

Manson Creek Resources Ltd.
Condensed Interim Financial Statements

(Expressed in Canadian Dollars)
Three and Nine Months Ended June 30, 2017

(Unaudited)

Manson Creek Resources Ltd.

(Unaudited - prepared by management)

For The Three and Nine Months Ended June 30, 2017

July 17, 2017

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of Manson Creek Resources Ltd. ("Manson") are the responsibility of the Board of Directors. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Manson's audited annual financial statements and notes thereto for the year ended September 30, 2016. These unaudited condensed interim financial statements follow the same significant accounting policies and methods of application as those included in Manson's most recent audited annual financial statements, except as described in Note 3 "Significant accounting policies". Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgements and estimates and the choice of accounting principles and methods that are appropriate to Manson's circumstances. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 "Interim Financial Reporting" using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited operations and cash flows of Manson, as of the date of and for the period presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Audit Committee also reviews Manson's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholder.

Management recognizes its responsibility for conducting Manson's affairs in compliance with established financial standards, and applicable laws and regulation, and for maintaining proper standards of conduct for its activities.

"Jean-Pierre Jutras"

Jean-Pierre Jutras
President/Director

"Douglas Porter"

Douglas Porter
Chief Financial Officer

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim financial statements of Manson have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the nine months ended June 30, 2017 have not been reviewed by Manson's auditors.

Manson Creek Resources Ltd.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

As at June 30, 2017 and September 30, 2016

(Unaudited - prepared by management)

	June 30, 2017	September 30 2016
ASSETS		
Current Assets		
Cash at bank (Note 5)	\$ 295,146	\$ 38,144
Accounts receivable (Note 6)	10,036	9,150
Prepaid expenses	13,114	12,550
Short-term investments (Note 7)	1	1
	<u>318,297</u>	<u>59,845</u>
Non-current Assets		
Exploration and evaluation assets (Note 8)	444,443	422,193
Property and equipment (Note 9)	56	89
	<u>444,499</u>	<u>422,282</u>
TOTAL ASSETS	<u>\$ 762,796</u>	<u>\$ 482,127</u>
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	\$ 19,737	\$ 19,738
Non-current Liabilities		
Decommissioning obligation (Note 11)	12,750	12,750
Deferred revenue	913	-
	<u>13,663</u>	<u>12,750</u>
TOTAL LIABILITIES	<u>33,400</u>	<u>32,488</u>
EQUITY		
Share capital (Note 12)	12,619,161	12,404,263
Reserves	2,034,622	1,891,327
Deficit	(13,924,387)	(13,845,951)
TOTAL EQUITY	<u>729,396</u>	<u>449,639</u>
TOTAL EQUITY AND LIABILITIES	<u>\$ 762,796</u>	<u>\$ 482,127</u>

Nature of operations (Note 1)

Commitments (Note 18)

Approved by the Board

"Jean-Pierre Jutras"

Director

"Douglas Porter"

Director

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.

Condensed Interim Statements of Net and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three and nine month periods ended June 30, 2017 and 2016

(Unaudited - prepared by management)

	Three months ended		Nine months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Expenses				
General and administrative (Note 14)	\$ 28,531	\$ 17,925	\$ 76,333	\$ 68,756
Reporting to shareholders	-	13,629	1,994	16,473
Professional fees	1,262	578	3,207	664
Stock exchange and transfer agent fees	1,803	1,768	7,286	6,238
Depreciation	11	22	33	67
Recovery of exploration and evaluation assets	-	-	-	(5,000)
Pre-acquisition costs	5,896	-	6,556	-
	<u>37,503</u>	<u>33,922</u>	<u>95,409</u>	<u>87,198</u>
Loss before other items	(37,503)	(33,922)	(95,409)	(87,198)
Other items				
Sublease revenue	4,686	6,014	16,701	17,345
Interest and other	45	113	272	209
	<u>4,731</u>	<u>6,127</u>	<u>16,973</u>	<u>17,554</u>
Net loss and comprehensive loss	\$ (32,772)	\$ (27,795)	\$ (78,436)	\$ (69,644)
Basic and diluted loss per share (Note 16)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average shares outstanding - basic and diluted (Note 16)	31,741,397	24,246,892	29,052,753	24,246,892

Nature of operations (Note 1)

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.

Condensed Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

For the three and nine month periods ended June 30, 2017 and 2016

(Unaudited - prepared by management)

	Three months ended		Nine months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Increase (decrease) in cash at bank				
Operating activities				
Cash received from sublease revenue	\$ 5,599	6,014	\$ 17,614	17,345
Cash paid to suppliers and contractors (Note 19)	(44,502)	(35,094)	(96,827)	(137,350)
Cash used in operating activities	(38,903)	(29,080)	(79,213)	(120,005)
Investing activities				
Interest and other income received	45	113	272	209
Cash returned to Guatavita Gold Corporation on account of Guaman project	-	-	-	(10,625)
Cash expended on exploration and evaluation asset additions	(17,385)	-	(22,250)	(2,811)
Cash received from government grants	-	-	-	19,526
Cash received (expended) on exploration advances and deposits	-	-	-	3,000
Cash received (used) in investing activities	(17,340)	113	(21,978)	9,299
Financing Activities				
Share capital and warrant issue proceeds	30,000	-	380,000	-
Share issue costs	(3,136)	-	(21,807)	-
Cash provided by financing activities	26,864	-	358,193	-
Increase (decrease) in cash at bank	(29,379)	(28,967)	257,002	(110,706)
Cash at bank:				
Beginning of period	324,525	88,014	38,144	169,753
End of period	\$ 295,146	\$ 59,047	\$ 295,146	\$ 59,047

Supplementary information:

Interest and taxes - During the three and nine month periods ended June 30, 2017 and June 30, 2016 the Company did not expend cash on interest or taxes.

Non-cash transactions:

2017

During the nine month period ended June 30, 2017, there were no non cash transactions.

2016

During the nine month period ended June 30, 2016, there were no non cash transactions

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.

Condensed Interim Statement of Changes in Equity

(Expressed in Canadian Dollars)
(Unaudited - prepared by management)

	Reserves						Total
	Common share capital	Equity-settled share based payment	Warrants	Other*	Total Reserves	Deficit	
Balance, September 30, 2015	\$12,404,263	\$ 69,620	\$ 348,702	\$ 1,473,005	\$ 1,891,327	\$ (13,737,758)	\$ 557,832
Net and comprehensive loss for the period	-	-	-	-	-	(69,644)	(69,644)
Warrants expired	-	-	(292,763)	292,763	-	-	-
Balance, June 30, 2016	12,404,263	69,620	55,939	1,765,768	1,891,327	(13,807,402)	488,188
Net and comprehensive loss for the period	-	-	-	-	-	(38,549)	(38,549)
Balance, September 30, 2016	12,404,263	69,620	55,939	1,765,768	1,891,327	(13,845,951)	449,639
Net and comprehensive loss for the period	-	-	-	-	-	(78,436)	(78,436)
Private placement share and warrant issue	236,705	-	143,295	-	143,295	-	380,000
Share issuance costs	(21,807)	-	-	-	-	-	(21,807)
Balance, June 30, 2017	\$12,619,161	\$ 69,620	\$ 199,234	\$ 1,765,768	\$ 2,034,622	\$ (13,924,387)	\$ 729,396

*Other reserves is comprised of the aggregate of the carrying value of escrow shares that were cancelled for no proceeds and the value of options and warrants that expired without exercise. These values were relieved from common share capital, share based payment reserve and warrants reserve respectively upon the cancellation/expiry of the equity instrument.

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

1. Nature of operations

Manson Creek Resources Ltd. ("Manson" or "the Company") is engaged in the business of mineral exploration and development in Canada. The Company was incorporated under the laws of the Province of British Columbia, Canada and continued under the Business Corporations Act (Alberta). The address of its primary office is Suite 800, 808 - 4th Avenue SW, Calgary, Alberta, Canada, T2P 3E8. The Company's common shares are listed on the TSX Venture Exchange under the symbol MCK.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3(f) "Exploration and evaluation assets" of the audited annual financial statements for the year ended September 30, 2016. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to further exploration initiatives and/or complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

2. Basis of presentation

These condensed interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretation of the International Reporting Interpretations Committee ("IFRIC") and are presented in Canadian dollars.

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments described in Note 13 and decommissioning obligations described in Note 11. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Significant accounting policies

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those as disclosed in its most recently completed audited annual financial statements for the year ended September 30, 2016.

a) New accounting policies

Manson did not adopt any new accounting policies during the nine month period ended June 30, 2017.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

3. Significant accounting policies (continued)

b) New accounting standards and interpretations

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in these financial statements. Many are not applicable or do not have a significant impact to Manson and have been excluded from below. They include the following:

i) IFRS 9 - Financial Instruments

Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2018. There were new amendments related to IFRS 9 issued in November 2013. Although the transition date for IFRS 9 has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, therefore these amendments do not have a significant impact on its financial reporting.

4. Significant accounting judgements and estimates

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates, judgements and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may required accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Significant estimates include:

- The carrying value of investments and the recoverability of the carrying value which is included in the balance sheet;
- the carrying values of exploration and evaluation assets that are included in the balance sheet, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are included in the statement of profit or loss. (Refer to Note 1);
- the estimate of the amount of decommissioning obligation and the inputs used in determining the net present value of the liabilities for asset retirement obligations included in the balance sheet.
- the value of share-based compensation expense in the statement of loss and comprehensive loss and the value of warrants that have been issued in connection with private placements and are included in the balance sheet, which are valued using valuation models and incorporate assumptions made by management of stock volatility, interest rates and exercise periods;
- the collectible amount of government incentives which are subject to review by granting authorities, affecting the carrying value of receivables and exploration and evaluation assets.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

5. Cash at bank

Cash at bank is comprised of:

	<u>June 30, 2017</u>	<u>September 30, 2016</u>
Current bank accounts	\$ 295,146	\$ 38,144

6. Accounts receivable

	<u>June 30, 2017</u>	<u>September 30, 2016</u>
Trade receivables	\$ -	\$ 148
Related party receivables	6,325	8,036
Sales tax receivables	3,711	966
	<u>\$ 10,036</u>	<u>\$ 9,150</u>

7. Short-term investments

	<u>June 30, 2017</u>	<u>September 30, 2016</u>
North Sur Resources Inc.		
Common Shares (June 30, 2017 - 200,000, September 30, 2016 - 200,000)	\$ 1	\$ 1

At June 30, 2017 and September 30, 2016, the common shares of North Sur Resources Inc. were valued at \$1, as trading was halted on the TSX Venture Exchange during the year, pending the completion of a transaction, which subsequent to June 30, 2017 was not completed. The Company recognized impairment on investments held for sale of \$Nil at June 30, 2017 and \$1,999 at September 30, 2016.

8. Exploration and evaluation assets

Tell, Yukon

The Company acquired 100% of the expanded Tell mineral property through staking. The Company holds 235 claims covering slightly in excess of 4,900 hectares located approximately 140 kilometres east of Mayo, Yukon. The gross costs and impairments recorded to the Tell property as at June 30, 2017 are \$422,640 and \$Nil, respectively. (September 30, 2016 - \$422,193 and \$Nil).

On March 19, 2014, the Company entered into a Letter of Intent ("LOI") with Guatavita Gold Corporation, (refer to Note 17 "Related party transactions and balances and key management remuneration") to jointly explore the Tell property, subject to approval from the Exchange. The LOI was subsequently replaced by the Tell Property Option Agreement ("Tell option") with an effective date of May 28, 2014. Under the Tell option, Guatavita could earn up to a 50% interest in the Tell property, Guatavita was required to fund 65% of the total 2014 budgeted property expenditures of \$1,000,000 with Manson funding the remaining 35%. The planned exploration program was completed in October 2014. Manson owed Guatavita approximately \$56,000 (inclusive of goods and services tax) in outstanding payables which were forgiven in exchange for the right to enter into this agreement. Upon Guatavita earning its 50% interest, a joint venture was to be formed with Manson.

The Company received conditional approval from the Exchange on April 28, 2014 subject to the filing of an independent NI 43-101 technical report on the Tell property. The Company filed the technical report on June 30, 2014 which was subsequently amended on July 17, 2014. On October 31, 2014, the "Earn-in" option period for Guatavita was extended by one year to October 31, 2015, due to weak market conditions, which dictated reduced expenditures to less than the budgeted \$1,000,000. All other terms of the agreement remained in effect. Should either party not be able to fund its share of expenditures, then the other party could

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

8. Exploration and evaluation assets (continued)

Tell, Yukon (continued)

have increased its spending, and increase its interest pro-rata accordingly, to a maximum respective interest of 80% in favour of Guatavita should it have funded the entire Phase 1 and 2 programs.

The budgeted property expenditures included a 2 phase program. The Phase 1 program was completed in June 2014 and included surface sampling, detailed mapping and prospecting, and further refining of drill targets. The Phase 2 drill program which consisted of a 673 meters of drilling at Tell was completed during the summer of 2014. Manson was the Operator during the Phase 1 and Phase 2 programs.

During August, 2015, the Company conducted a one week reconnaissance program, with the objectives to gain additional knowledge with respect to the mineralization of the Tell property, consisting of magnetic surveying. Additionally, an area 2.2 kilometres to the NW of the main Tell area was prospected and mapped with the objective to discover the source of highly anomalous Zinc, Nickel, Barium, Cobalt, Manganese and Copper in stream sampling. A sample of a new gossanous point source at the head of a creek returned highly anomalous assay values of 3.83 per cent zinc (38,300 parts per million), 0.6 per cent nickel (5,970 parts per million), 0.28 per cent cobalt (2,780 parts per million) and 0.42 per cent barium (4,170 parts per million), as well as an anomalous elevated copper value of 280 parts per million. Guatavita Gold Corporation did not participate in the summer 2015 exploration program. However, the Company did receive financial assistance from the Yukon Government through a Yukon Mineral Exploration grant (YMEP), to reimburse 50% of the qualified field expenditures totalling \$19,526.

During the three month period ended December 31, 2015, Guatavita Gold requested the remaining balance of its share of funds held for reclamation of the Tell property, be returned. By removing these funds Guatavita acknowledged that it is in default of its option covenants to maintain the property in good standing and that the Tell property interest earned during the option period is forfeit. In exchange, Manson Creek agrees to hold Guatavita Gold harmless for all environmental and other liabilities incurred or created by the exploration activities on the Tell property whether incurred or created during or prior to the term of the Option Agreement but not limited to, any reclamation required. Consequently, the Tell property will continue to be held by Manson 100% with no underlying obligations to third parties.

Keithly Mountain, British Columbia

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC.

While the geology of the region is widely known to be prospective for commodities such as gold, copper and nickel, the focus of exploration in this instance will be for nephrite Jade of which there are historical showings and reports in the area. The property covers approximately 6.5 kilometres of strike length along a favourable package of metamorphosed serpentinites and sediments, with significant thrust faulting, all elements which are critical in the formation of Jade.

First pass reconnaissance at the Keithly Mountain project identified extensive areas of locally subcropping to outcropping serpentinitized ultramafic rocks, which are typical hosts to nephrite deposits in British Columbia. In addition, numerous zones of fibrous secondary riebeckite mineralization (asbestos) were found in situ, confirming the potential of the property to host nephrite jade, as these asbestos veins are often associated with some of the larger jade deposits in BC, and as the jade historically found on the property in float has been associated with such mineralization.

The project remains a valid target for further work, however, it is being evaluated in the context of numerous other such projects and the Company will focus on conducting further first pass evaluations before committing to its best opportunity during the current field season.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

8. Exploration and evaluation assets (continued)

Meridian, British Columbia

During fiscal 2011, the Company wrote-off the property to reflect management's assessment of the property value based on current market conditions. During the year ended September 30, 2012, the Company incurred certain costs on the property associated with a property visit to assess site restoration requirements and these costs have been written-off during the year ended September 30, 2013. At June 30, 2016, the Company retains the property and could return for future exploration if economic conditions are warranted. The property claim will expire in fiscal 2019 unless renewed at that time. The gross costs and impairments recorded to the Meridian property as at June 30, 2017 are \$501,013 and \$501,013, respectively. (September 30, 2016 - \$501,013 and \$501,013)

A summary of exploration and evaluation expenditures by category for the nine month period ended June 30, 2017 and the year ended September 30, 2016 appears below:

Nine months ended June 30, 2017	British Columbia		Yukon
	Total	Keithly Mountain	Tell
	\$	\$	\$
Balance at September 30, 2016	315,990	-	315,990
Geological consulting	12,895	12,520	375
Field costs	3,726	3,726	-
Fuel costs	1,290	1,290	-
WCB	(177)	-	(177)
Balance, June 30, 2017	333,724	17,536	316,188
Property acquisition costs:			
Balance September 30, 2016	106,203	-	106,203
Acquisition costs incurred	4,516	4,266	250
Balance, June 30, 2017	110,719	4,266	106,453
Total exploration and evaluation assets, June 30, 2017	444,443	21,802	422,641

Year ended September 30, 2016	Yukon	
	Tell	
	\$	
Balance at September 30, 2015	304,680	
Geological consulting	2,875	
Field costs	(65)	
Advances received from Guataviata Gold Corporation allocated	10,625	
Government grants	(2,125)	
Balance, September 30, 2016	315,990	
Property acquisition costs:		
Balance September 30, 2015 and September 30, 2016	106,203	
Total exploration and evaluation assets September 30, 2016	422,193	

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

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Three and Nine Months Ended June 30, 2017

8. Exploration and evaluation assets (continued)

From time to time the Company is required to advance amounts to service providers prior to their commencing exploration work on the mineral interests. The advance is applied to the invoiced services, generally through the final invoice. As these advances pertain to costs that form part of the long-term exploration and evaluation assets, they are classified as long-term. As at June 30, 2017, the Company has \$Nil (September 30, 2016 - \$Nil) in exploration and evaluation asset advances and deposits.

9. Property and equipment

	Computer equipment and software		
	Cost	Accumulated Depreciation	Net Book Value
Balance, September 30, 2015	\$ 4,555	\$ (4,377)	\$ 178
Depreciation	-	(89)	(89)
Balance, September 30, 2016	4,555	(4,466)	89
Depreciation	-	(33)	(33)
Balance, June 30, 2017	\$ 4,555	\$ (4,499)	\$ 56

10. Accounts payable and accrued liabilities

	June 30, 2017	September 30, 2016
Trade payables	\$ 9,988	\$ 747
Due to related parties	9,371	1,161
Accrued liabilities	-	17,500
Sales taxes payable	378	330
	\$ 19,737	\$ 19,738

11. Decommissioning obligation

Changes in the decommissioning obligation for the nine month period ended June 30, 2017 and the year ended September 30, 2016 are:

Nine months ended June 30, 2017:		Yukon Tell	
Balance at June 30, 2017 and September 30, 2016		\$	12,750
Year ended September 30, 2016:		Total	British Columbia Meridian
Balance at September 30, 2015	\$ 17,750	\$ 5,000	\$ 12,750
Change in retirement accrual	(5,000)	(5,000)	-
Balance at September 30, 2016	\$ 12,750	\$ -	\$ 12,750

The above noted obligation represents costs to restore the mineral exploration properties, including the costs of filling trenches and revegetation if applicable. Management believes that there are no other significant legal obligations as at the respective period ends for current and future decommissioning obligations and restoration costs. The period end present value of the decommissioning obligation was determined using a risk-free rate of 1.0% (September 30, 2016 - 1.0%) and an inflation rate of 1.4% (September 30, 2016 - 1.4%) for the period ended June 30, 2017 and the year ended September 30, 2016. The timing of future reclamation costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire between October 2019 and May 2022, at which time the

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

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Three and Nine Months Ended June 30, 2017

11. Decommissioning obligation (continued)

reclamation has to have been completed. No accretion expense has been recorded in both the current and comparative years because the amount is considered to be immaterial.

12. Share capital, stock options and warrants

a) Authorized

Unlimited number of voting common shares without par value

Unlimited number of Class A preferred shares issuable in series

Unlimited number of Class B preferred shares issuable in series

b) Issued and outstanding common share capital

	Nine months ended June 30, 2017	Year ended September 30, 2016
	<u>Number of shares</u>	<u>Number of shares</u>
Balance as at and for the period ended	<u>31,846,892</u>	<u>24,246,892</u>

On March 24, 2017, the Company partially closed a non-brokered private placement share and warrant issue for aggregate gross proceeds of \$350,000. The placement was comprised of 7,000,000 common shares at \$0.05 per share. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until March 24, 2019. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Pricing model assuming a volatility of 277.90%, a risk free rate of 0.74%, a two year warrant life, and a 0% dividend rate.

On April 17, 2017, the Company closed the private placement share and warrant issue for additional 600,000 common shares at \$0.05 per share and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until April 17, 2019. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Pricing model assuming a volatility of 276.15%, a risk free rate of 0.73%, a two year warrant life, and a 0% dividend rate.

c) Stock options outstanding

<u>Expiry</u>	<u>Number of shares</u>		<u>Exercise Price</u>
	<u>Jun 30, 2017</u>	<u>Sept 30, 2016</u>	
July 22, 2017	10,000	10,000	\$0.10
July 11, 2019	895,000	895,000	\$0.10
July 14, 2019	130,000	130,000	\$0.10
	<u>1,035,000</u>	<u>1,035,000</u>	

d) Stock option transactions

There were no stock option transactions during the nine months ended June 30, 2017, nor the year ended September 30, 2016.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

12. Share capital, stock options and warrants (continued)

d) Stock option transactions (continued)

The Company has an option plan (the Plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the TSX Venture Exchange or other exchanges on which the shares are then listed, which price reflects trading values at that time.

Options granted vest immediately to optionees; however, vesting limitations may be imposed at the discretion of the board of directors. All of the options outstanding at the respective periods ends have vested.

e) Warrant transactions and warrants outstanding

The warrants summarized below may be exercised to acquire an equal number of common shares.

Nine months ended June 30, 2017					
Exercise Price	Expiry	Balance Sept 30, 2016	Warrants Issued	Warrants Expired	Balance June 30, 2017
\$0.50	November 1, 2017	500,000	-	-	500,000
\$0.10	March 24, 2019	-	3,500,000	-	3,500,000
\$0.10	April 17, 2019	-	300,000	-	300,000
TOTAL		500,000	3,800,000	-	4,300,000

Year ended September 30, 2016					
Exercise Price	Expiry	Balance Sept 30, 2015	Warrants Issued	Warrants Expired	Balance Sept 30, 2016
\$0.50	November 1, 2017	500,000	-	-	500,000
\$0.12	April 30, 2016	525,000	-	(525,000)	-
\$0.12	April 30, 2016	6,925,000	-	(6,925,000)	-
TOTAL		7,950,000	-	(7,450,000)	500,000

Subsequent to June 30, 2017 and prior to the approval date of these financial statements, no warrants were issued or expired.

13. Financial instruments

Financial instruments recorded at fair value are classified using a fair value hierarchy that prioritizes the inputs to fair value measurements. The three levels of fair value are summarized below:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly, (i.e. prices), or indirectly, (i.e. derived from prices); and
- Level 3 - Inputs that are not based on observable market data.

Level 1 has been utilized to value common shares included in short-term investments

Manson Creek Resources Ltd.

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

13. Financial instruments

The following summarizes the categories of the various financial instruments:

	June 30, 2017	September 30, 2017
	Carrying Value	
Financial assets measured at amortized cost:		
Cash at bank	\$ 295,146	\$ 38,144
Accounts receivable	6,325	8,184
	<u>\$ 301,471</u>	<u>\$ 46,328</u>
Financial assets measured at fair value:		
Short-term investments	<u>1</u>	<u>1</u>
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 19,359	\$ 19,408

The above noted financial instruments are exclusive of any sales tax.

The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had no foreign currency denominated fund balances. Consequently, variations in exchange rates will not result in foreign exchange gains or losses at this point in time.

14. General and administrative

	Three months ended		Nine months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Administrative consulting fees	\$ 4,143	\$ 1,645	\$ 14,855	\$ 10,253
Occupancy costs	9,271	12,053	33,462	36,597
Office, secretarial and supplies	6,177	156	10,002	7,433
Travel and promotion	5,586	53	7,297	1,930
Insurance	2,370	2,633	7,109	8,162
Computer network and website maintenance	277	512	869	926
Miscellaneous	707	873	2,739	3,455
	<u>\$ 28,531</u>	<u>\$ 17,925</u>	<u>\$ 76,333</u>	<u>\$ 68,756</u>

15. Share-based payment transactions

During the nine months ended June 30, 2017 and the year ended September 30, 2016, there were no share-based payment transactions.

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

16. Loss per share

The following adjustments were made in arriving at diluted weighted average number of common shares for the nine months ended June 30:

Weighted average number of common shares:	<u>2017</u>	<u>2016</u>
Basic	29,052,753	24,246,892
Effect of dilutive securities:		
Stock options	-	-
Warrants	-	-
Diluted	<u>29,052,753</u>	<u>24,246,892</u>

Loss per share:

Basic and diluted	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
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The dilutive effect of stock options and warrants was calculated using the treasury stock method. This method calculated the number of incremental shares by assuming the outstanding in-the-money stock options and warrants are exercised, and then reduced by the number of shares assumed to be repurchased from the issuance proceeds, using the average market price of the Company's common shares for the period. As the Company experienced a loss for the nine month periods ended June 30, 2017 and 2016, no dilution resulted.

17. Related party balances and transactions and key management remuneration

The Company is considered a related party to CANEX Metals Inc. ("CANEX" formerly Northern Abitibi Mining Corp.) and Guatavita Gold Corporation ("Guatavita") because of its common directors, officers and key management personnel that have some direct financial interest in both the Company and CANEX and Guatavita. In addition, related parties also include members of the Board of Directors, officers and their close family members. 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras, a director of Manson, Lunacees Enterprises Ltd., a company controlled by Cornell McDowell, a director of Manson, and Vector Resources Inc., a company controlled by Shane Ebert, a director of Manson, are also considered related parties, as they provided geological consulting services to the Company.

The following amounts were charged by (to) related parties during the year:

		Three months ended		Nine months ended	
		June 30,		June 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
Key management remuneration:					
President and director	Note a)	12,437	400	19,593	4,463
Corporate secretary	Note c)	7,279	-	8,899	5,063
Total management remuneration		<u>19,716</u>	<u>400</u>	<u>28,492</u>	<u>9,526</u>

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

17. Related party balances and transactions and key management remuneration (continued)

		Three months ended June 30,		Nine months ended June 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
CANEX Metals Inc. ("CANEX")					
General and administrative and secretarial costs paid	b)	(420)	-	(1,785)	(726)
General and administrative and secretarial costs received	b)	498	1,240	2,989	2,319
Office rent and operating costs received	b)	5,599	6,014	17,627	12,369
Guatavita Gold Corporation ("Guatavita")					
Office rent and operating costs received	c)	-	-	-	2,844
General and administrative and secretarial costs paid	c)	-	-	-	(7,500)
General and administrative and secretarial costs received	c)	-	-	-	9
Advances (disbursements) on account of the Tell Project in the Yukon	c)	-	-	-	(10,625)
Vector Resources Inc.					
Geological consulting services	d)	4,375	-	4,375	-

The following amounts were due to or receivable from related parties at the respective period ends:

	Note	June 30, 2017	September 30, 2016
Balances receivable (owing)			
Office rent and operating costs			
CANEX Metals Inc.	b)	\$ 5,599	\$ 6,014
General and administrative and secretarial costs			
CANEX Metals Inc.	b)	\$ 523	\$ 1,920
CANEX Metals Inc.	b)	\$ -	\$ (1,161)
Corporate secretary	c)	\$ (3,746)	\$ -
Corporate secretary	c)	\$ 203	\$ -
Geological consulting services			
635280 Alberta Ltd.	c)	\$ (5,625)	\$ -

Management compensation payable to "key management personnel" during the period ended June 30, 2017 and 2016 is reflected in the table above and consists of consulting fees paid or payable to 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras and to the Corporate Secretary. Directors are not paid directors' fees. Officers and directors are compensated through the granting of options from time-to-time. There were no options granted to officers and directors during the nine month periods ended June 30, 2017 and 2016. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company

a) Commencing November 9, 2014, consulting fees for the President's services were billed by 635280 Alberta Ltd., a company controlled by Jean-Pierre Jutras. Consulting services that relate directly to mineral property exploration are capitalized to exploration and evaluation assets; the remainder are expensed. During the nine month period ended June 30, 2017, \$6,750 (2016 - \$2,875) was capitalized to exploration and evaluation assets, \$8,625 (2016 - \$1,188) was expensed through general and administrative expenses,

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

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(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

17. Related party balances and transactions and key management remuneration (continued)

\$Nil (2016 - \$400) was expensed through reporting to shareholders and \$4,188 (2016 - \$Nil) was expensed through pre-acquisition costs.

b) During the nine month periods ending June 30, 2017 and 2016, the Company incurred certain administrative expenses on CANEX's behalf that were subsequently billed to CANEX on a quarterly basis. Further, CANEX incurred certain administrative costs on behalf of the Company that were billed on a quarterly basis. Effective April 1, 2015, the Company began to sublease office space to CANEX. CANEX and the Company share three common officers and two common directors.

c) Guatavita employed individuals who also performed administrative work for the Company and incurred certain administrative expenses on behalf of the Company and billed on a quarterly basis for these expenses. Included in these expenses was remuneration to the Corporate Secretary to December 31, 2015. From April 1, 2015 to December 31, 2015, the Company subleased office space to Guatavita. In addition, the Company incurred certain administrative expenses on Guatavita's behalf that were subsequently billed to Guatavita on a quarterly basis. Effective December 31, 2015, the Company is no longer receiving services from or providing services to Guatavita. Effective December 31, 2015, the corporate secretary has provided services to the Company on a contract basis. Pursuant to the sublease agreement dated April 1, 2015 and the underlying lease agreement, the Company issued notification to Guatavita to terminate the sublease effective February 1, 2016, as well as to advise Guatavita that it had forfeited its rent deposit of \$4,896 due to accumulated arrears for the sublease and other services provided by the company, totalling \$5,610. During the nine month period ended June 30, 2017, the Company recorded bad debts expense of \$Nil as a result of these transactions (year ended September 30, 2016 - \$680). Guatavita and the Company share three common officers and two common directors.

d) During the nine months ended June 30, 2017, geological consulting services were provided by Vector Resources Inc. a company controlled by Shane Ebert, a director of Manson.

Amounts receivable pertain to billings plus applicable sales taxes for which payment has not been received and amounts payable reflect billings plus applicable sales taxes that were not yet paid by the Company at the respective period ends. Related party transactions were measured at the amounts agreed to by the transacting parties.

18. Commitments

On April 1, 2017, the Company entered into a new leasing arrangement for office space. Pursuant to the assignment agreement, the Company is committed to pay base lease costs plus additional rent, which include its proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Manson entered into sublease agreements with CANEX Metals Inc. (see Note 17 - "Related party balances and transactions and key management remuneration") to the termination of the lease, March 31, 2018.

As at June 30, 2017, the committed lease costs to the termination of the lease are as follows:

	Jul 1, 2017 to Sept 30, 2017	Oct 1, 2017 to Mar 31, 2018
	\$	\$
Base lease cost	2,608	7,823
Expected additional rents	6,765	20,295
Total expected lease cost	9,373	28,118
Expected sublease revenue	(4,686)	(14,059)
Net commitment for lease	4,687	14,059

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

19. Supplemental disclosure statement of cash flows

	Three months ended		Nine months ended	
	June 30		June 30	
	2017	2016	2017	2016
Operating expenses	\$ (37,503)	\$ (33,922)	\$ (95,409)	\$ (87,198)
Depreciation	11	22	33	67
Impairments (recovery)	-	-	-	(5,000)
Other adjustments	-	-	-	-
Changes in assets and liabilities pertaining to operations:				
Accounts receivable	(6,471)	(7,769)	(886)	(14,169)
Prepaid expenses	(5,905)	(5,581)	(564)	(2,652)
Accounts payable and accrued liabilities	5,366	12,156	(1)	(28,398)
Cash paid to suppliers and contractors	\$ (44,502)	\$ (35,094)	\$ (96,827)	\$ (137,350)

20. Segment disclosures

During the current period ended June 30, 2017 and the comparative period ended June 30, 2016 as well as during the year ended September 30, 2016, the Company was only engaged in mineral exploration and all exploration activities were undertaken in Canada. Consequently, segmented information is not presented in these financial statements.

21. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Refer to Note 1 "Nature of operations". Capital is defined as share capital, reserves and deficit. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options will be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs during tighter equity markets. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances and Term Deposits.

22. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at June 30, 2017 and September 30, 2016. The Company's cash at bank are currently held with one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a

Manson Creek Resources Ltd.

Notes to the Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(Unaudited - prepared by management)

Three and Nine Months Ended June 30, 2017

22. Financial risk management (continued)

b) Liquidity risk (continued)

number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to meet its funding requirements for administrative and operating costs for fiscal 2017 and beyond, as well as the 2017 exploration program. However, an increase in activity levels and new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations".

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the Assignment Agreement with Sur for the Underlying Option on the Up Town property (Note 8 - "Exploration and evaluation assets"). The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the nine months ended June 30, 2017, the market price fluctuation on the investments held resulted in a loss of \$Nil (0%) (year ended September 30, 2016 - \$1,999 (100%)). In 2017, a 10% change in fair value of the Company's marketable investments would result in a charge to income of \$Nil (year ended September 30, 2016 - \$Nil). The Company does not intend to hold these investments for more than one year.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risk at this time.

**MANSON CREEK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017**

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of Manson Creek Resources Ltd. ("Manson" or "the Company"). The information included in this MD&A, with an effective date of July 17, 2017 should be read in conjunction with the unaudited condensed interim financial statements as at and for the three and nine months ended June 30, 2017 ("Q3 2017") and related notes thereto as well as the annual audited financial statements for the year ended September 30, 2016 and related notes thereto. Manson's common shares trade on the TSX Venture Exchange under the symbol "MCK". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com.

The Company's unaudited condensed interim financial statements for the three and nine months ended June 30, 2017 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and the IFRS accounting policies the Company adopted in its initial IFRS Annual Financial Statements as at and for the year ended September 30, 2016. The Company's accounting policies are provided in Note 3 "Summary of significant accounting policies" to the annual financial statements as at September 30, 2016.

The "Independent Qualified Person under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for Manson's exploration projects in the following discussion and analysis is Mr. Jean-Pierre Jutras, B. Sc., Geol., P. Geol., a Registered Professional Geologist of Alberta and the President and Director of Manson, subsequent to November 21, 2013. Mr. Jutras was appointed President of the Company on March 19, 2014.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work than was originally planned.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

The Company is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations, is considered to be in the exploration stage. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The recoverability of the amounts comprising mineral properties is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's properties are in production. Consequently, the Company's net income is a limiting indicator of its performance and potential.

**MANSON CREEK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017**

2) Highlights - Three and nine months ended June 30, 2017

- a) During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC. See section 3) Mineral properties below for more information.
- b) During the three month period ended June 30, 2017, the Company conducted a first pass reconnaissance to Keithly Mountain. See 3) Mineral properties below for more information.
- c) During the three month period ended March 31, 2017, the Company partially closed a non-brokered private placement share and warrant issue for aggregate gross proceeds of \$350,000. See section 7) Financing for further information.
- d) During the three month period ended June 30, 2017, the Company closed the non-brokered private placement share and warrant issue for additional 600,000 common shares at \$0.05 per share and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. See section 7) Financing for further information.
- e) The Company continues to assess the its existing properties as well as new opportunities in the face of very difficult commodity markets and financial conditions.

3) Mineral Properties

Transactions for Q3 2017 are summarized in Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Financial Statements for the nine months ended June 30, 2017 which accompany this MD&A.

Tell, Yukon

The Tell property is located approximately 140 kilometers east of Mayo, Yukon and is contiguous to Strategic Metals Ltd.'s Goz claims and ATAC Resources Ltd.'s Rau claims. During the year ended September 30, 2011, the Company staked additional claims surrounding the Company's Tell claims, expanding its property to over 2,100 hectares. The Company had not performed any work on the Tell claims since 2005; however, recent activity in the area motivated the Company to stake additional claims to encompass favorable geology hosting arsenic and mercury anomalies outlined during prospecting work from 2000 to 2005. The Company completed its geological reconnaissance, stream sampling and prospecting program during the year ended September 30, 2011. The preliminary budget for the program was \$150,000 and approximately \$92,000 was expended. Geochemical results confirmed that the Crystal Springs, Ash Springs and Area 51 natural spring gossan discoveries on Tell are strongly mineralized. In addition, follow-up work on these gossans led to the discovery of three additional natural spring gossans: Majestic, Corona and Roswell. The presence of mineralized gossans is considered significant as the Ocelot discovery by ATAC Resources Ltd., within its Rau Trend, was made by targeting a natural spring surface gossan with associated strongly anomalous zinc and lead sample results.

Soil and rock samples collected from the Tell, Crystal Springs, Ash Springs, Area 51, Majestic and Corona natural spring gossan discoveries have returned highly anomalous zinc, nickel, lead, arsenic and numerous other gold pathfinder element values. Property-wide stream sampling outlined two additional, regional geochemical anomalies - Area 13 and Area 15. The Company believes the identified gossans to be significant due to the number of successful drill discoveries made on similar gossans in the region.

During the year ended September 30, 2012, the Company conducted an induced polarization ("IP") ground geophysical survey.

On March 19, 2014, the Company entered into an LOI with Guatavita Gold Corporation to jointly explore the Tell property, which was subsequently replaced with the Tell option. Under the Tell option, Guatavita could earn up to a 50% interest in the Tell property by funding 65% of the planned 2014 exploration expenditures on the property. In order to vest its 50% interest in the Tell property, Guatavita was required to fund 65% of the total 2014 property expenditures that were budgeted at \$1,000,000 with Manson funding the remaining 35%. It was anticipated that the program was to have been completed by October 2014. Manson owed Guatavita approximately \$56,000 (inclusive of goods and services tax) in outstanding

**MANSON CREEK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2017**

payables which were forgiven in exchange for the right to enter into this agreement. Upon Guatavita earning its 50% interest, a joint venture was to be formed with Manson. The Company received final approval from the exchange on July 23, 2014. A total of \$624,000 was expended on the 2014 exploration program, of which 65% was contributed by Guatavita and the remaining 35% contributed by the Company. The 2014 exploration expenditures were curtailed due to poor market conditions, and consequently, the "Earn-in" option period was extended by one year to October 31, 2015. Guatavita Gold Corporation did not participate in the summer 2015 exploration program. During the three month period ended December 31, 2015, Guatavita Gold requested the remaining balance of its share of funds held for reclamation of the Tell property, be returned. By removing these funds Guatavita acknowledged that it was in default of its option covenants to maintain the property in good standing and that the Tell property interest earned during the option period was forfeit. In exchange, Manson Creek agreed to hold Guatavita Gold harmless for all environmental and other liabilities incurred or created by the exploration activities on the Tell property whether incurred or created during or prior to the term of the Option Agreement but not limited to, any reclamation required. Consequently, the Tell property will continue to be held by Manson 100% with no underlying obligations to third parties.

The Company completed a multi phase exploration program during 2014. A Phase 1 program was completed in June 2014 and included surface sampling, detailed mapping and prospecting, and further refining of drill targets. Details regarding the completed Phase 1 program are outlined in News Release 14-07 dated June 23, 2014. The second Phase of work was conducted between July 17, 2014 and August 18, 2014 and consisted of a diamond drilling program that saw 673 meters of drilling completed in 4 drill holes, the first of which was stopped before testing the target due to poor ground conditions. Results of the drilling program were outlined in News Release 14-11, dated September 22, 2014.

2014 drilling demonstrated the presence of a large, previously unrecognized, mineralized exhalative system such as related to other significant Yukon deposits and which supports the potential for both VMS/SEDEX massive sulphide exploration models.

Existing stream sample data to the north west, approximately 1.2 kilometers along strike of the exhalative system outlined by the 2014 drilling program suggests that higher grade massive sulphides than found to date in drilling may be exposed along a steeply dipping creek cut. Four (4) stream samples over a discrete creek section over 1 km indicate potential exposure and erosion of exposed sulphide mineralization, with stream samples showing high amounts of zinc (0.40 to 3%), nickel (441 ppm to >1000 ppm), and highly anomalous cobalt, barium, copper and manganese.

With financial assistance from the Yukon Government through a YMEP grant, Manson conducted a one week reconnaissance program in August, 2015 at the Tell Property, Yukon. The program's two objectives were to gain additional knowledge with regards to the geological context of the large and to date unexplained metal bearing Gossans zones known to occur extensively on the property as well as investigate the source of a large stream sediment anomaly from historical programs, some 2.2 kilometers to the North West of the previously identified Tell gossan trend, already known to extend over some 800 meters of strike length.

A tight space ground geophysical magnetometer grid was conducted over the main area covering the Tell, Crystal Springs, Ash Springs, Roswell, Area 51, Majestic and Corona Gossans. The magnetic survey outlined responses that are consistent with current geological understanding in terms of the property's underlying geology and stratigraphic composition, as well as highlighted that known gossans and gossanous cold springs appear related to fairly discrete contrasts between zones of higher and lower magnetic responses. In its discussion of results from the survey to Manson Creek, the contractor, Apex Geosciences Ltd. of Edmonton, Alberta, comments that the "relationship may be significant, representing the possibility of a continuous metal-rich layer contained within a specific section of the magnetic low region".

A historical, multi-site stream sampling anomaly previously identified approximately 2.2 kilometers to the NW of the Tell gossan was prospected and mapped with the objective to discover the source of highly anomalous Zinc, Nickel, Barium, Cobalt, Manganese and Copper in stream sampling.

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Mapping of the ridges to the east and west of the anomalous stream section, where geology is well exposed in this area, allowed for a comprehensive geological dataset to be collected that underlines the project's context, both stratigraphically and structurally. Mapping has confirmed overall east-west directions for the underlying sedimentary sequence and has outlined distinct domains of shales and cherts to the south, extending towards the main zone's majestic and corona gossans, which is underlain to the north by a sequence of finer grained shales with locally coarse gritty units, which in turn extend towards the main zone's northern trend of gossans (Tell, Crystal Springs, Ash Springs, Roswell and Area 51).

Structurally, evidence was collected that support a broad, roughly east-west anticlinal fold form which closes to the north (and along the ridge) of the Main Zone.

The historical stream anomaly was traced to a discrete, active metal bearing cold stream or seep near the origin of the current natural creek. This seep contributes metal rich brines which precipitate extensively for over 2 km along the creek bed in a red to blue to whitish crust, locally over 10's of centimeters thick. As the seep is at the headwaters of the creek, and in close proximity to the ridge top, it is expected to be proximal to the bedrock from which metals are sourced. A sample from this precipitate near its source returned highly anomalous values of 3.83% Zinc (38,300 ppm), 0.6% Nickel (5,970 ppm), 0.28 % Cobalt (2,780 ppm), and 0.42% Barium (4,170 ppm) as well as an anomalous elevated Copper value of 280 ppm.

Of additional interest, a leached sample of sub cropping rock near the point source also returned assay results of 0.29 % Zinc with elevated copper and barium, indicating that mineralization, while not exposed at surface due to overburden and vegetation cover, may be sub cropping in this area. The leached rock was composed of an iron oxide coated black shale dominated polymictic syndimentary breccia, such as locally observed in core in the Main Zone during the 2014 drilling, in excess of 2.2 kilometers to the west-south west and along strike.

Data collected during the 2015 short program continues to support that mineralization at Tell is likely sediment hosted and potentially related to an extensive exhalative event within a sedimentary sequence with evidence of minor volcanic components, such as expected within the SEDEX/VMS environment. The 2015 surface data also confirms that mineralization may be related to an extensive metal rich unit within a sequence documented over 3 kilometers of strike length to date.

Keithly Mountain, British Columbia

During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo goldfields, in central British Columbia called Keithly Mountain. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC.

While the geology of the region is widely known to be prospective for commodities such as gold, copper and nickel, the focus of exploration in this instance will be for nephrite Jade of which there are historical showings and reports in the area. The property covers approximately 6.5 kilometres of strike length along a favourable package of metamorphosed serpentinites and sediments, with significant thrust faulting, all elements which are critical in the formation of Jade.

First pass reconnaissance at the Keithly Mountain project identified extensive areas of locally subcropping to outcropping serpentinitized ultramafic rocks, which are typical hosts to nephrite deposits in British Columbia. In addition, numerous zones of fibrous secondary riebeckite mineralization (asbestos) were found in situ, confirming the potential of the property to host nephrite jade, as these asbestos veins are often associated with some of the larger jade deposits in BC, and as the jade historically found on the property in float has been associated with such mineralization.

The project remains a valid target for further work, however, it is being evaluated in the context of numerous other such projects and the Company will focus on conducting further first pass evaluations before committing to its best opportunity during the current field season.

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4) Operating Results

A summarized statement of operations appears below to assist in the discussion that follows:

	Three months ended June 30		Nine months ended June 30	
	2017	2016	2017	2016
General and administrative expenses	\$ (28,531)	\$ (17,925)	\$ (76,333)	\$ (68,756)
Reporting to shareholders	-	(13,629)	(1,994)	(16,473)
Professional fees	(1,262)	(578)	(3,207)	(664)
Stock exchange and transfer agent fees	(1,803)	(1,768)	(7,286)	(6,238)
Depreciation	(11)	(22)	(33)	(67)
Recovery of exploration and evaluation assets	-	-	-	5,000
Pre-acquisition costs	(5,896)	-	(6,556)	-
Sublease revenue	4,686	6,014	16,701	17,345
Interest and other	45	113	272	209
Net and comprehensive loss	\$ (32,772)	\$ (27,795)	\$ (78,436)	\$ (69,644)

The Company continues to tightly manage costs as a strategy to conserve resources; however, activity in the junior mining sector has picked up and is reflected in the operations above. Overall, the results are consistent with the fiscal 2017 operating budget. The most significant results are discussed below.

- Variances relating to general and administrative expenses are addressed below in more detail.
- Reporting to shareholders expenditures relate to the dissemination of the annual audited financial statements for the year ended September 30, 2016 and 2015 as well as expenditures for the AGM which was last held in Q3 2016.
- Variation in professional fees, which consist of auditing fees, legal, other filing fees and fees for news releases, results from an under accrual of audit fees for the year ended September 31, 2016 and an over accrual of fees for the year ended September 30, 2015.
- Stock exchange and transfer agent fees relate directly to the number of security exchange transactions during the periods. The fluctuation from period to period reflect fluctuation in activity levels from period to period. The variance of \$1,000 results from stock option plan fees for 2015 and 2016 which were paid during Q2 2017. No similar expenditures were made in the comparative period.
- During the three month period ended December 31, 2015, the Company recorded a recovery of previously impaired exploration and evaluation assets relating to the decommissioning of the Meridian property which was 100% impaired in Fiscal 2013. The Company was refunded the security bond of \$3,000 held by the government of British Columbia as it was determined that no further expenditures were required to decommission the property, resulting in a recovery of over accrued decommissioning obligation. There were no similar transactions in the current periods.
- Pre-acquisition costs primarily relate to investigative activities prior to the acquisition of the Keithly Mountain property as well as property reviews conducted to assess other potential property acquisitions.
- Effective April 1, 2017, the Company entered into a new leasing arrangement for its premises, which continued to include subleasing office space to CANEX Metals Inc., a related party (See Note 17 - "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Financial Statements for the three month and nine month periods ended June 30, 2017 which accompany this MD&A). Overall leasing costs and resulting Sub-lease revenue have declined as a result of the new leasing arrangement and is reflected in Q3 2017.

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The following summarizes the major expense categories comprising general and administrative expenses for the respective periods:

	Three months ended June 30		Nine months ended June 30	
	2017	2016	2017	2016
Administrative consulting fees	\$ 4,143	\$ 1,645	\$ 14,855	\$ 10,253
Occupancy costs	9,271	12,053	33,462	36,597
Office, secretarial and supplies	6,177	156	10,002	7,433
Travel and promotion	5,586	53	7,297	1,930
Insurance	2,370	2,633	7,109	8,162
Computer network and website maintenance	277	512	869	926
Miscellaneous	707	873	2,739	3,455
Total	\$ 28,531	\$ 17,925	\$ 76,333	\$ 68,756

- Administrative consulting fees, which consist of fees for the contract controller, CFO and geological consulting, are up by approximately \$4,600 from the comparative period. During Q3 2017, the Company incurred \$2,375 in geological consulting fees (Q3 2016 - \$Nil). The current year expenditures relate to the private placement share issuance announced February 28, 2017 and research conducted with respect to jade opportunities. The remainder of expenditures relate to fees for the contract controller. There were no fees for services provided by the CFO in either the current or comparative periods.
- Occupancy costs are down by approximately \$3,000 resulting from the new lease agreement entered into effective April 1, 2017, terminating March 31, 2018. There has been a reduction in base leasing costs of \$3,000 per quarter. See Section 7) Contractual obligations of this document for further information.
- Office and secretarial fees are up by \$2,500 on a year to date basis. The majority of these expenditures related to salaries and wages for administrative services which are provided on a contract basis and include book keeping services and services provided by the Corporate Secretary. Current year expenditures include services related to the private placement financing, occupancy lease negotiations and preparing documents related to property acquisitions.

5) Liquidity and Capital Resources

As of June 30, 2017, the Company had a working capital of \$298,560 (September 30, 2016 - \$40,107), and increase of \$258,000. Changes to working capital in the current and comparative periods are discussed below:

- Current year operating activities resulted in cash outflow of \$79,000 (Q3 2016 - \$120,000), a decrease of \$41,000 from the comparative year. Current year working capital changes include an increase in accounts receivable of \$886, an increase in prepaid expenses of \$564 and nominal changes to accounts payable resulting in a net cash outflow of \$1,451. The comparative period included an increase in accounts receivable of \$14,169, and increase in prepaid expenses of \$2,652 and a decrease in accounts payable of \$28,398, resulting in a net cash outflow of \$45,219.
- The Company expended \$22,250 on exploration and evaluation assets during the current nine month period compared to \$2,811 in the comparative period. Expenditures in the current period relate to the Keithly Mountain project. The comparative period expenditures relate to exploration on the Tell property. In addition, the Company received \$19,526 of government grants with respect to YMEP funding and the Tell property during Q2 2016.
- The Company returned approximately \$10,600 to Guatavita Gold Corporation on account of the Guaman project during Q1 2016. There were no similar transactions during the current period.
- During Q1 2016, the Company was refunded a \$3,000 security bond that was held on account of the Meridian property, by the Government of British Columbia. See Operating results in the section above for additional details.
- During the three month period ended March 31, 2017, the Company partially closed a non-brokered private placement share and warrant issuance for aggregate gross proceeds of \$350,000. During the three

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month period ended June 30, 2017, the Company closed the non-brokered private placement share and warrant issuance for additional 600,000 common shares at \$0.05 per share and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. See section 7) Financing for further information. There were no financing activities during the comparative periods.

The Company believes that it has sufficient working capital meet its funding requirements for administrative and operating costs for fiscal 2017 and beyond, as well as the 2017 exploration program. However, an increase in activity levels and new property acquisitions may require additional financing. There is no assurance that management will be successful in obtaining financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" to the Unaudited Condensed Interim Financial Statements which accompany this document.

6) Commitments

On April 1, 2017, the Company entered into a new leasing arrangement for office space. Pursuant to the assignment agreement, the Company is committed to pay base lease costs plus additional rent, which include it's proportionate share of costs incurred in the operation, maintenance, management and supervision of the property as defined by the landlord's current lease for the premises. Additionally, Manson entered into sublease agreements with CANEX Metals Inc. (see Note 17 - "Related party balances and transactions and key management remuneration" to the Unaudited Condensed Interim Financial Statements which accompany this document) to the termination of the lease, March 31, 2018.

As at June 30, 2017, the committed lease costs to the termination of the lease are as follows:

	Jul 1, 2017 to Sept 30, 2017	Oct 1, 2017 to Mar 31, 2018
	\$	\$
Base lease cost	2,608	7,823
Expected additional rents	6,765	20,295
Total expected lease cost	9,373	28,118
Expected sublease revenue	(4,686)	(14,059)
Net commitment for lease	4,687	14,059

7) Financing

During the three month period ended March 31, 2017, the Company partially closed a non-brokered private placement share and warrant issuance for aggregate gross proceeds of \$350,000. The placement was comprised of 7,000,000 common shares at \$0.05 per share. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until March 24, 2019. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Pricing model assuming a volatility of 277.90%, a risk free rate of 0.74%, a two year warrant life, and a 0% dividend rate.

During the three month period ended June 30, 2017, the Company closed the non-brokered private placement share and warrant issuance announced February 28, 2017 for an additional 600,000 common shares at \$0.05 per share and 300,000 common share purchase warrants for gross aggregate proceeds of \$30,000. Each common unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.10 per share until April 17, 2019. In valuing the warrants, the Company used a proration of proceeds method to the components including the use of the Black-Scholes Pricing model assuming a volatility of 276.15%, a risk free rate of 0.73%, a two year warrant life, and a 0% dividend rate.

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During the three month and nine month periods ended June 30, 2016 there were no financing activities.

8) Exploration Expenditures

Refer to Note 8 "Exploration and evaluation assets" to the Unaudited Condensed Interim Financial Statements which accompany this document

9) Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended:	Jun 30 2017 (Q3 2017)	Mar 31 2017 (Q2 2017)	Dec 31 2016 (Q1 2017)	Sep 30 2016 (Q4 2016)	Jun 30 2016 (Q3 2016)	Mar 31 2016 (Q2 2016)	Dec 31 2015 (Q1 2016)	Sept 30 2015 (Q4 2015)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before recovery (impairment) of exploration and evaluation assets and other items	(37,503)	(32,220)	(25,686)	(42,678)	(33,922)	(23,985)	(34,293)	(50,549)
Recovery (impairment) of exploration and evaluation assets	-	-	-	-	-	-	5,000	-
Loss before other items	(37,503)	(32,220)	(25,686)	(42,678)	(33,922)	(23,985)	(29,293)	(50,549)
Sublease revenue	4,686	6,001	6,014	6,013	6,014	5,817	5,515	7,966
Interest and other income	45	80	147	115	113	97	-	-
Loss from investments held for sale	-	-	-	(1,999)	-	-	-	-
Net and comprehensive loss	(32,772)	(26,139)	(19,525)	(38,549)	(27,795)	(18,071)	(23,778)	(42,583)
Basic and diluted loss per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The most significant influence on quarterly net loss is the amount of exploration and evaluation asset impairments, income from flow-through shares and gains or losses on investments held for sale. The timing and amount of the Company's exploration and evaluation asset impairments cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company from period to period. The timing and amount of income from flow-through shares is a function of flow-through financing, the incurrence of flow-through eligible exploration expenditures and the renunciation of same. The Company received common shares in a publicly traded company, Sur, as partial consideration for the Assignment of the Up Town Property Option Agreement. Comprehensive Profit or Loss will fluctuate as the carrying value of this investment is adjusted to fair value at the respective period ends.

10) Off-Balance Sheet Transactions

The Company has no off-balance sheet transactions to report.

11) Directors and Officers

Jean-Pierre Jutras	<i>Director and President</i>	Barbara O'Neill	<i>Corporate Secretary</i>
Douglas Porter	<i>Director, Chief Financial Officer</i>	Shane Ebert	<i>Director</i>
Cornell McDowell	<i>Director</i>		

12) Related Party Transactions

Transactions for Q3 2017 are disclosed and explained in Note 17 "Related party balances and transactions and key management remuneration" to the Condensed Interim Financial Statements for the nine months ended June 30, 2017 which accompany this document.

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13) Share capital, warrants, and stock options

Refer to Note 12 " Share capital, stock options and warrants" to the Condensed Interim Financial Statements for the three and nine months ended June 30, 2017 and the Condensed Interim Statement of Changes in Equity for common share capital, stock option and warrant transactions during the nine months ended June 30, 2017 and balances as at that date that accompany this MD&A.

There were no changes to share capital, stock options and warrants during the period from July 1, 2017 to July 17, 2017, the date of this report.

14) Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash at bank, accounts receivable (net of sales tax), short-term investments and account payable and accrued liabilities (net of sales tax), approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company had no foreign currency denominated fund balances. Consequently, variations in foreign exchange rates will not result in foreign exchange gains or losses at this point in time.

15) Financial Risk Management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of accounts receivable, (excluding sales tax). The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at June 30, 2017 and September 30, 2016. The Company's cash at bank are currently held with one financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to continue to obtain adequate financing or to commence profitable operations in the future. The Company believes that it has sufficient working capital to meet its funding requirements for administrative and operating costs for fiscal 2017 and beyond, as well as the 2017 exploration program. However, an increase in activity levels and new property acquisitions may require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 - "Nature of operations" to the Condensed Interim Financial Statements for the nine months ended June 30, 2017 which accompany this MD&A.

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the Assignment Agreement with Sur for the Underlying Option on the Up Town property. The Company does not invest excess cash in equity investments as a general rule. Investment in common shares is recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the nine months ended June 30, 2017, the market price fluctuation on the investments held resulted in a loss of \$Nil (0%) (year ended September 30, 2016 - \$1,999 (100%)). In 2017, a 10% change in fair value of the Company's marketable investments would result in a charge to income of \$Nil (year ended September 30, 2016 - \$Nil). The Company does not intend to hold these investments for more than one year.

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d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income, it is not exposed to significant interest rate risk at this time. All market risk is associated with the Company's investments in common shares, which are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings.

e) Foreign exchange risk

There were no foreign currency denominated transactions during the periods disclosed and the Company did not hold cash balances in foreign currencies. As a result the Company is not exposed to foreign currency exchange risk at this time.

16) Outlook

- During the three month period ended March 31, 2017, the Company acquired by staking a 2,111 hectare property in the Cariboo Goldfields, in central British Columbia called Keithly Mountain. The property consists of a combination of both Lode and Placer claims, is easily accessible through an existing network of logging roads and is located approximately 20 kilometres north of the town of Likely, BC. See section 3) Mineral properties below for more information. The Company will evaluate and interpret all available historic exploration and new field data from the Keithly Mountain Property and evaluate continuation of work at Keithly Mountain on a priority basis with regards to other ongoing opportunities.
- The data collected during the 2015 short program continues to support that mineralization at Tell is likely sediment hosted and potentially related to an extensive exhalative event within a sedimentary sequence with evidence of minor volcanic components, such as expected within the SEDEX/VMS environment. The 2015 surface data also confirms that mineralization may be related to an extensive metal rich unit within a sequence documented over 3 kilometers of strike length to date. These results are geologically strong and support further exploration if funding can be arranged.
- The Company will continue to seek out financing to pursue continued exploration of existing holdings and seek out new projects.

17) Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

• Exploration, development and operating risks

The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

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- **Substantial capital requirements and liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on a reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**

The Company has limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

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- **Title to properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**

The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that drill sites and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**

Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject hazards that may result in environmental pollution and consequent liability that could have a material

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adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the company's shares.

- **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

18) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration on, and acquisition of, mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sales or abandonments. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized an impairment provision is made for the estimated decline in value.

The Company's estimate for decommissioning obligations is based on existing laws, contracts or other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which requires that certain assumptions be made. By their nature, these estimates are subject to measurement uncertainty.

The Company uses the Black-Scholes Option Pricing Model to value stock options and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested, or warrants issued, during the year.

The Company estimates the fair value of its short-term equity investments at each period end as they are carried at fair value on the Statement of financial position. The Company uses the closing price of the common shares on the period-end date and uses the Black-Scholes Option Pricing Model discussed above to estimate the value of its investment in warrants. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in securities at any given time and changes in the market over time, among other factors.

19) New Accounting Policies

The Company did not adopt any new accounting policies during the nine month period ended June 30, 2017.

IFRS accounting standards, interpretations and amendments subsequent to period-end

Certain new accounting standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for periods subsequent to those disclosed in the financial statements. They include the following, but do not include updates that are not applicable or are not consequential to the Company's operations:

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i) IFRS 9 - Financial Instruments

Financial instruments, and consequential amendments to other related standards, is effective for accounting periods commencing on or after January 1, 2018. There were new amendments related to IFRS 9 issued in November 2013. Although the transition date for IFRS 9 has been deferred, these amendments would be required to be prospectively applied in the financial statements for the 2014 year, as the Company has early adopted this section. However, these amendments relate to hedging and own credit risk, to which the Company is not exposed, therefore these amendments do not have a significant impact on its financial reporting.

21) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.