



ARIZONA MINING INC.

Condensed Consolidated Interim Financial Statements (Unaudited)

For the Three Months Ended March 31, 2017

Notice to Reader

These unaudited condensed consolidated interim financial statements have been prepared by management and have not been reviewed by the Company's auditor.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – U.S. dollars)

	March 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,789,405	\$ 19,236,855
Amounts receivable	101,758	65,936
Prepays and other	457,643	413,480
	<u>6,348,806</u>	<u>19,716,271</u>
Property, plant and equipment (note 4)	1,049,628	989,210
Other assets	226,357	224,587
Restricted cash (note 6)	3,310,833	3,310,833
Exploration and evaluation assets (note 5)	113,450,384	100,954,348
	<u>\$ 124,386,008</u>	<u>\$ 125,195,249</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,485,843	\$ 3,508,571
	<u>3,485,843</u>	<u>3,508,571</u>
Reclamation and remediation provision (note 6)	4,829,955	4,994,118
Deferred rental contribution (note 9)	157,345	185,386
	<u>8,473,143</u>	<u>8,688,075</u>
Equity		
Equity attributable to shareholders of the Company:		
Common shares (note 7)	167,955,851	167,896,865
Reserves	12,208,795	11,424,315
Deficit	(64,251,781)	(62,814,006)
	<u>115,912,865</u>	<u>116,507,174</u>
	<u>\$ 124,386,008</u>	<u>\$ 125,195,249</u>
Nature of operations (note 1)		
Subsequent event (note 11)		

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
(Unaudited – U.S. dollars)

	Three months ended March 31,	
	2017	2016
Expenses:		
Salaries and benefits	\$ 555,962	\$ 258,953
Stock based compensation (note 7b)	442,148	218,898
Investor relations	106,080	96,064
Professional services	64,988	51,387
Filing and regulatory	46,688	21,974
Office and administrative	45,144	49,183
Travel	23,227	9,806
Directors' fees	11,715	11,014
Depreciation	-	932
Loss from operations	<u>(1,295,952)</u>	<u>(718,211)</u>
Foreign exchange gain (loss)	(160,044)	55,442
Interest and finance charges	(2,743)	(175,506)
Interest and other income	20,964	-
Loss on disposition of property, plant and equipment	-	(2,578)
Net loss	<u>(1,437,775)</u>	<u>(840,853)</u>
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Foreign currency translation gain (loss)	294,231	(63,354)
Comprehensive loss	<u>\$ (1,143,544)</u>	<u>\$ (904,207)</u>
Net income (loss) attributable to:		
Shareholders of the Company	\$ (1,437,775)	\$ (839,500)
Non-controlling interest	-	(1,353)
	<u>\$ (1,437,775)</u>	<u>\$ (840,853)</u>
Comprehensive loss attributable to:		
Shareholders of the Company	\$ (1,143,544)	\$ (902,854)
Non-controlling interest	-	(1,353)
	<u>\$ (1,143,544)</u>	<u>\$ (904,207)</u>
Basic and diluted net loss per share attributable to shareholders of the Company	<u>\$ (0.006)</u>	<u>\$ (0.005)</u>
Weighted average number of shares outstanding	<u>249,581,463</u>	<u>163,886,067</u>

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – U.S. dollars)

	Share Capital		Reserves				Total equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit	
Balance, January 1, 2017	249,561,630	\$ 167,896,865	\$ (1,555,691)	\$ 12,980,006	\$ 11,424,315	\$ (62,814,006)	\$ 116,507,174
Stock based compensation expense (note 7b)	-	-	-	442,148	442,148	-	442,148
Stock based compensation applied to exploration and evaluation assets (note 7b)	-	-	-	75,161	75,161	-	75,161
Shares issued on exercise of stock options	105,000	31,926	-	-	-	-	31,926
Fair value of stock options exercised	-	27,060	-	(27,060)	(27,060)	-	-
Comprehensive loss for the period	-	-	294,231	-	294,231	(1,437,775)	(1,143,544)
Balance, March 31, 2017	249,666,630	\$ 167,955,851	\$ (1,261,460)	\$ 13,470,255	\$ 12,208,795	\$ (64,251,781)	\$ 115,912,865

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – U.S. dollars)

	Share Capital		Reserves					Non-controlling interest	Total equity
	Number of Shares	Amount	Accumulated other comprehensive income (loss)	Options and warrants	Total	Deficit			
Balance, January 1, 2016	161,951,958	\$ 87,233,567	\$ (380,584)	\$ 8,388,420	\$ 8,007,836	\$ (28,827,658)	\$ 6,054,634	\$ 72,468,379	
Stock based compensation expense (note 7b)	-	-	-	218,898	218,898	-	-	218,898	
Stock based compensation applied to exploration and evaluation assets (note 7b)	-	-	-	76,188	76,188	-	-	76,188	
Units issued on private placement (note 7a)	6,069,100	1,688,580	-	204,071	204,071	-	-	1,892,651	
Fair value of warrants issued	-	-	-	134,055	134,055	-	-	134,055	
Share issue costs	-	(12,755)	-	-	-	-	-	(12,755)	
Required contributions for project costs	-	-	-	-	-	-	103,704	103,704	
Comprehensive loss for the period	-	-	(63,354)	-	(63,354)	(839,500)	(1,353)	(904,207)	
Balance, March 31, 2016	168,021,058	\$ 88,909,392	\$ (443,938)	\$ 9,021,632	\$ 8,577,694	\$ (29,667,158)	\$ 6,156,985	\$ 73,976,913	

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – U.S. dollars)

	Three months ended March 31,	
	2017	2016
Cash provided by (used in):		
Operating activities:		
Net loss for the period	\$ (1,437,775)	\$ (840,853)
Items not affecting cash:		
Stock based compensation	442,148	218,898
Unrealized foreign exchange loss	158,416	19,287
Interest and finance charges	1,814	174,248
Amortization of deferred rental contribution	(29,689)	(28,621)
Loss on disposition of property, plant and equipment	-	2,578
Depreciation	-	932
Net changes in non-cash working capital items:		
Amounts receivable	(35,822)	(13,894)
Prepays and other	(34,480)	(9,175)
Accounts payable and accrued liabilities	(90,001)	22,710
	<u>(1,025,389)</u>	<u>(453,890)</u>
Financing activities:		
Exercise of stock options	31,926	-
Proceeds from private placements	-	1,892,651
Share issue costs	-	(12,755)
Interest and finance fees paid	-	(28,445)
Advances from related parties (note 8)	-	2,798,377
	<u>31,926</u>	<u>4,649,828</u>
Investing activities:		
Purchase of property, plant and equipment	(103,615)	(104,992)
Additions to exploration and evaluation assets	(12,342,496)	(970,621)
Reclamation and remediation provisions settled	(141,060)	(99,626)
Restricted cash contributions (note 6)	-	(2,310,833)
	<u>(12,587,171)</u>	<u>(3,486,072)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>133,184</u>	<u>(61,188)</u>
Increase (decrease) in cash and cash equivalents	(13,447,450)	648,678
Cash and cash equivalents, beginning of period	<u>19,236,855</u>	<u>418,950</u>
Cash and cash equivalents, end of period	<u>\$ 5,789,405</u>	<u>\$ 1,067,628</u>
Supplementary information:		
Cash and cash equivalents, end of period comprise:		
Cash and balances with banks	\$ 1,695,391	\$ 1,049,842
Short-term investments	4,094,014	17,786
	<u>\$ 5,789,405</u>	<u>\$ 1,067,628</u>
Non-cash investing and financing activities:		
Change in accounts payable and accrued liabilities reflected in investing activities	\$ 67,273	\$ 634,559
Mineral property acquisition costs in exchange for assumed reclamation and remediation provision	\$ -	\$ (5,277,480)
Restricted cash contributions in exchange for assumed reclamation and remediation provision	\$ -	\$ 1,000,000

See accompanying notes to the condensed consolidated interim financial statements.

Arizona Mining Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2017
(Unaudited – U.S. dollars unless otherwise noted)

1. Nature of Operations

Arizona Mining Inc. (the “Company” or “Arizona Mining”) is incorporated in British Columbia, Canada. The Company holds a 100% ownership interest in the Hermosa Project in Arizona, United States through its wholly owned subsidiary Arizona Minerals Inc. (“AMI”), a Nevada corporation. The Company’s corporate office is located at Suite 555 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1 and its shares are listed on the Toronto Stock Exchange and trade under the symbol “AZ”.

The Company is engaged in the acquisition, exploration and development of mineral property interests. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations. The amounts shown as exploration and evaluation assets represent acquisition and exploration costs and do not necessarily represent present or future values. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral properties, and on future profitable production or proceeds from the disposition of the mineral properties. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title.

2. Basis of Presentation

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting (“IAS 34”). Accordingly, they do not include all of the information and notes to the consolidated financial statements required by IFRS for complete financial statements and should be read in conjunction with the Company’s most recent audited consolidated financial statements.

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application used in the Company’s audited consolidated financial statements as at and for the year ended December 31, 2016. Under the authority delegated to them by the Board of Directors, the Audit Committee authorized these financial statements for issue on May 12, 2017.

3. Changes in Accounting Policies

New accounting standards, amendments and interpretations

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded. The Company has not early adopted these new standards and is currently assessing the impact, if any, that these amendments will have on the Company’s Financial Statements.

IFRS 9, *Financial Instruments* is mandatorily effective for the Company’s consolidated financial statements for the year ending December 31, 2018. IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB’s project to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost; fair value through profit and loss; and fair value through other comprehensive income. IFRS 9 introduces the expected credit loss model for impairment of financial assets which replaces the incurred loss model used in IAS 39. IFRS 9 amends the rules on hedge accounting to align the accounting treatment with the risk management practices of the business. Lastly, IFRS 9 amends some of the requirements of IFRS 7, *Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance

Arizona Mining Inc.

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on financial liabilities and derecognition of financial instruments.

On January 13, 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16") in accordance with which, all leases will be recorded on the statement of financial position of lessees, except those that meet the limited exception criteria. As a result, for the Company's office rental leases, rent expense will be removed and replaced by the recording of depreciation and finance expenses. IFRS 16 is mandatorily effective for the Company's consolidated financial statements for the year ending December 31, 2019.

4. Property, Plant and Equipment

	Site fixed assets & equipment	Vehicles	Computer hardware & software	Office furniture & leaseholds	Total
Cost					
As at December 31, 2016	\$ 840,574	\$ 280,488	\$ 40,268	\$ 40,201	\$ 1,201,531
Additions	6,520	43,415	53,680	-	103,615
Foreign currency translation	-	-	33	29	62
As at March 31, 2017	\$ 847,094	\$ 323,903	\$ 93,982	\$ 40,230	\$ 1,305,209
Accumulated amortization					
As at December 31, 2016	\$ 62,204	\$ 99,615	\$ 21,362	\$ 29,140	\$ 212,321
Amortization	26,927	10,920	4,032	1,380	43,259
As at March 31, 2017	\$ 89,131	\$ 110,535	\$ 25,395	\$ 30,520	\$ 255,581
Net book value					
As at December 31, 2016	\$ 778,370	\$ 180,873	\$ 18,906	\$ 11,061	\$ 989,210
As at March 31, 2017	\$ 757,963	\$ 213,368	\$ 68,587	\$ 9,710	\$ 1,049,628

For the three months ended March 31, 2017, amortization of \$43,259 (March 31, 2016 – \$5,532) was capitalized to exploration and evaluation assets and \$nil (March 31, 2016 – \$932) expensed to operations.

5. Exploration and Evaluation Assets

Exploration and evaluation assets relate to the acquisition costs and exploration and evaluation expenditures on the Company's interest in the Hermosa Project, in Arizona, United States.

On January 26, 2016, the Company closed the acquisition of certain patented mining claims adjacent to the Company's Hermosa Taylor Deposit. In exchange for the patented claims and \$1,000,000 of cash held in trust related to security for the reclamation obligations, the Company assumed the environmental liabilities relating to past activities on the site, which were estimated at \$5,277,480 (Note 6). The balance of \$4,277,480 was recognized as the cost of the acquired mineral property interest.

The following is a summary of changes in exploration and evaluation assets for the three months ended March 31, 2017 and 2016:

	2017	2016
Balance, start of period	\$ 100,954,348	\$ 73,558,572
Additions:		
Mineral property acquisition costs – above (note 6)	(165,977)	4,277,480
Mineral property acquisition costs – other	467,342	192,870
Drilling	6,837,839	345,066
Property access, restoration and maintenance	1,079,615	168,849
Drilling and other supplies	198,563	51,153
Assay and analysis	956,904	7,172

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(Unaudited – U.S. dollars unless otherwise noted)

Salaries, benefits and stock based compensation	887,109	309,796
Geologic consulting and support	534,096	12,608
Engineering and metallurgy	954,746	72,330
Environmental baseline studies and permitting	295,976	96,119
Reclamation and remediation (note 6)	96,708	-
Other	353,115	486,188
	<u>12,496,036</u>	<u>6,019,631</u>
Balance, end of period	<u>\$ 113,450,384</u>	<u>\$ 79,578,203</u>

6. Reclamation and Remediation Provision

	Three Months Ended March 31, 2017	Year Ended December 31, 2016
Balance, start of period	\$ 4,994,118	\$ -
Initial recognition arising on acquisition (note 5)	-	5,277,480
Additions	96,708	589,875
Accretion	1,814	(3,158)
Reclamation and remediation provisions settled	(96,708)	(870,079)
Change in estimate	(165,977)	-
Balance, end of period	<u>\$ 4,829,955</u>	<u>\$ 4,994,118</u>

The reclamation and remediation provision primarily represents the estimated costs required to provide restoration and rehabilitation for past activities on the patented mining claims acquired (“Acquired Claims”) by the Company in 2016. The total uninflated and undiscounted estimated cash flows required to settle these obligations on initial recognition were \$5,311,194, which have been inflated at an average rate of 2.03% per annum and discounted at an average rate of 2.46% (December 31, 2016 – 1.96%) per annum being an estimate of the risk-free, pre-tax cost of borrowing over the respective periods. These obligations are expected to be funded from cash held in escrow of \$2,455,452 and working capital. The Company also provides for restoration and rehabilitation for its ongoing activities on the project although these amounts have not been either inflated or discounted as the timing of the cash flows is not currently determinable.

The Company has posted two bonds totaling \$1,968,940 as security for its reclamation and remediation obligations and has posted \$855,381 with the bond surety company as collateral for the bonds, which together with cash held in escrow of \$2,455,452 is included in restricted cash.

7. Share Capital

a) Private placement

On March 2, 2016, the Company closed 6,069,100 units of a private placement at a price of C\$0.42 per unit for gross proceeds of C\$2,549,022 (US\$1,892,651). Each unit is 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 common share at a price of C\$0.60 per common share until September 2, 2017. The balance of the private placement of 0.65 million units for gross proceeds of C\$0.27 million closed on April 28, 2016.

The Company determined that the fair value of the warrants issued on March 2, 2016 was \$204,071. The fair value was determined by separately calculating the fair value of the common shares and the warrants, and prorating these amounts by the actual proceeds received. The assumptions in the Black-Scholes pricing model used to calculate the fair value of the warrants were: an expected life of 1.5 years; annualized volatility of 70%; a risk free interest rate of 1%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the Company’s shares.

Arizona Mining Inc.

Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited – U.S. dollars unless otherwise noted)

b) Stock options

For the three months ended March 31, 2017, the Company recognized a stock-based compensation charge against income of \$442,148 (March 31, 2016 – \$218,898). A further \$75,161 (March 31, 2016 – \$76,188) was capitalized to exploration and evaluation assets.

The following table shows the change in the Company's stock options during the three months ended March 31, 2017 and 2016:

	2017		2016	
	Number of Options	Weighted Average Exercise Price (in C\$)	Number of Options	Weighted Average Exercise Price (in C\$)
Balance, start of period	11,304,000	\$0.41	11,074,000	\$0.39
Granted	3,005,000	\$2.76	-	-
Exercised	(105,000)	\$0.41	-	-
Forfeited	(50,000)	\$1.66	-	-
Balance, end of period	14,154,000	\$0.91	11,074,000	\$0.39

The assumptions used in the Black-Scholes option-pricing model for the options granted during the three months ended March 31, 2017 and 2016 are:

Weighted average:	2017	2016
Expected term (years)	5	-
Volatility ⁽¹⁾	80%	-
Expected dividend yield	-	-
Risk-free interest rate	1.17%	-

⁽¹⁾ The expected volatility is based on the historical volatility of the Company's shares.

The following table provides information on outstanding and exercisable stock options at March 31, 2017:

Grant Date	Exercise Price (in C\$)	Options Outstanding		Options Exercisable	
		Number of Options	Weighted average remaining contractual life (years)	Number of Options	Weighted average remaining contractual life (years)
March 24, 2014	\$0.59	19,000	1.98	19,000	1.98
August 18, 2014	\$0.51	100,000	2.38	100,000	2.38
May 25, 2015	\$0.40	9,290,000	3.15	3,430,000	3.15
May 27, 2015	\$0.43	125,000	3.16	125,000	3.16
October 29, 2015	\$0.29	1,400,000	3.58	466,667	3.58
January 26, 2016	\$0.30	35,000	3.83	11,667	3.83
June 24, 2016	\$1.66	80,000	4.24	-	-
August 17, 2016	\$1.80	100,000	4.38	-	-
March 2, 2017	\$2.76	3,005,000	4.92	150,000	4.92
		14,154,000	3.58	4,302,334	3.24

Arizona Mining Inc.

Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited – U.S. dollars unless otherwise noted)

c) Warrants

The following summarizes the warrants outstanding at March 31, 2017:

Date of Issue	Exercise Price (C\$)	Expiry Date	December 31, 2016	Issued	Exercised	March 31, 2017
June 12, 2015	\$0.60	June 12, 2017	6,008,499	-	-	6,008,499
November 10, 2015	\$0.45	November 10, 2020	2,000,000	-	-	2,000,000
December 18, 2015	\$0.45	December 18, 2020	5,902,566	-	-	5,902,566
January 13, 2016	\$0.30	January 13, 2021	1,000,000	-	-	1,000,000
March 2, 2016	\$0.60	September 2, 2017	3,034,550	-	-	3,034,550
April 25, 2016	\$0.75	October 25, 2017	4,894,286	-	-	4,894,286
April 28, 2016	\$0.60	October 28, 2017	323,500	-	-	323,500
April 28, 2016	\$0.75	October 28, 2017	250,000	-	-	250,000
May 4, 2016	\$0.50	May 4, 2019	5,000,000	-	-	5,000,000
			28,413,401	-	-	28,413,401

The weighted average exercise price of the warrants outstanding at March 31, 2017 is C\$0.56 (December 31, 2016 – C\$0.52).

8. Related Party Transactions

In addition to the related party transactions or balances disclosed elsewhere in these condensed consolidated interim financial statements, the Company had the following related party transactions.

The Company shares office space, equipment, personnel and various administrative services with other companies (NewCastle Gold Ltd., Armor Minerals Inc. and Titan Mining Corporation) related by virtue of certain directors and management in common. These services have been mainly provided through a management company equally owned by the related companies. Costs incurred by the management company are allocated between the related companies based on time incurred and use of services and are charged at cost. The Company was charged for the following with respect to these arrangements in the three months ended March 31, 2017 and 2016:

	2017	2016
Salaries and benefits	\$ 510,393	\$ 235,194
Office and administrative	134,107	106,722
	\$ 644,500	\$ 341,916

In addition, for the three months ended March 31, 2017, the Company charged out \$1,993 (March 31, 2016 – \$nil) and at March 31, 2017, amounts receivable includes \$5,686 (December 31, 2016 – \$3,677) and prepaids and other includes \$20,635 (December 31, 2016 – \$62,838) with respect to these arrangements.

On January 13, 2016, the Company borrowed C\$4.0 million (US\$2,798,377) from a company controlled by the Company's Executive Chairman in connection with the acquisition of certain patented mining claims (note 5). The loan was unsecured, repayable on the earlier of: one year from the date of advance; the date of any change of control of the Company; or the date the Company completed a financing of C\$10,000,000 or more by way of sale of securities from treasury or through the issuance of debt or other form of financing. The loan bore interest at 16% per annum, compounded monthly and was subject to a cash fee of 1% with an additional 1% fee payable after three months if the loan remained outstanding. In addition, 1,000,000 warrants were issued to the lender. Each warrant entitles the lender to purchase one common share at a price of C\$0.30 per common share until January 13, 2021. The loan was repaid later in 2016.

Arizona Mining Inc.

Notes to the Condensed Consolidated Interim Financial Statements
For the Three Months Ended March 31, 2017
(Unaudited – U.S. dollars unless otherwise noted)

9. Commitments

Deferred rental contribution represents the unamortized balance of an amount received from a company previously related through certain common directors and management with respect to the provisions of agreements governing certain shared operating leases. The amount is being amortized to office and administrative expense over the remaining term of the leases. The following is a summary of changes in deferred rental contribution:

	March 31, 2017	December 31, 2016
Balance, start of period	\$ 185,386	\$ 293,446
Amortization of deferred rental contribution	(29,689)	(118,699)
Effect of foreign currency exchange differences	1,648	10,639
Balance, end of period	<u>\$ 157,345</u>	<u>\$ 185,386</u>

In addition to the commitments disclosed elsewhere in these condensed consolidated interim financial statements, at March 31, 2017, the Company is committed to payments for office premises through 2022 in the total amount of approximately \$969,400. Payments by fiscal year are:

2017	\$ 166,800
2018	223,300
2019	191,000
2020	191,000
2021 and thereafter	197,300

10. Segment Information

The Company operates in one industry segment, being mineral exploration and development. Geographic information is as follows:

	United States	Canada	Total
Long-term assets as at:			
March 31, 2017	\$ 117,810,845	\$ 226,357	\$ 118,037,202
December 31, 2016	\$ 105,254,391	\$ 224,587	\$ 105,478,978

11. Subsequent Event

On May 1, 2017, the Company announced it had signed a binding letter agreement for a private placement of 45 million common shares in the Company at a price of C\$2.45 per common share with South32 Limited for gross proceeds of C\$110.3 million. The Placement will be completed following receipt of regulatory approvals including by the Toronto Stock Exchange. The private placement subscription agreement provides for customary termination rights, including if an event causing a material adverse impact on the Company's affairs should occur prior to closing.