Eloro Resources Ltd.

Condensed Interim Consolidated Financial Statements

December 31, 2016

(expressed in Canadian dollars)

(unaudited)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of Eloro Resources Ltd. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Eloro Resources Ltd.
Consolidated Statements of Financial Position

(expressed in Canadian dollars)
(unaudited)

	Notes	As at December 31, 2016 $	As at March 31, 2016 $
Assets			
Current			
Cash		264,243	80,743
Receivables	4	64,616	21,887
Marketable securities		177,982	7,690
Prepaid expenses		41,796	26,301
		548,637	136,621
Exploration and evaluation	5	4,842,058	488,471
		5,390,695	625,092
Liabilities			
Current			
Accounts payable and accrued liabilities		593,202	388,686
Shareholders' equity			
Share capital	6	26,056,879	22,238,302
Warrants	6	1,378,322	309,000
Contributed surplus		2,063,814	2,050,814
Deficit		(24,701,523)	(24,361,709)
		4,797,493	236,406
		5,390,695	625,092
Going concern	2		
Subsequent events	11		

Approved by the Board: Thomas Larsen **Director** Francis Sauve **Director**

See accompanying notes to consolidated financial statements

Eloro Resources Ltd.
Consolidated Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)
(unaudited)

	Notes	3 months ended December 31, 2016 $	3 months ended December 31, 2015 $	9 months ended December 31, 2016 $	9 months ended December 31, 2015 $
Expenses					
Professional fees		13,255	5,840	32,445	17,968
Consulting fees		66,500	61,500	209,415	184,500
Stock-based compensation		-	22,000	27,000	22,000
Investor relations and marketing		33,207	9,330	116,875	78,648
General and office		42,464	25,772	127,470	59,828
Travel		38,167	-	66,226	4,050
Loss on sale of marketable securities		-	-	-	13,940
Unrealized gain on marketable securities		(100,440)	(6,390)	(170,292)	(16,266)
Gain on assignment of royalty	5	-	8,859	(82,000)	22,364
Writedown of exploration and evaluation	5	(2,799)	(38,008)	12,677	(38,008)
		90,354	88,903	339,815	349,024
Loss and comprehensive loss		(90,354)	(88,903)	(339,815)	(349,024)
Loss per share-basic and diluted		(0.00)	(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding- basic and diluted		27,862,264	17,605,214	22,847,758	15,029,234

See accompanying notes to consolidated financial statements

Eloro Resources Ltd.
Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)
(unaudited)

	Share capital $ (note 6)	Warrants $ (note 6)	Contributed surplus $	Deficit $	Total $
Balance, March 31, 2016	22,238,302	309,000	2,050,814	(24,361,709)	236,407
Acquisition of exploration and evaluation					
Issue of common shares	2,460,000				
Fair value of warrants issued		1,083,000			
Private placement of units	1,265,000	-	-	-	1,265,000
Fair value of warrants issued	(373,000)	373,000	-	-	-
Fair value of broker warrants issued	(2,000)	2,000	-	-	-
Exercise of warrants	93,750	-	-	-	93,750
Fair value of warrants exercised	25,678	(25,678)	-	-	-
Fair value of expired warrants	363,000	(363,000)			
Stock-based compensation	-	-	27,000		27,000
Exercise of stock options	15,000	-	-	-	15,000
Fair value of stock options exercised	14,000	-	(14,000)	-	-
Share issue costs	(42,851)	-	-	-	(42,851)
Income	-	-	-	(339,815)	(339,815)
Balance, December 31, 2016	26,056,879	1,378,322	2,063,814	(24,701,524)	1,254,491
Balance, March 31, 2015	21,792,709	265,000	2,028,814	(23,890,391)	196,132
Private placement of units	150,000	-	-	-	150,000
Fair value of warrants issued	(44,000)	44,000	-	-	-
Share issue costs	(7,574)	-	-	-	(7,574)
Shares-for-debt transaction	326,333	-	-		326,333
Stock-based compensation	-	-	22,000		22,000
Loss	-	-	-	(349,024)	(349,024)
Balance, December 31, 2015	22,217,468	309,000	2,050,814	(24,239,415)	337,867

Eloro Resources Ltd.
Consolidated Statements of Cash Flows

(expressed in Canadian dollars)
(unaudited)

		9 months ended December 31,	
	Notes	2016	2015
		$	$
Cash provided by (used in)			
Operating activities			
Loss		(339,815)	(349,024)
Items not affecting cash			
Stock-based compensation		27,000	22,000
Loss on sale of marketable securities		-	13,940
Unrealized gain on marketable securities		(170,292)	(16,266)
Gain on assignment of royalty	5	(82,000)	-
Writedown of exploration and evaluation	5	12,677	22,364
Changes in non-cash operating working capital			
Receivables		(42,729)	(17,831)
Prepaid expenses		(15,495)	18,859
Accounts payable and accrued liabilities		212,509	269,163
		(398,145)	(36,796)
Financing activities			
Private placement of units	6	1,265,000	150,000
Exercise of warrants	6	93,750	-
Exercise of stock options	6	15,000	-
Share issue costs	6	(42,851)	(7,574)
		1,330,899	142,426
Investing activities			
Proceeds on sale of marketable securities		-	52,060
Proceeds on assignment of royaty	5	82,000	-
Exploration and evaluation		(831,254)	(327,767)
		(749,254)	(275,707)
Net increase (decrease) in cash		183,500	(170,076)
Cash, beginning of period		80,743	255,305
Cash, end of period		264,243	85,229
Non-cash transactions			
Shares-for-debt transaction		-	326,333
Acquisition of exploration and evaluation			
Issue of common shares	6	2,460,000	-
Fair value of warrants issued	6	1,083,000	-
Supplementary information			
Interest paid		-	-
Income taxes paid		-	-

See accompanying notes to consolidated financial statements

1. Nature of operations

Eloro Resources Ltd. (the "Company") is a public company engaged in the exploration and development of a gold-silver property in Peru and base metal properties in Québec.

The Company was incorporated under the Business Corporations Act of Ontario on April 11, 1985 and its registered office is located at 20 Adelaide Street East, Suite 200, Toronto, Ontario, M5C 2T6.

2. Going-concern

These condensed interim consolidated financial statements have been prepared on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business.

The Company is in the exploration stage and has no revenue. During the 9 months ended December 31, 2016, the Company recorded a loss of $331,180 (2015 - $349,024) and as at that date, the Company had accumulated deficit of $24,692,889 (March 31, 2016 - $24,361,709), working capital deficit of $25,447 (March 31, 2016 - $252,065) and cash flow deficit from operations of $408,630 (2015 - $36,796). These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing primarily through the issuance of equity to finance its on-going and planned exploration activities and to cover administrative costs. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments would be material.

3. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2016.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2016.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on February 28, 2017.

New standards and interpretations not yet adopted

On April 1, 2016, the Company adopted the following amendment to standards:

IAS 1, Presentation of Financial Statements

Amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. The amendments clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The following new standard will be effective for periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9")
This standard will replace *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing multiple rules In IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Two measurement categories continue to exist to account for financial liabilities in IFRS 9, fair value through profit or loss ("FVTPL") and amortized cost. Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are measured at amortized cost unless the fair value option is applied. The Company has not determined the extent of the impact of IFRS 9 on its financial statements.

The following new standard will be effective for periods beginning on or after January 1, 2019:

IFRS 16, Leases ("IFRS 16")
IFRS 16 specifies the requirements to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Company has not determined the extent of the impact of IFRS 16 on its financial statements.

4. Receivables

The Company files a Québec Corporation Income Tax Return claiming a refundable tax credit on eligible exploration expenditures incurred in Québec ("Refundable Tax Credit") and a Québec Mining Duties Return claiming a credit on duties refundable for losses ("Credit on Duties").

	Outstanding claims related to years ended March 31, 2016	2015
	$	$
Claim		
Refundable Tax Credit	7,765	85
Credit on Duties	2,714	–

It is the Company's policy to record claims for mining tax credits as a receivable and reduction to exploration and evaluation when there is reasonable assurance that the Company has complied with all conditions needed to obtain the credits. The outstanding claims for Credit on Duties are subject to audit by Ressources naturelles et Faune Québec, and as a result, has not been included in receivables.

5. Exploration and evaluation

	March 31, 2016	Acquisition costs	Exploration	Writedown	December 31, 2016
	$	$	$	$	$
Property					
La Victoria	488,471	3,822,485	520,617	–	4,831,574
Other	–	–	16,436	(16,436)	–
	488,471	3,822,485	537,053	(16,436)	4,831,574

La Victoria, Peru
On October 17, 2016, the Company closed a definitive agreement with Tartisan Resources Inc. ("Tartisan") to acquire a 100% interest in La Victoria and terminate the option to acquire a 60% interest in La Victoria. As consideration for the acquisition, the Company:

a) paid $250,000 and will pay $100,000 on July 17, 2017 (see note 11 for subsequent event);
b) issued 6,000,000 common shares ("Common Shares") with a fair value of $2,460,000;
c) granted 3,000,000 warrants entitling the holder to purchase one common share for $0.40 until October 17, 2019, provided that, after April 17, 2018, if the average closing price of the Company's common shares is at least $1.00 per share for 20 consecutive trading days, the Company may accelerate the expiry date of the warrants on 45 days' notice.
d) grant a 2% net smelter royalty with an option to reduce the NSR to 1% for consideration of $3,000,000.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	3,000,000
Exercise price	$0.40
Share price	$0.41
Risk-free interest rate	0.61%
Expected volatility based on historical volatility	179%
Expected life of warrants	3 years
Expected dividend yield	Nil
Fair value	$1,083,000
Fair value per warrant	$0.36

Title to the San Markito concession will not be transferred to the Company until the final payment of $100,000 is made.

The Common Shares issued to Tartisan are subject to the following terms:

a) until April 17, 2018, Tartisan will not sell, transfer, mortgage, hypothecate, grant a security interest in the Common Shares without the prior written consent of the Company, and thereafter, until April 17, 2021, Tartisan will not sell more than 1,000,000 Common Shares during any 6-month period;
b) Tartisan will provide the Company with 45 days' notice prior to any sale, during which time, the Company will have the right to identify purchasers for the Common Shares and have the right of first refusal to place the Common Shares pursuant to the terms of a mutually agreeable sale;
c) until October 17, 2018, Tartisan will have the pre-emptive purchase right to participate in financings by the Company ("Subsequent Offering") to acquire a number of common shares which would result in the its proportional interest held immediately prior to such Subsequent Offering being maintained immediately following the closing of such Subsequent Offering, up to a maximum of 19.9%;
d) until October 17, 2020, Tartisan will not vote, or encourage anyone else to vote:
   (i) against any shareholder resolution recommended by the Board, except the event of change of control of the Company or failure by the Company to maintain its status as a reporting issuer under securities law in Ontario;
   (ii) in favour of the election of nominees to the Board not proposed by the then incumbent Board; or
   (iii) in favour of any shareholder resolution or proposal unless the then incumbent Board recommends voting in favour of such shareholder resolution or proposal.

Simkar and Louvicourt
On June 4, 2014, the Company sold its remaining interests in Simkar and Louvicourt in consideration of a 1.5% net smelter royalty on Simkar and 0.5% royalty on Louvicourt ("Royalties") and wrote off the carrying values of Simkar and Louvicourt.

On May 20, 2016, the Company assigned the Royalties in consideration for a payment of $82,000.

6. Share capital

Authorized
An unlimited number of common shares without par value.
An unlimited number of redeemable, voting, non-participating special shares without par value.

Outstanding

	Number of common shares	Amount $
Balance, March 31, 2016	17,974,779	22,238,302
Private placement of units	5,081,513	1,265,000
Fair value of warrants issued	–	(373,000)
Fair value of broker warrants issued	–	(2,000)
Acquisition of exploration and evaluation	6,000,000	2,460,000
Exercise of warrants	562,500	93,750
Fair value of warrants exercised	–	25,678
Fair value of expired warrants	–	363,000
Exercise of stock options	100,000	15,000
Fair value of stock options exercised	–	14,000
Share issue costs	–	(42,851)
Balance, December 31, 2016	29,718,792	26,056,879

Private placement of units
On May 3, 2016 and May 10, 2016, the Company completed a non-brokered private placement of 2,352,942 units at a price of $0.17 per unit for proceeds of $400,000. Each unit consisted of one common share and one-half warrant, with 1,029,412 warrants and 147,059 warrants entitling the holder to purchase one common share for $0.30 until May 3, 2018 and May 10, 2018 respectively. Of the private placement, directors, officers and persons related to them and a director of Cartier acquired 1,041,174 units.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	
Exercise price	$0.30
Share price	$0.21
Risk-free interest rate	0.87%
Expected volatility based on historical volatility	200%
Expected life of warrants	2 years
Expected dividend yield	Nil
Fair value	$201,000
Fair value per warrant	$0.17

Private placement of units
On August 25, 2016, the Company completed a non-brokered private placement of 1,800,000 units at a price of $0.30 per unit for proceeds of $540,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.45 until February 25, 2018. Of the private placement, a director acquired 500,000 units.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	900,000
Exercise price	$0.45
Share price	$0.38
Risk-free interest rate	0.58%
Expected volatility based on historical volatility	75%
Expected life of warrants	1.5 years
Expected dividend yield	Nil
Fair value	$104,000
Fair value per warrant	$0.12

In connection with the private placement, the Company paid a 7% cash commission of $5,250 and issued 17,500 broker warrants entitling the holder to purchase one common share for $0.45 until February 25, 2018.

The fair value of the broker warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	17,500
Exercise price	$0.45
Share price	$0.38
Risk-free interest rate	0.58%
Expected volatility based on historical volatility	75%
Expected life of warrants	1.5 years
Expected dividend yield	Nil
Fair value	$2,000
Fair value per warrant	$0.12

Private placement of units
On December 29, 2016, the Company completed a non-brokered private placement of 928,571 units at a price of $0.35 per unit for proceeds of $325,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until December 29, 2018. Of the private placement, an officer of the Company acquired 4,264 units.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Warrants issued	464,286
Exercise price	$0.50
Share price	$0.39
Risk-free interest rate	0.76%
Expected volatility based on historical volatility	82%
Expected life of warrants	2 years
Expected dividend yield	Nil
Fair value	$68,000
Fair value per warrant	$0.15

In connection with the private placement, the Company paid a 7% cash commission of $2,572.

See note 11 for subsequent event.

Stock options

The Company may grant stock options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. At December 31, 2016, the Company may grant up to 2,272,772 stock options (March 31, 2016 - 1,797,477). The exercise price for stock options will not be less than the market price of the common shares on the date of the grant, less any discount permissible under the rules of the TSX Venture Exchange. The maximum term for stock options will be 5 years and stock options granted will vest immediately.

A summary of the Company's stock options outstanding and exercisable at December 31, 2016 is presented below:

	Weighted-average exercise price $	**Number of stock options outstanding and exercisable**
Balance, March 31, 2016	0.11	1,550,000
Granted	0.30	100,000
Exercised	0.15	(100,000)
Balance, December 31, 2016	0.12	1,550,000

Exercise price	**Expiry date**	**Number of stock options outstanding and exercisable**
$0.10	January 29,2020	1,150,000
$0.15	February 29, 2020	100,000
$0.12	December 7, 2020	200,000
$0.30	July 6, 2021	100,000
		1,550,000

Grant of stock options

On July 7, 2016, the Company retained a company to provide investor and public relations services in the European market for a period of 12 months, for which, the Company paid a fee of €2,500 and granted 100,000 stock options entitling the holder to purchase one common share for $0.30 until July 6, 2021.

The fair value of the stock option was calculated using the Black-Scholes option pricing model with the following assumptions:

Stock options issued	100,000
Exercise price	$0.30
Share price	$0.28
Risk-free interest rate	0.54 %
Expected volatility based on historical volatility	190%
Expected life of stock options	5 years
Expected dividend yield	Nil
Fair value	$27,000
Fair value per stock option	$0.27

See note 11 for subsequent event.

Warrants

A summary of the Company's warrants outstanding at December 31, 2016 is presented below:

	Weighted-average exercise price $	**Number of warrants**
Balance, March 31, 2016	1.42	2,433,058
Issued	0.40	5,558,257
Expired	10.00	(308,058)
Exercised	0.17	(562,500)
Balance, December 31, 2016	0.35	7,120,757

Exercise price	**Expiry date**	**Number of warrants**
$0.15	February 19, 2017	1,000,000
$0.24	September 3, 2017	625,000
$0.30	May 3, 2018	966,912
$0.30	May 10, 2018	147,059
$0.45	February 25, 2018	900,000
$0.45	February 25, 2018	17,500
$0.50	December 29, 2018	464,286
$0.40	October 17, 2019	3,000,000
		7,120,757

See note 11 for subsequent event.

7. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Due from Cartier and accounts payable and accrued liabilities

The fair value of due from Cartier and accounts payable and accrued liabilities approximates their carrying value due to their short term to maturity.

Warrants and stock options

The fair value of warrants and stock options is measured using a Black-Scholes option pricing model. Measurement inputs include share price on grant date, exercise price, expected volatility (based on historical volatility or historical volatility of securities of comparable companies), weighted average expected life and forfeiture rate (both based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds).

Classification of fair value of financial instruments
The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data

Cash and marketable securities are measured at fair value at Level 1 of the fair value hierarchy.

8. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk
Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash balances. The maximum exposure to credit risk is equal to the balance of cash.

The Company’s limits its exposure to credit risk on its cash by holding its cash in deposits with high credit quality Canadian chartered banks.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due. The amounts for accounts payable and accrued liabilities are subject to normal trade terms.

Market risk
Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company’s income or the value of its financial instruments. The Company is exposed to equity price risk with respect to marketable securities. The Company’s approach to managing equity price risk is to optimize the return from its marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at December 31, 2016 had changed by 25%, with all other variables held constant, the loss would have decreased or increased by $44,495.

Interest rate risk
The Company’s exposure to interest rate risk is limited due to the short-term nature of its financial instruments. The Company has no interest-bearing debt.

Capital management
Capital of the Company consists of share capital, warrants, contributed surplus and deficit. The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. 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's principal source of capital is from the issue of common shares. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

9. Related party transactions

	9 months ended December 31, 2016	2015	Outstanding at December 31, 2016	Outstanding at March 31, 2016
	$	$	$	$
Exploration and evaluation				
Paid or payable to a company controlled by 2 former officers	15,194,	34,828	43,059	50,963

Compensation of key management personnel
The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

	9 months ended December 31, 2016	2015	Outstanding at December 31, 2016	Outstanding at March 31, 2016
	$	$	$	$
Exploration and evaluation consulting fees	69,500	81,000	125,630	77,040
Consulting fees	192,500	189,000	329,776	183,260

10. Segment information

The Company operates in one business segment being mineral exploration in Peru. As the Company is focused on exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by project. The internal reporting framework is the most relevant to assist the Board with making decisions regarding this Company and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

11. Subsequent events

Advance payment on acquisition of La Victoria
On January 19, 2017, the Company advanced $25,000 on account of the payment of $100,000 due on July 17, 2017.

Private placement of units
On January 6, 2017, the Company completed a non-brokered private placement of 71,429 units at a price of $0.35 per unit for proceeds of $25,000. Each unit consisted of one common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one common share for $0.50 until January 6, 2019.

Grant of stock options
On January 27, 2017, the Company granted 1,275,000 stock options to directors, officers, employees and consultants entitling the holder to purchase one common share for $0.55 until January 27, 2022.

On February 7, 2017, the Company granted 100,000 stock options to an advisor entitling the holder to purchase one common share for $0.77 until February 7, 2022.