacted contributed surplus:

		Amount
Balance, December 31, 2014	$	2,667,669
Balance, December 31, 2015	$	2,667,669
Warrants issued during the year		185,092
Options issued during the year		66,596
Balance, December 31, 2016	$	2,919,357

(e) NATURE AND PURPOSE OF EQUITY AND RESERVES

The reserves recorded in equity on the Company's balance sheet include 'Contributed Surplus' and 'Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise.

'Deficit' is used to record the Company's change in deficit from earnings and losses from period to period.

EXPRESSED IN CANADIAN DOLLARS

10. INCOME TAXES

A reconciliation of income taxes at the rates expected to apply when the asset is realized of approximately 26.5% (December 31, 2015 - 26.5%) with the reported taxes is as follows:

		December 31, 2016		December 31, 2015
Income (loss) before income taxes	**$**	**53,350**	$	(185,313)
Expected income tax recovery	**$**	**14,000**	$	(49,000)
Deferred tax assets not recognized	**$**	**(14,000)**	$	49,000

The significant components of the Company's future income tax assets and liabilities are as follows:

		December 31, 2015		**December 31, 2015**
Eligible capital property	**$**	**3,047,000**	$	2,961,000
Share issue costs		**-**		5,000
Mineral property interests		**(1,141,000)**		(1,057,000)
Capital losses carried forward		**370,000**		370,000
Non-capital losses carried forward		**336,000**		347,000
		2,612,000		2,626,000

At December 31, 2016, the Company has non-capital income tax loss carried forwards expiring as follows:

2028		12,000
2029		37,000
2030		97,000
2031		303,000
2032		198,000
2033		51,000
2034		325,000
2035		245,000
Total	$	1,268,000

11. RELATED PARTY TRANSACTIONS

The Company defines its officers (CEO and CFO) and directors as Key Management Personnel ("KMP"). During 2016, officers and companies controlled by officers charged consulting fees totaling $144,000 ($144,000 in 2015) of which $280,941 remained payable at December 31, 2016 ($669,241 in 2015). The large decrease includes a reduction of $60,000 from a shares-for-debt transaction, as well as the CEO's $435,900 in debt-forgiveness. Directors' fees paid for the year totaled $NIL ($NIL in 2015). KMP and directors received 700,000 stock options in 2016, and NIL in 2015. In 2016, stock compensation expenses totaled $66,596 ($NIL in 2015).

There are no post-employment benefits.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The Company considers its capital to be shareholders' equity, which is comprised of capital stock, contributed surplus, and deficit.

12. CAPITAL MANAGEMENT *(continued)*

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guarantee deposits, all held with major Canadian financial institutions. The Company is not subject to externally imposed capital requirements.

13. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities in Canada.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantial changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies, and whilst remaining ultimately responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies for the Company's finance function.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices are comprised of four types of risk: foreign currency risk, interest rate risk, commodity price risk and equity price risk.

Foreign Currency Risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and the US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. The Company considers this risk to be immaterial.

Commodity Price Risk

The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of gold, silver and other base metals.

Equity Price Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company is exposed to this risk through its equity holdings. The Company does not hold any equity investments at this time.

Credit Risk

Credit risk is the risk that a third party will be unable to pay or receive any amounts owed or owing by the Company. Management's assessment of the Company's risk is low as it is primarily attributable to goods and services tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Should the Company be unable to secure such financing, it may have to, at any time, cease its operations. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company intends on fulfilling its obligations.

Sensitivity Analysis

The Company has designated its cash and short-term investments as held-for-trading, which are measured at fair value. Financial instruments included in amounts receivable are classified as accounts receivable, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

As at December 31, 2016, the carrying value and fair value amounts of the Company's financial instruments are the same.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period.

(i) The Company currently has no short-term investments as at December 31, 2016; therefore, percentage change in interest rates will not have a significant impact on the Company.

(ii) The Company does not hold foreign currencies to give rise to exposure to foreign exchange risk. Therefore, a percentage change in certain foreign exchange rates will not have a significant impact on the Company.

(iii) The Company has no long-term loans as at December 31, 2016. Therefore, percentage change in interest rates will not have a significant impact on the Company.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The Balance Sheet carrying amounts for cash and cash equivalents and trade and other payables approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of financial instruments. There are no available for sale investments.

15. EVENTS AFTER THE REPORTING DATE

On April 12, 2017, the Company closed the first tranche of its non-brokered private placement of units, raising gross proceeds of $298,139.76. Under the terms of the Offering, 1,656,332 units (the "Units") were sold at a price of $0.18 per Unit, each Unit comprised of one Class A Subordinate Voting Share ("Class A Share") of the Corporation and one-half of one Class A Share purchase warrant ("Warrant"), each whole Warrant entitling the holder to purchase an additional Class A Share for up to one year following its date of issue at a price of $0.35 per Warrant Share. Net proceeds from the Offering will be used for mineral exploration and general corporate purposes. The securities issued will be subject to a four-month statutory hold period and a TSX Venture Exchange hold period. RJK may complete a further closing of this non-brokered private placement to bring total gross proceeds to $360,000 on or before May 3, 2017.

The accompanying notes are an integral part to these audited financial statements.