NAPIER VENTURES INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 MARCH 2017 AND 2016

Stated in Canadian Funds

TABLE OF CONTENTS

MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Napier Ventures Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

We draw attention to Note 1 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's independent auditor has not performed a review of these consolidated financial statements.

27 July 2017

The consolidated financial statements were approved by the Board of Directors on 27 July 2017 and were signed on its behalf by:

"*Donald Scoretz*"	*"Grant T. Smith"*
Donald Scoretz, Interim CEO	Grant T. Smith, CFO

MNP LLP

Independent Auditors' Report

To the Shareholders of Napier Ventures Inc.:

We have audited the accompanying consolidated financial statements of Napier Ventures Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2017 and March 31, 2016, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Napier Ventures Inc. and its subsidiary as at March 31, 2017 and March 31, 2016 and their financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to these consolidated financial statements, which states that Napier Ventures Inc. incurred significant losses from operations, negative cash flows from operating activities and has an accumulated deficit. These matters, along with other matters as described in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of Napier Ventures Inc. to continue as a going concern. Management's plans in regard to these matters are also described in Note 1.

MNP LLP

July 27, 2017
Vancouver, Canada

Chartered Professional Accountants

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2017	As at 31 March 2016
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 706,513**	$ 10,338
Amounts receivable		**4,378**	3,587
Prepaid amounts and deposits		**3,226**	7,929
		714,117	21,854
Non-current Assets			
Acquisition costs	(6)	**81,800**	81,800
		$ 795,917	$ 103,654
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 210,394**	$ 133,340
Due to related parties	(7)	**212,916**	87,900
		423,310	221,240
EQUITY *(STATEMENT 3)*			
Share capital	(8)	**2,667,989**	1,651,883
Contributed surplus – warrants		**30,290**	30,290
Contributed surplus – options	(8)	**227,192**	234,160
Deficit		**(2,552,864)**	(2,033,919)
		372,607	(117,586)
		$ 795,917	$ 103,654

Nature of operations and going concern	(1)	Capital management	(9)
Basis of preparation - Statement of Compliance	(2)	Segmented information	(10)
Subsequent events	(12)		

The consolidated financial statements were approved by the Board of Directors on 27 July 2017 and were signed on its behalf by:

"Grant T Smith"
Grant T. Smith, Director

"Donald Scoretz"
Donald Scoretz, Director

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

	Note		Year Ended 31 March 2017		Year Ended 31 March 2016
CONTINUING OPERATIONS					
EXPENSES					
Exploration and Evaluation					
Resource property expense	(6)	**$**	**93,500**	$	57,966
General and Administrative					
Professional fees			**147,139**		108,162
Management fees	(7)		**108,000**		108,500
Shareholder relations			**104,853**		95,024
Office rent			**24,000**		24,000
Travel			**22,319**		4,470
Transfer agent and filing fees			**18,387**		36,339
Office and general			**3,138**		1,078
Foreign exchange (gain) loss			**(2,391)**		2,919
Share-based compensation			**-**		118,829
Loss on write-off of prepaid			**-**		2,691
Interest income			**-**		(579)
			425,445		501,433
Loss from Operating Activities being Comprehensive Loss		**$**	**518,945**		559,399
Basic and Diluted Loss per Common Share		**$**	**(0.02)**		(0.02)
Weighted Average Number of Shares Outstanding			**23,186,146**		22,693,548

--The accompanying notes form an integral part of the consolidated financial statements--

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
BALANCE AT 01 APRIL 2015	22,644,960	$ 1,631,758	62,700	$ 32,274	-	$ 119,482	$ (1,474,520)	$ 308,994
Shares issued on exercise of warrants	4,800	726	-	-	-	-	-	726
Fair value transferred on exercise of warrants	-	-	(4,800)	(174)	-	-	-	(174)
Share-based compensation	-	-	-	-	1,974,000	47,498	-	47,498
Comprehensive loss for the period	-	-	-	-	-	-	(134,425)	(134,425)
BALANCE AT 30 JUNE 2015	22,649,760	$ 1,632,484	57,900	$ 32,100	1,974,000	$ 166,980	$ (1,608,945)	$ 222,619
Shares issued on exercise of options	50,000	5,500	-	-	-	-	-	5,500
Fair value transferred on exercise of options	-	1,241	-	-	(50,000)	(1,241)	-	-
Share-based compensation	-	-	-	-	-	1,905	-	1,905
Comprehensive loss for the period	-	-	-	-	-	-	(98,932)	(98,932)
BALANCE AT 30 SEPTEMBER 2015	22,699,760	$ 1,639,225	57,900	$ 32,100	1,924,000	$ 167,644	$ (1,707,877)	$ 131,092
Share-based compensation	-	-	-	-	-	1,111	-	1,111
Comprehensive loss for the period	-	-	-	-	-	-	(79,206)	(79,206)
BALANCE AT 31 DECEMBER 2015	22,699,760	$ 1,639,225	57,900	$ 32,100	1,924,000	$ 168,755	$ (1,787,083)	$ 52,997
Shares issued on exercise of options	20,000	2,200	-	-	-			2,200
Fair value transferred on exercise of options	-	2,910	-	-	(20,000)	(2,910)	-	-
Shares issued on exercise of warrants	49,900	5,738	-	-	-	-	-	5,738
Fair value transferred on exercise of warrants	-	1,810	(49,900)	(1,810)	-	-	-	-
Warrants expired	-	-	(8,000)	-	-	-	-	-
Share-based compensation	-	-	-	-	-	68,315	-	68,315
Comprehensive loss for the period	-	-	-	-	-	-	(246,836)	(246,836)
BALANCE AT 31 MARCH 2016	22,769,660	$ 1,651,883	-	$ 30,290	1,904,000	$ 234,160	$ (2,033,919)	$ (117,586)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Shares	Amount	Warrants	Amount	Options	Amount	Deficit	Shareholders' Equity
BALANCE AT 01 APRIL 2016	**22,769,660**	**$ 1,651,883**	**-**	**$ 30,290**	**1,904,000**	**$ 234,160**	**$ (2,033,919)**	**$ (117,586)**
Shares issued on exercise of options	**40,000**	**4,400**	-	**-**	**-**	**-**	**-**	**4,400**
Fair value transferred on exercise of options	**-**	**2,372**	-	**-**	**(40,000)**	**(2,372)**	**-**	**-**
Comprehensive loss for the period	**-**	**-**	-	**-**	**-**	**-**	**(88,877)**	**(88,877)**
BALANCE AT 30 JUNE 2016	**22,809,660**	**$ 1,658,655**	**-**	**$ 30,290**	**1,864,000**	**$ 231,788**	**$ (2,122,796)**	**$ (202,063)**
Shares issued on exercise of options	**27,500**	**3,025**	-	**-**	**-**	**-**	**-**	**3,025**
Fair value transferred on exercise of options	**-**	**1,631**	-	**-**	**(27,500)**	**(1,631)**	**-**	**-**
Comprehensive loss for the period	**-**	**-**	-	**-**	**-**	**-**	**(106,409)**	**(106,409)**
BALANCE AT 30 SEPTEMBER 2016	**22,837,160**	**$ 1,663,311**	**-**	**$ 30,290**	**1,836,500**	**$ 230,157**	**$ (2,229,205)**	**$ (305,447)**
Shares issued on exercise of options	**50,000**	**5,500**	-	**-**	**-**	**-**	**-**	**5,500**
Fair value transferred on exercise of options	**-**	**2,965**	-	**-**	**(50,000)**	**(2,965)**	**-**	**-**
Obligation to issue shares	**-**	**524,213**	-	**-**	**-**	**-**	**-**	**524,213**
Comprehensive loss for the period	**-**	**-**	-	**-**	**-**	**-**	**(117,657)**	**(117,657)**
BALANCE AT 31 DECEMBER 2016	**22,887,160**	**$ 2,195,989**	**-**	**$ 30,290**	**1,786,500**	**$ 227,192**	**$ (2,346,862)**	**$ 106,609**
Shares issued	**4,350,000**	**472,000**		**-**	**-**	**-**	**-**	**472,000**
Comprehensive loss for the period	**-**	**-**	-	**-**	**-**	**-**	**(206,002)**	**(206,002)**
BALANCE AT 31 MARCH 2017	**27,237,160**	**$ 2,667,989**	**-**	**$ 30,290**	**1,786,500**	**$ 227,192**	**$ (2,552,864)**	**$ 372,607**

--The accompanying notes form an integral part of the consolidated financial statements--

CONSOLIDATED STATEMENT OF CASH FLOW

	Year ended 31 March 2017	Year ended 31 March 2016
OPERATING ACTIVITIES		
Loss for the Year	$ **(518,945)**	$ (559,399)
Items not Affecting Cash		
Share-based compensation	**-**	118,829
Unrealized foreign exchange	**-**	2,803
Write-off of prepaid	**-**	2,691
	(518,945)	(435,076)
Net Change in Non-cash Working Capital		
Amounts receivable	**(791)**	(1,673)
Prepaid amounts and deposits	**4,703**	(371)
Accounts payable and accrued liabilities	**77,054**	97,674
Due to related parties	**125,016**	87,900
	205,982	183,530
	(312,963)	(251,546)
INVESTING ACTIVITIES		
Redemption of term deposit	**-**	228,000
	-	228,000
FINANCING ACTIVITIES		
Proceeds from share issuance	**1,012,925**	13,990
Share issuance costs	**(3,787)**	-
	1,009,138	13,990
Net Increase in Cash	**696,175**	(9,556)
Cash position – beginning of period	**10,338**	19,894
Cash Position – End of Year	$ **706,513**	$ 10,338

--The accompanying notes form an integral part of the consolidated financial statements--

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Napier Ventures Inc. ("The Company" or "Napier") was incorporated on 06 March 2007 under the laws of the province of British Columbia. The Company is in the exploration stage and is in the process of exploring mining properties in the United States. Napier's administrative office is at Suite 1010-789 West Pender Street, Vancouver, BC, V6C 1H2 and its registered office is at Suite 1000-840 Howe Street, Vancouver, BC, V6Z 2M1.

These consolidated financial statements ("Financial Statements") have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that cast significant doubt upon the soundness of this assumption. The Company has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead and maintain its mineral interests. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

For the Company to continue to operate as a going concern in the long-term, it must continue to obtain additional financing to maintain operations; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

In the event that cash flow from operations, if any, together with the proceeds for any future financings are insufficient to meet the Company's operating expenses, the Company will be required to re-evaluate its planned expenditures and allocate its total resources in such a manner as the Board of Directors and management deem to be in the Company's best interest. This may result in a substantial reduction of the scope of existing and planned operations.

If the going concern assumption were not appropriate for these consolidated financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used and such adjustments could be material. Management believes it has available funds to continue operations for a period of one year.

Rounded (000's)		**31 March 2017**		31 March 2016
Working capital (deficiency)	**$**	**291,000**	$	(199,000)
Accumulated deficit	**$**	**(2,553,000)**	$	(2,034,000)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2) Basis of preparation – Statement of Compliance

The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The judgements, estimates and assumptions made by management affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

3) Summary of significant accounting policies

a) Basis of presentation

These consolidated financial statements incorporate the financial statements of the wholly-owned subsidiary, Napier International LLC. ("NI"), a company incorporated in the US. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

b) Measurement uncertainty

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company's key estimates relate to the impairment of acquisition costs, the measurement of stock-based compensation, the valuation of warrants, and the valuation allowance for deferred tax assets and liabilities. Actual results may differ from these estimates.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require the extensive use of judgment about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

c) Share based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Board of Directors grants such options for periods of up to five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the options are earned. The fair value is recognized as an expense with a corresponding increase in equity.

d) Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Both the parent and subsidiary use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences and other changes in the carrying amount of the security. Translation differences are recognised in the income statement and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets, such as investments in equity securities, classified as available-for-sale are reported as part of the fair value gain or loss and are included in equity.

In respect of all foreign operations, any exchange differences that have arisen before 1 April 2010, the date of transition to IFRS, are deemed to be nil and will be excluded from the determination of any subsequent profit or loss on disposal.

e) Financial instruments

All financial instruments must be recognised, initially, at fair value on the consolidated statement of financial position. The Company has classified each financial instrument into the following categories: “fair value through profit and loss (“FVTPL”)”, “held-to-maturity’’, “loans and receivables,” and “other liabilities.” Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on FVTPL instruments are recognised in earnings. The other categories of financial instruments are recognised at amortized cost using the effective interest method. The Company had made the following classifications:

Financial Asset or Liability	Category
Cash and cash equivalents	Fair value through profit and loss
Amounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Due to related parties	Other liabilities

f) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of comprehensive income (loss) except to the extent it relates to items recognized or directly in equity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred taxes are the taxes expected to be payable or recoverable on the difference between the carrying amounts of assets in the consolidated statement of financial position and their corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities:

- are generally recognized for all taxable temporary differences;
- are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future; and
- are not recognized on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets:

- are recognized to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilized; and
- are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of an asset to be recovered.

g) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised if in the money and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

h) Other comprehensive profit (loss)

Other comprehensive profit (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive profit (loss) is presented in the Consolidated Statements of Loss and Comprehensive loss and the Consolidated Statements of Changes in Equity.

i) Exploration and evaluation

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring licenses, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing.

Restoration provisions

The Company recognizes liabilities for legal obligations associated with the reclamation or rehabilitation of mineral property interests that the Company is required to settle. The Company recognizes the fair value of liabilities for such obligations in the year in which they occur or in the year in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The Company has determined that it has no restoration obligations as at years ended 31 March 2017 and 2016.

j) Impairment loss

An impairment loss is reversed if there is an indication that there has been a positive change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

l) Environmental

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of on-going current programs to prevent and control pollution is charged against profit and loss as incurred.

m) Provisions and decommissioning liabilities

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Decommissioning liabilities include an estimate of the future cost associated with the abandonment and reclamation of property and equipment, discounted to its present value, and capitalized as part of the cost of that asset. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of decommissioning costs, or cost estimates are dealt with prospectively by recording a change in estimate, and a corresponding adjustment to equipment. The accretion on the decommissioning provision is included in the consolidated statement of comprehensive loss.

Actual expenditures incurred are charged against the decommissioning liability.

n) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

o) Title to exploration and evaluation properties

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers.

4) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently assessing the impact, if any, that these standards might have on its Financial Statements.

a) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, *Financial Instruments* (IFRS 9). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 9. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

b) IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued and replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five –step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 15. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

c) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after 1 January 2019. Early adoption is permitted if IFRS 15 has also been adopted. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

5) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Consolidated Statement of Financial Position are carried at amortized cost with the exception of cash and cash equivalents, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at the year ended 31 March 2017 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash and cash equivalents is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash and cash equivalents have been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and due to related parties. At the year ended 31 March 2017, the carrying value of cash and cash equivalents are at fair value. Amounts receivable, accounts payable and accrued liabilities and due to related parties approximate their fair value due to their short term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada and U.S.; accordingly, the Company is not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash at variable interests. The Company is not exposed to significant interest rate risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk. At the year ended 31 March 2017, the Company held currency totalling the following:

Rounded to 000's		31 March 2017		31 March 2016
Canadian Dollar	**$**	**696,000**	$	-
United States Dollar	**$**	**10,000**	$	10,000

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

As at 31 March 2017, the Company had a cash balance of $706,513 to settle current liabilities of $423,310. While the Company has no significant source of cash flows, this is not a significant risk.

6) Resource property

a) Acquisition of property

Below is a summary of resource property costs incurred for the years ended 31 March 2016 and 31 March 2017:

ACQUISITION COSTS

Balance – 01 April 2015	$	81,800
Balance – 31 March 2016 and 31 March 2017	**$**	**81,800**

Calico Peak Property

The property, known as the Calico Peak Property and located in Delores County, Colorado, comprises 36 claims named DR 1-40 covering the height of land at Calico Peak and four patented claims. Each claim is nominally 1500 feet by 600 feet (20.66 acres) or 8.36 hectares. The 58 claims then cover 826 acres. The unpatented claims include only those surface rights and access rights, as defined under the Mining Act.

- Certain claims were staked for Napier International LLC. and are owned outright.
- The rest of claims were acquired through a purchase agreement from Clearwater Gold Mining Corporation for a deemed cost of $75,000 through the issuance of 750,000 shares of the Company.

Emerald Isle Property

On 10 December 2015, Napier announced that it has entered into an asset purchase agreement (the "Agreement") with Emerald Copper Corp. (the "Vendor"), whereby the Company will acquire a 100% interest in 57 unpatented mining claims in Mohave County, Arizona (the "Emerald Isle Property") as well as 21 unpatented mining claims in Dolores County, Colorado (together with the Emerald Isle Property, the "Claims").

As consideration for the Claims, Napier will grant to the Vendor a 2% net smelter returns royalty on all valuable minerals produced from the Claims. Napier will also pay the Vendor US$200,000 pursuant to a promissory note (the "Note").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Note will mature in 3 years from the date of closing of the acquisition of the Claims. The Note will bear simple interest at 8% per annum and may be converted into common shares of the Company at the option of the Company at any time at a conversion price equal to the 15 day volume-weighted average trading price of the Company's shares at the time of conversion.

In addition, all costs or fees incurred by Emerald Copper Corp related to Emerald Isle Property will be paid by Napier before the ownership of the property is transferred.

The acquisition of the Claims is subject to the approval of the TSX Venture Exchange (the "TSXV"). The Vendor is a private company owned by Donald T. Scoretz, a director of the Company and as a result the proposed acquisition is a 'related party transaction' under Multilateral Instrument 61-101 ("MI 61-101"). The directors of the Company other than Mr. Scoretz considered, reviewed and approved the acquisition of the Claims and the terms of the Agreement. The proposed transaction is exempt from the formal valuation requirement under MI 61-101 by virtue of sections 5.5(a) and (b) and is exempt from the minority approval requirement by virtue of section 5.7(1)(a) of that instrument. No finder's fees are payable in connection with the proposed transaction. The acquisition of the Claims is expected to occur promptly following receipt of conditional approval of the TSXV.

Emerald Copper Corp. and another company have each located their own mining claims that in part cover the same U.S. public land. Emerald Copper Corp. and the other company are currently involved in a quiet title court action to resolve their claim conflict dispute. As of 31 March 2017 and 27 July 2017, the results of claim conflict dispute and likelihood of the results are not determinable.

b) Resource property expenses

A summary of exploration expenditures for the years ended 31 March 2017 and 2016 are as follows:

EXPLORATION EXPENDITURES		**31 March 2017**		31 March 2016
General Property Search	**$**	**78,284**	$	49,796
Claim Fees		**15,216**		8,170
Total	**$**	**93,500**	$	57,966

7) Related party transactions

Related party transactions and balances not disclosed elsewhere in the consolidated financial statements are as follows:

RELATED PARTY DISCLOSURE

Name and Principal Position	Fiscal Period		Remuneration or fees[i]		Share-based awards		Amounts Payable
Hamilton Investments Ltd - a company controlled by the former CFO, Michael Raftery – management fees	**2017**	**$**	**36,000**	**$**	**-**	**$**	**56,700**
	2016	$	36,000	$	17,016	$	18,900
North American Oil & Minerals Inc. – a company controlled by an interim CEO - management fees	**2017**	**$**	**42,000**	**$**	**-**	**$**	**52,500**
	2016	$	42,000	$	17,016	$	10,500
Emerald Copper Corp – a company controlled by an interim CEO[ii]	**2017**	**$**	**120,810**	**$**	**-**	**$**	**-**
	2016	$	103,015	$	-	$	-
Mark Nesbitt Director	**2017**	**$**	**-**	**$**	**-**	**$**	**-**
	2016	$	-	$	17,016	$	-
Danny Yu Director	**2017**	**$**	**-**	**$**	**-**	**$**	**-**
	2016	$	-	$	17,016	$	-

(i) Amounts disclosed were paid or accrued to the related parties during the years ended 31 March 2017 and 2016.
(ii) Emerald Copper and Napier agreed that the Company will pay expenditures incurred related to Emerald Isle property before the ownership of the property is transferred (refer to Note 5 for details).

The above transactions are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured, non-interest bearing and have no fixed term of repayment except the loan from Michael Raftery mentioned below.

In addition to the amounts shown in the table above, Donald Scoretz and Michael Raftery loaned the Company a total of $103,399 as at 31 March 2017.

Donald Scoretz loaned the Company a total of $10,066 as at 31 March 2017, with no interest. Each loan is unsecured, bears no interest and is repayable on demand by Donald Scoretz.

Michael Raftery loaned the Company a total of $92,325 as at 31 March 2017, with interest of $1,008. Each loan is unsecured and is repayable on demand. In advancing loan, Michael Raftery has incurred interest, fees and other expenses as a result of financial arrangements. The Company wishes to reimburse Michael Raftery for such interest, fees and other expenses incurred on demand by Michael Raftery.

8) Share capital

a) Authorized

The Company is authorized to issue unlimited common shares without par value.

b) Common shares, issued and fully paid

As at 31 March 2017, the Company had 27,237,160 (31 March 2016 – 22,769,660) common shares issued and outstanding. As at 31 March 2017 and 31 March 2016, there were no shares held in escrow.

c) Warrants

There were no warrants outstanding as at 31 March 2017 and 31 March 2016.

d) Share options

During the year, the Company has issued share options to its directors, officers, and consultants. Details of share options outstanding as at 31 March 2017 are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

EXPIRY DATE	GRANT DATE	Exercise Price	31 March 2017	31 March 2016
09 April 2017[(i)]	09 April 2015	0.11	**94,500**	212,000
09 April 2020	09 April 2015	0.11	**1,692,000**	1,692,000
		0.11	**1,786,500**	1,904,000

(i) Company has granted 282,000 options to a consultant. The options have vested quarterly over a 12-month period.

	31 March 2017	31 March 2016
Number of options vested	**70,500**	211,500
Compensation recognized	**$ 103**	$ 16,631

Share option activities during the year are summarized as follows:

SHARE OPTION ACTIVITY	31 March 2017	Weighted average exercise price	31 March 2016	Weighted average exercise price
Balance – beginning of year	**1,904,000**	**$ 0.11**	-	$ -
Granted	**-**	**-**	1,974,000	0.11
Exercised	**(117,500)**	**0.11**	(70,000)	0.11
Balance – end of year	**1,786,500**	**$ 0.11**	1,904,000	$ 0.11

e) Contributed surplus

CONTRIBUTED SURPLUS	31 March 2017	31 March 2016
Balance – beginning of year	**$ 264,450**	$ 151,756
Share based payment	**-**	118,829
Fair value transferred on option exercise	**(6,968)**	(6,135)
Balance – end of year	**$ 257,482**	$ 264,450

f) Share-based payments

No options or warrants were issued during the year ended 31 March 2017. For the year ended 31 March 2016, the Company issued compensation options to its directors and consultants. Share-based compensation occurred as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

		31 March 2017		31 March 2016
Total options granted		-		1,974,000
Average exercise price	**$**	-	$	0.11
Estimated fair value of compensation recognized	**$**	-	$	118,829
Estimated fair value per option	**$**	-	$	0.06

The fair value of the share-based compensation of options to be recognized in the accounts has been estimated using the Black-Scholes Model with the following weighted-average assumptions:

	31 March 2017	31 March 2016
Risk free interest rate	**N/A**	0.68%
Expected dividend yield	**N/A**	-
Expected share price volatility	**N/A**	49%
Expected option life in years	**N/A**	2.5

g) Earnings per share

The calculation of basic loss per share for the year ended 31 March 2017 was based on the loss of $518,945 (2016 – $559,399) and the weighted average number of common shares outstanding of 23,186,146 (2016 – 22,693,548) respectively.

The Company does not have any instruments that would give rise to a dilution effect as of 31 March 2017. The Company has 1,786,500 share options that are anti-dilutive and thus, not included in diluted loss per share as of 31 March 2017.

9) Capital management

The Company's capital structure consists of cash and cash equivalents and shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition and exploration of resource properties and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

10) Segmented information

The Company operates in one operating segment, which is the acquisition, exploration, and development of mineral property interests. The following table provides segmented disclosure on assets and liabilities as reviewed by management regularly:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Rounded to 000's	Canada	United States	Total
31 March 2017			
Current Assets	**$ 704,000**	**$ 10,000**	**$ 714,000**
Resource Properties	**-**	**82,000**	**82,000**
Current Liabilities	**423,000**	**-**	**423,000**
31 March 2016			
Current Assets	$ 12,000	$ 10,000	$ 22,000
Resource Properties Acquisition Costs	-	82,000	82,000
Current Liabilities	221,000	-	221,000

11) Income taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended 31 March 2017 and 2016:

	2017	2016
Loss before taxes	**$ (518,945)**	$ (559,399)
Statutory tax rate	**26%**	26%
Expected tax recovery	**(134,926)**	(145,444)
Differences resulting from:		
Non-deductible items	**24,842**	30,589
Change in deferred tax asset not recognized	**110,084**	114,855
Total income tax expense (recovery)	**$ -**	$ -

The unrecognized deductible temporary differences as at 31 March 2017 and 2016 are comprised of the following:

	2017	2016
Non-capital losses carry forwards (Canada)	**$ 1,929,468**	$ 1,495,813
Net operating losses carry forwards (US)	**262,548**	242,027
Mineral property	**100,841**	96,883
Financing costs	**81,431**	8,868
Total unrecognized deductible temporary differences	**$ 2,374,288**	$ 1,843,591

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2017, the Company has non-capital loss carry forwards in Canada of approximately $1,929,468 (2016: $1,495,813) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2026	$	507
2027		5,736
2028		27,441
2029		57,933
2030		148,388
2031		168,206
2033		201,039
2034		234,328
2035		223,703
2036		427,603
2037		434,584
	$	1,929,468

As at 31 March 2017, the Company has net operating loss carry forwards in the US of approximately $262,548 (2016: $242,027), which may be carried forward to apply against future year income tax for US tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2031	2,598
2032	79,284
2033	45,205
2034	78,391
2035	20,083
2036	22,792
2037	14,195
	262,548

12) Subsequent events

On 10 May 2017, the Company announced that it granted 474,000 incentive stock options pursuant to its Stock Option Plan for its directors, officers, and consultants. The options are exercisable at a price of $0.33 per share for a five-year term. Any shares issued on the exercise of the options are subject to a four-month holding period from the grant date.

On 18 May 2017, Michael Raftery has resigned as Director, Chief Financial Officer and Corporate Secretary of the Company effective immediately.

On 19 May 2017, Grant T. Smith has been appointed as Director and Chief Financial Officer effective immediately.

On July 10, 2017, Lisa Maxwell has been appointed as Corporate Secretary effective immediately.

On July 12, 2017, the Company announced a passing of Mark T.Nesbitt, B.Sc. Geology, LL.B, Law.

Subsequent to the year ended 31 March 2017, 94,500 share purchase options expired unexercised.