



**(An Exploration Stage Company)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016**

**(Expressed in Canadian Dollars)  
(Unaudited – Prepared by Management)**

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of Logan Resources Ltd. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)  
AS AT

	September 30, 2016	March 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,666,908	\$ 163,224
Marketable securities (Note 4)	8,491	3,980
Amounts receivable	10,826	1,774
Prepaid expenses	136,539	6,728
	<u>1,822,764</u>	<u>175,706</u>
<b>DEPOSITS (Note 5)</b>	<b>11,500</b>	<b>11,500</b>
<b>EXPLORATION AND EVALUATION ASSETS (Note 6)</b>	<b>499,609</b>	<b>-</b>
<b>RECLAMATION BOND (Note 6)</b>	<b>23,133</b>	<b>-</b>
	<u>534,242</u>	<u>11,500</u>
	<b>\$ 2,357,006</b>	<b>\$ 187,206</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 70,136	\$ 122,320
Due to related parties (Note 8)	472,065	12,683
	<u>542,201</u>	<u>135,003</u>
<b>DUE TO RELATED PARTY (Note 8)</b>	<b>-</b>	<b>508,954</b>
<b>EQUITY (DEFICIENCY)</b>		
Capital stock (Note 7)	18,677,052	15,914,457
Other equity reserves (Note 7)	1,487,131	1,443,133
Accumulated other comprehensive income	17,280	-
Deficit	<u>(18,366,658)</u>	<u>(17,814,341)</u>
	<b>1,814,805</b>	<b>(456,751)</b>
	<b>\$ 2,357,006</b>	<b>\$ 187,206</b>

Nature of operations and going concern (Note 1)

Approved on November 23, 2016 on behalf of the Board of Directors:

Signed: “Stewart Wallis”

Signed: “Richard Grayston”

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND  
COMPREHENSIVE LOSS**  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	Three Month Periods Ended		Six Month Periods Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
<b>EXPENSES</b>				
Business development	\$ 20,373	\$ 11,004	\$ 66,902	\$ 11,845
Director fees (Note 8)	1,000	1,000	2,000	2,000
Exploration and evaluation (Note 6)	280,121	-	280,121	-
Office, rent and administration	10,367	11,522	13,212	16,843
Professional fees	9,903	3,467	14,633	8,569
Share-based payments (Note 7)	43,998	-	43,998	-
Transfer agent and filing fees	12,445	13,838	14,622	16,337
Travel	5,509	-	5,509	-
Wages and salaries (Note 8)	86,190	14,400	99,598	19,289
Finance income	(1,143)	(21)	(1,163)	(47)
Foreign exchange loss (gain)	2,400	(204)	2,396	(144)
Loss on settlement of debt (Notes 7 and 10)	15,000	-	15,000	-
Impairment of exploration and evaluation assets	-	2,273	-	28,673
Unrealized loss (gain) on marketable securities (Note 4)	(1,043)	600	(4,511)	(2,599)
<b>LOSS FOR THE PERIOD</b>	<b>(485,120)</b>	<b>(57,879)</b>	<b>(552,317)</b>	<b>(100,766)</b>
Cumulative translation adjustment	17,280	-	17,280	-
<b>COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>\$ (467,840)</b>	<b>\$ (57,879)</b>	<b>\$ (535,037)</b>	<b>\$ (100,766)</b>
<b>LOSS PER SHARE</b>				
Basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.02)	\$ (0.01)
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>				
Basic and diluted	32,135,877	15,104,213	23,666,580	15,104,213

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	Six Month Periods Ended September 30,	
	2016	2015
<b>Operating activities:</b>		
Loss for the period	\$ (552,317)	\$ (100,766)
Items not affecting cash:		
Impairment of exploration and evaluation assets	-	28,673
Loss on settlement of debt	15,000	-
Share-based payments	43,998	-
Unrealized gain on marketable securities	(4,511)	(2,599)
Net change in non-cash working capital items:		
Amounts receivable	(9,052)	(6,194)
Prepaid expenses	(129,811)	(2,688)
Accounts payable and accrued liabilities	47,816	(16,192)
Due to related parties	(49,572)	45,391
Cash used in operating activities	<u>(638,449)</u>	<u>(54,375)</u>
<b>Investing activities:</b>		
Purchase of reclamation bond	(23,255)	-
Reclamation of exploration and evaluation assets	-	(84,673)
Cash used in investing activities	<u>(23,255)</u>	<u>(84,673)</u>
<b>Financing activities:</b>		
Issuance of common shares	2,200,000	-
Share issue costs	(38,974)	-
Cash provided by financing activities	<u>2,161,026</u>	<u>-</u>
<b>Net change in cash and cash equivalents during the period</b>	<b>1,499,322</b>	<b>(139,048)</b>
<b>Effect of foreign exchange on cash and cash equivalents</b>	<b>4,362</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>163,224</b>	<b>337,865</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 1,666,908</b>	<b>\$ 198,817</b>
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 314,338	\$ 198,817
Liquid short term investments	1,352,570	-
	<u>\$ 1,666,908</u>	<u>\$ 198,817</u>
<b>Cash received (paid) for:</b>		
Interest	\$ 130	\$ -
Taxes	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 10)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**LOGAN RESOURCES LTD.**  
(An Exploration Stage Company)  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (DEFICIENCY)  
FOR THE SIX MONTH PERIODS ENDED SEPTEMBER 30, 2016 AND 2015  
Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

	CAPITAL STOCK		OTHER EQUITY RESERVES	DEFICIT	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL
	NUMBER	AMOUNT				
<b>Balance, March 31, 2015</b>	<b>15,104,213</b>	<b>\$ 15,914,457</b>	<b>\$ 1,443,133</b>	<b>\$ (17,643,733)</b>	<b>\$ -</b>	<b>(286,143)</b>
Loss for the period	-	-	-	(100,766)	-	(100,766)
<b>Balance, September 30, 2015</b>	<b>15,104,213</b>	<b>\$ 15,914,457</b>	<b>\$ 1,443,133</b>	<b>\$ (17,744,499)</b>	<b>\$ -</b>	<b>(386,909)</b>
<b>Balance, March 31, 2016</b>	<b>15,104,213</b>	<b>\$ 15,914,457</b>	<b>\$ 1,443,133</b>	<b>\$ (17,814,341)</b>	<b>\$ -</b>	<b>(456,751)</b>
Private placement (Note 7)	22,000,000	2,200,000	-	-	-	2,200,000
Share issue costs – cash (Note 7)	-	(38,974)	-	-	-	(38,974)
Common shares issued for finders' fees (Notes 7 and 10)	402,500	46,288	-	-	-	46,288
		(46,288)	-	-	-	(46,288)
Common shares issued for debt (Notes 7 and 10)	1,000,000	115,000	-	-	-	115,000
Common shares issued for exploration and evaluation assets (Notes 6, 7 and 10)	4,231,037	486,569	-	-	-	486,569
Share-based payments (Note 7)	-	-	43,998	-	-	43,998
Loss for the period	-	-	-	(552,317)	-	(552,317)
Translation adjustment	-	-	-	-	17,280	17,280
<b>Balance, September 30, 2016</b>	<b>42,737,750</b>	<b>\$ 18,677,052</b>	<b>\$ 1,487,131</b>	<b>\$ (18,366,658)</b>	<b>\$ 17,280</b>	<b>1,814,805</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Logan Resources Ltd. (the “Company”) is an exploration stage company whose shares trade on the TSX Venture Exchange (“TSX-V” or the “Exchange”) and is in the business of acquiring, exploring and evaluating mineral resource interests in North America. There has been no determination whether properties held contain mineral reserves which are economically recoverable. In the ordinary course of business the Company sells or options property interests to third parties, accepting as consideration cash and/or securities of the acquiring party. The address of the Company’s registered and records office is #1240 – 1140 West Pender Street, Vancouver, British Columbia, Canada, V6E 4G1.

To date, the Company has not earned significant revenues, and is considered to be in the exploration stage.

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards (“IFRS”) on the going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future, and do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon the continued support of its shareholders, obtaining additional financing, and generating revenues sufficient to cover its operating costs. These factors may cast significant doubt that the entity will continue as a going concern.

The Company had working capital of \$1,280,563 as at September 30, 2016, incurred a loss of \$552,317 during the six month period ended September 30, 2016 and had an accumulated deficit of \$18,366,658 as at September 30, 2016 which has been funded primarily by the issuance of equity. With the completion of the private placement, management believes the Company has sufficient funds to meet its administrative overhead costs, planned initial exploration programs and required maintenance expenditures on its exploration and evaluation assets to the end of fiscal year end March 31, 2017. The Company will require additional funding beyond such time to continue exploration activities on the eventually selected Pilot Gold properties and for administrative overhead expenditures. Should the Company be unsuccessful in raising additional funds, then certain discretionary expenditures may be deferred and measures to reduce operating costs will be taken in order to preserve working capital.

### 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

#### Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, *Interim Financial Reporting*. These condensed consolidated interim financial statements follow the same accounting policies and methods of computation as the most recent annual financial statements for the year ended March 31, 2016, which were prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”). Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual financial statements.

#### Basis of Measurement

The condensed consolidated interim financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. The condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise stated.

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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### 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE *(continued)*

#### **Basis of Consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Logan Resources USA, Inc. (“Logan USA”). A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated on consolidation.

The functional currency of the Company is the Canadian dollar and the functional currency of Logan USA is the United States dollar.

#### **Critical Accounting Estimates and Judgments**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

#### Critical Judgments

The preparation of these condensed consolidated interim financial statements requires management to make judgments regarding the going concern of the Company, as previously discussed in Note 1.

#### Key Sources of Estimation Uncertainty

Significant estimates made by management affecting the condensed consolidated interim financial statements include:

##### *Deferred tax assets and liabilities*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company’s ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, development and commercialization of mineral reserves. To the extent that management’s assessment of the Company’s ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

##### *Exploration and evaluation assets*

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.



# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

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### 2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE *(continued)*

#### Key Sources of Estimation Uncertainty *(continued)*

##### *Share-based payments*

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payment expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes Option-Pricing Model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payment expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited financial statements for the year ended March 31, 2016, and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

#### **Foreign Currency Translation**

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency of the Company is the Canadian dollar and the functional currency of Logan USA is the United States dollar.

Accordingly, the accounts of Logan USA are translated into Canadian dollars as follows:

- all of the assets and liabilities are translated at the rate of exchange in effect on the date of the statement of financial position;
- income and expenses are translated at the exchange rate approximating those in effect on the date of the transactions; and
- exchange gains and losses arising from translation are included in accumulated other comprehensive income (loss).

Transactions occurring in currencies other than the functional currency of the entity in question are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Income and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of operations and comprehensive loss.

#### **Recent Accounting Pronouncement**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or the International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning on or after January 1, 2018. The following standard has not yet been adopted by the Company and is being evaluated to determine its impact:

- a) IFRS 9: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

### 4. MARKETABLE SECURITIES

The Company's marketable securities consist of shares held in First Mining Finance Corp. and Inform Resources Corp., both TSX-V listed companies. The shares were issued to the Company as part of option agreements on the Company's Redford and Heidi properties (Note 6).

	First Mining Finance Corp.	Inform Resources Corp.	Total
Cost, March 31, 2015 and 2016 and September 30, 2016	\$ 40,000	\$ 32,500	\$ 72,500
Adjustment to fair value, March 31, 2015	\$ (39,110)	(32,250)	(71,360)
Fair value adjustment for the year	2,965	(125)	2,840
Adjustment to fair value, March 31, 2016	(36,145)	(32,375)	\$ (68,520)
Fair value adjustment for the period	4,336	175	4,511
Adjustment to fair value, September 30, 2016	\$ (31,809)	\$ (32,200)	\$ (64,009)
Fair value at March 31, 2016	\$ 3,855	\$ 125	\$ 3,980
Fair value at September 30, 2016	\$ 8,191	\$ 300	\$ 8,491

### 5. DEPOSITS

As at September 30, 2016, the Company had \$11,500 (March 31, 2016 – \$11,500) as a deposit for a corporate credit card. The deposit is automatically renewed at maturity.

### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Details of exploration and evaluation assets are as follows:

	Heidi	Shell Creek	Pilot Gold	Total
Acquisition costs, March 31, 2015	\$ -	\$ -	\$ -	\$ -
Future reclamation costs	22,483	6,190	-	28,673
Impairment	(22,483)	(6,190)	-	(28,673)
Acquisition costs, March 31, 2016	-	-	-	-
Common shares issued (Notes 7 and 10)	-	-	486,569	486,569
Effect of foreign currency translation	-	-	13,040	13,040
Acquisition costs, September 30, 2016	\$ -	\$ -	\$ 499,609	\$ 499,609

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management  
(Expressed in Canadian Dollars)

### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(continued)*

The Company incurred the following exploration and evaluation expenditures during the six month period ended September 30, 2016:

	Pilot Gold										
	Anchor	Antelope	Brik	Drum	Easter	Griffon	Sandy	Stateline	Viper	Total	
Claim maintenance and staking	\$ 1,455	\$ 52,543	\$ 12,397	\$ 52,945	\$ 7,404	\$ 14,323	\$ 8,691	\$ 16,386	\$ 9,130	\$ 175,274	
Consulting	1,821	4,332	27,932	18,086	913	24,443	1,821	1,821	913	82,082	
Drilling	-	-	622	622	-	-	-	-	-	1,244	
Other	30	41	315	188	17	39	29	29	17	705	
Travel	997	1,453	6,839	7,195	543	1,254	997	997	541	20,816	
Total	\$ 4,303	\$ 58,369	\$ 48,105	\$ 79,036	\$ 8,877	\$ 40,059	\$ 11,538	\$ 19,233	\$ 10,601	\$ 280,121	

The Company did not incur any exploration and evaluation expenditures during the six month period ended September 30, 2015.

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

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### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(continued)*

#### **Pilot Gold Property** (Nevada and Utah, USA)

On July 7, 2016, the Company and Logan USA entered into an option agreement with Pilot Gold (USA) Inc. (“Pilot Gold”) to acquire up to an 80% interest in certain gold mineral exploration properties located in Nevada and Utah, USA (the “Pilot Transaction”). The option agreement provides for the Company to evaluate a total of nine exploration properties over a 12 month period, which include the Anchor, Antelope, Brik, Drum, Easter, Griffon, Sandy, Stateline and Viper properties. At the end of the 12 month period, provided that the initial expenditure requirements detailed below have been met, the Company will select four of the nine properties to earn a 51% interest in those properties (the “Selected Properties”). The remaining five properties will be returned to Pilot Gold. The Pilot Transaction closed on August 18, 2016.

The Company may earn a 51% interest in four of the nine properties by:

- incurring US\$1,000,000 in cumulative exploration expenditures by August 18, 2017 which includes reimbursing Pilot Gold for 100% of the annual holding costs incurred by Pilot Gold prior to August 18, 2016 during the 2016 calendar year;
- issuing common shares of the Company to Pilot Gold equal to 9.9% of the issued and outstanding common shares of the Company after the closing of a concurrent financing (issued) (Notes 7 and 10); and
- selecting four of the nine properties and returning the remaining five properties to Pilot Gold with a minimum of one year of the holding costs paid for by the Company.

The Company can earn a 70% interest in the Selected Properties by incurring additional expenditures of US\$2,000,000 by August 18, 2019 and issuing 1,000,000 common shares of the Company to Pilot Gold.

The Company will then have the additional option to earn an 80% interest in any of the Selected Properties that it completes a prefeasibility study on.

Once the Company earns its 80% interest in a Selected Property, or earlier if the Company has earned at least a 51% or 70% interest and declines to exercise its additional option(s), the Company and Pilot Gold shall form a joint venture and each party will thereafter be responsible for its pro rata share of expenditures on the Selected Property.

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(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management  
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### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(continued)*

#### **Carswell Property** (Saskatchewan)

During fiscal 2005, the Company staked claims on the Carswell Dome Formation, Saskatchewan. Pursuant to a series of option agreements, Alpha Exploration Inc. (“Alpha”), a wholly-owned subsidiary of ALX Uranium Corp., holds an 80% interest in these claims.

The Company shall retain a 20% carried interest in the property and Alpha shall pay, perform and discharge all obligations in respect of the property and maintain the claims in good standing. This carried interest will continue until Alpha:

- a) Delivers a bankable feasibility study to the Company; or
- b) Transfers all of its interest in the property to the Company with no less than 2 years of good standing remaining. If the property reaches a good standing of less than 2 years and no bankable feasibility has been delivered to the Company, the property will automatically revert back to the Company.

After a bankable feasibility study is delivered to the Company, the carried interest in the property will convert to a 20% participating interest, and the Company will be obligated to fund and pay its proportionate share of any further expenditures on the property. If the Company fails to make payments for work carried out on the property, its interest in the property shall revert to a 2% gross overriding royalty and a 2% net smelter returns royalty (“NSR”).

Alpha has not yet provided the Company with a bankable feasibility study.

#### **Heidi Property** (Dawson and Mayo Mining Districts, Yukon Territory)

During fiscal 2008, the Company earned a 100% interest in the property, with certain claims subject to a 2% net smelter return (“NSR”). The Company has the right to purchase 50% of the NSR for \$2,000,000 and a right of first refusal with respect to the purchase of the remaining 50%.

During the year ended March 31, 2015, the Company recorded a provision for future reclamation costs in the amount of \$34,000 with respect to the Heidi Property. During the year ended March 31, 2016, the Company recorded a further provision for future reclamation costs in the amount of \$22,483 as a result of revised estimates. As the Company’s accounting policy is to capitalize estimated future reclamation costs and the Company has no immediate plans to advance the Heidi Property, impairment losses in the amounts of \$22,483 and \$34,000 were recorded during the years ended March 31, 2016 and 2015, respectively.

#### **Redford Property** (Alberni Mining Division, B.C.)

The Company retains a 100% interest in the Redford Property and has no immediate plans to advance the Redford Property.

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unaudited – Prepared by Management

(Expressed in Canadian Dollars)

### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES *(continued)*

#### Shell Creek Property (Dawson Mining District, Yukon Territory)

During fiscal 2008, the Company earned a 100% interest in the Shell Creek Property. Certain claims were acquired pursuant to an option agreement and are subject to a 2% NSR. The Company has the right to purchase 50% of the NSR retained by the optionor for a purchase price of \$2,000,000 and a right of first refusal with respect to the purchase of the remaining 50% of the NSR.

During the year ended March 31, 2015, the Company recorded a provision for future reclamation costs in the amount of \$22,000 with respect to the Shell Creek Property. During the year ended March 31, 2016, the Company recorded a further provision for future reclamation costs in the amount of \$6,190 as a result of revised estimates. As the Company's accounting policy is to capitalize estimated future reclamation costs and the Company has no immediate plans to advance the Shell Creek Property, impairment losses in the amounts of \$6,190 and \$22,000 were recorded during the years ended March 31, 2016 and 2015, respectively.

#### Provision for Future Reclamation Costs

The balance of provision for future reclamation costs is summarized as follows:

	Heidi	Shell Creek	Total
Balance, March 31, 2015	\$ 34,000	\$ 22,000	\$ 56,000
Estimate of reclamation costs	22,483	6,190	28,673
Reclamation costs incurred	(56,483)	(28,190)	(84,673)
Balance, March 31, 2016 and September 30, 2016	\$ -	\$ -	\$ -

The provisions recorded during the years ended March 31, 2016 and 2015 were the undiscounted amount of the estimated cash flows required to settle the obligations. The reclamation was expected to be incurred in the short-term; and therefore the provision also represented the discounted cash flows of the obligation. The reclamation costs were incurred during the year ended March 31, 2016.

#### Reclamation Bond

As at September 30, 2016, the balance of reclamation bond consists of a bond in the amount of US\$17,636 (March 31, 2016 - \$Nil) related to the Pilot Gold properties.

### 7. CAPITAL STOCK AND OTHER EQUITY RESERVES

#### Authorized

Unlimited number of common shares without par value

#### Share Issuances

The Company issued the following common shares during the six month period ending September 30, 2016:

On August 3, 2016, the Company completed a private placement and issued 22,000,000 units for gross proceeds of \$2,200,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share up to August 3, 2019 at an exercise price of \$0.30. The Company issued 402,500 common shares valued at \$46,288 for finders' fees and paid share issue costs in the amount of \$38,974 in connection with the private placement (Note 10).

# LOGAN RESOURCES LTD.

(An Exploration Stage Company)

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### 7. CAPITAL STOCK AND OTHER EQUITY RESERVES (continued)

#### Share Issuances (continued)

On August 3, 2016, the Company issued 1,000,000 common shares valued at \$115,000 to settle amounts payable to a third party in the amount of \$100,000, resulting in a loss on settlement of debt of \$15,000 (Note 10).

On August 18, 2016, the Company issued 4,231,037 common shares valued at \$486,569 and equal to 9.9% of the issued and outstanding common shares of the Company, in accordance with the Pilot Transaction (Notes 6 and 10).

There were no common share issuances during the year ended March 31, 2016.

#### Stock Options

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the “Plan”). The maximum price shall not be less than the closing price of the common shares on the last trading day preceding the date on which the grant of options is approved by the Board of Directors. Options have a maximum expiry period of ten years from the grant date. The number of options that may be issued under the plan is limited to no more than 10% of the Company's issued and outstanding shares immediately prior to the grant.

Pursuant to the stock option plan, options granted in respect of investor relations activities are subject to vesting restrictions, such that one-quarter of the options vest three months from the grant date and in each subsequent three-month period thereafter such that the entire option will have vested twelve months after the award date. Vesting restrictions may also be applied to certain other option grants, at the discretion of the directors.

The following is a summary of stock option activity for the six month period ended September 30, 2016 and the year ended March 31, 2016:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2015 and 2016	-	-
Granted	2,800,000	\$0.12
Outstanding, September 30, 2016	2,800,000	\$0.12
Exercisable, September 30, 2016	-	-

As at September 30, 2016, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life (years)	Expiry Date
2,800,000	-	\$0.12	4.84	August 4, 2021

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### 7. CAPITAL STOCK AND OTHER EQUITY RESERVES (continued)

#### Share-based Payments

The Company recognizes share-based payments expense for all stock options granted using the fair value based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares, forfeiture rate, and expected life of the options. During the six month period ended September 30, 2016, the Company recognized share-based payment expense of \$43,998 (September 30, 2015 - \$Nil).

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. The following weighted average assumptions were used to estimate the weighted average grant date fair values during the six month periods ended September 30, 2016 and 2015:

	Six Month Periods Ended September 30,	
	2016	2015
Risk-free interest rate	0.62%	-
Expected life	5 years	-
Annualized volatility	122.76%	-
Dividend yield	0%	-
Grant date fair value per option	\$0.10	-

#### Share Purchase Warrants

The following is a summary of share purchase warrant activity for the six month period ended September 30, 2016 and the year ended March 31, 2016:

	Number of Share Purchase Warrants	Weighted Average Exercise Price
Outstanding, March 31, 2015 and 2016	-	-
Issued	22,000,000	\$0.30
Outstanding, September 30, 2016	22,000,000	\$0.30

As at September 30, 2016, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
22,000,000	\$0.30	2.84	August 3, 2019



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### 8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the condensed consolidated interim financial statements are summarized below and include transactions with the following individuals or entities:

#### Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Six Month Periods Ended September 30,	
	2016	2015
Short-term benefits <sup>(1)</sup>	\$ 73,774	\$ 7,108
Share-based payments (Note 7)	35,749	-
Total	\$ 109,523	\$ 7,108

<sup>(1)</sup> Includes director fees and base salaries, pursuant to contractual employment or consultancy arrangements.

#### Other Related Parties

King & Bay West Management Corp. ("King & Bay West"): King & Bay West is an entity that is owned by Mark Morabito, a director and officer of the Company, and employs or retains certain directors, officers and consultants of the Company. King & Bay West provided administrative, management, geological, regulatory, tax, legal, accounting, corporate development and corporate communications services to the Company. King & Bay West will continue to provide certain services to the Company in the future.

During the six month period ended September 30, 2016, transactions entered into with King & Bay West, other than key management personnel, amounted to \$134,523 (September 30, 2015 - \$38,122).

As of September 30, 2016, amounts due to related parties include amounts payable to King & Bay West of \$448,892 (March 31, 2016 - \$521,637) which consist of current and non-current amounts payable of \$448,892 (March 31, 2016 - \$12,683) and \$Nil (March 31, 2016 - \$508,954), respectively. The current amount payable to King & Bay West is non-interest bearing, unsecured, and has no fixed terms for payment. The non-current amount payable to King & Bay West as of March 31, 2016 related to a term loan agreement between the Company and King & Bay West which converted amounts payable to King & Bay West in the amount of \$508,954 into a two year term loan, subject to early repayment in the event the Company undergoes a change of control or completes a financing for no less than \$1,000,000 in gross proceeds. During the six month period ended September 30, 2016, the Company completed a private placement for gross proceeds of \$2,200,000 (Note 7), and accordingly the balance was reclassified to current liabilities.

As of September 30, 2016, amounts due to related parties include an amount payable to the Vice President of Exploration of the Company in the amount of \$23,173 (March 31, 2016 - \$Nil) for consulting services. The amount payable is non-interest bearing, unsecured, and has no fixed terms for payment.

### 9. SEGMENTED INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and evaluation of exploration and evaluation assets in North America.

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### 9. SEGMENTED INFORMATION (continued)

	As at September 30, 2016	As at March 31, 2016
<b><u>Deposits</u></b>		
Canada	\$ 11,500	\$ 11,500
<b><u>Exploration and Evaluation Assets</u></b>		
United States	\$ 499,609	\$ -
<b><u>Reclamation Bond</u></b>		
United States	\$ 23,133	\$ -

### 10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company had the following significant non-cash transactions affecting cash flows from investing or financing activities during the six month period ended September 30, 2016:

- On August 3, 2016, the Company issued 402,500 common shares valued at \$46,288 in connection with a private placement (Note 7).
- On August 3, 2016, the Company issued 1,000,000 common shares valued at \$115,000 to settle amounts payable to a third party in the amount of \$100,000, resulting in a loss on settlement of debt of \$15,000 (Note 7).
- On August 18, 2016, the Company issued 4,231,037 common shares valued at \$486,569 in accordance with the Pilot Transaction (Notes 6 and 7).

There were no significant non-cash transactions affecting cash flows from investing or financing activities during the six month period ended September 30, 2015.

### 11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

The Company includes the components of equity (deficiency) in its managed capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt.

The Company's investment policy is to invest its cash in investment instruments with high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the six month period ended September 30, 2016.

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### 12. FINANCIAL INSTRUMENTS

As at September 30, 2016, the Company's financial instruments consist of cash and cash equivalents, marketable securities, amounts receivable, deposits, reclamation bond, accounts payable and accrued liabilities and amounts due to related parties.

The fair value of the Company's amounts receivable, deposits, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, the amount presented on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. Cash and cash equivalents and marketable securities are measured at fair value based on level one quoted prices in active markets for identical assets or liabilities under the fair value hierarchy. The reclamation bond is measured at amortized cost.

The Company's financial instruments are subject to certain risks.

#### **Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and amounts receivable. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash and cash equivalent with high credit quality financial institutions. The Company's policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts. Amounts receivable consist of input tax credits due from the Government of Canada and as such are exposed to insignificant credit risk.

#### **Liquidity Risk**

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. The Company believes it has sufficient cash and cash equivalents to settle current liabilities. In the next twelve months the Company will need additional funding to continue exploration activities on the Pilot Gold properties, and for administrative overhead costs and working capital purposes. See also Notes 1 and 6.

#### **Market Risk**

Market risks consist of interest rate risk, foreign exchange risk and other price risk.

##### Interest rate risk

The Company has cash and cash equivalents balances and no interest bearing debt. The interest earned on cash and cash equivalents approximates fair value rates and therefore the Company is not at a significant risk to fluctuating interest rates.

##### Currency risk

During the six month period ended September 30, 2016, the Company entered into an option agreement with respect to properties located in the United States for which expenditures will be incurred in US dollars, exposing the Company to currency risk (Note 6). The Company's recent financing was in Canadian dollars but any future equity raised may be in either US dollars or Canadian dollars. Approximately 60% of the Company's cash and cash equivalents are held in US dollar bank accounts as of September 30, 2016. A 10% change in the Canadian dollar versus the US dollar would affect the loss of the Company by approximately \$95,000.

# LOGAN RESOURCES LTD.

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### 12. FINANCIAL INSTRUMENTS *(continued)*

#### **Market Risk** *(continued)*

##### Price risk

The Company is exposed to price risk with respect to its investments in publicly traded securities. The Company closely monitors those prices to determine the appropriate course of action to be taken by the Company. There can be no assurance that the Company can exit these positions, if required, resulting in proceeds approximating the carrying value of these securities.

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of gold and precious metals. The Company closely monitors commodity prices and marketable securities to determine the appropriate course of action to be taken.

**Logan Resources Ltd.**  
**Management's Discussion & Analysis**  
**For the Six Month Period Ended September 30, 2016**  
Date Prepared: November 23, 2016

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**GENERAL**

The following management discussion and analysis ("MD&A") for Logan Resources Ltd. (the "Company" or "Logan") for the six month period ended September 30, 2016 should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2016, the Company's unaudited condensed consolidated interim financial statements for the six month period ended September 30, 2016 and the accompanying notes thereto.

All dollar figures presented are expressed in Canadian dollars unless otherwise noted. Financial statements and summary information derived therefrom are prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on [www.sedar.com](http://www.sedar.com).

**FORWARD LOOKING STATEMENTS**

Information set forth in this MD&A may involve forward-looking information under applicable securities laws. Forward-looking information is information that relates to future, not past, events. In this context, forward-looking information often addresses expected future business and financial performance, and often contains words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about anticipated future expenses, the sufficiency of the Company's working capital, the details and timing of future exploration on and the development of the mineral properties, future financings, receipt of the results of exploration programs and the use of financing proceeds contain forward-looking information. By its nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors or promoters with certain other projects; the absence of dividends; competition; dilution; the inability to obtain regulatory approvals; the volatility of our common share price and volume and the additional risks identified in the "Risk Factors" section of this MD&A or other reports and filings with the TSX Venture Exchange and applicable Canadian securities regulators.

In addition, forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of commodities; that the Company can access financing, appropriate equipment and sufficient labour and that the political environment will continue to support the development and operation of mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Forward-looking information is based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking information if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. Investors are cautioned against attributing undue certainty to forward-looking information.

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**DESCRIPTION OF BUSINESS**

The Company is incorporated in the Province of British Columbia and is an exploration stage company engaged in the acquisition, exploration and development of mineral resource properties across North America. The Company is a reporting issuer in British Columbia and Alberta and its shares trade on the TSX Venture Exchange ("TSX-V" or the "Exchange") under the symbol "LGR".

During the six month period ended September 30, 2016, the Company entered into an option agreement with respect to gold mineral exploration properties located in Nevada and Utah, USA and completed a concurrent financing. Refer to "Exploration and Evaluation Assets - Pilot Gold Properties" and "Share Capital" below for further details.

**OUTLOOK**

The Company continues to seek opportunities to increase shareholder value and depends on its ability to raise equity capital to fund its operations. During the six month period ended September 30, 2016, the Company entered into an option agreement and completed a concurrent financing which are detailed in "Exploration and Evaluation Assets - Pilot Gold Properties" and "Share Capital", respectively. The Company intends to use the net proceeds of the financing to evaluate and explore the properties located in Nevada and Utah, USA and for general corporate and working capital purposes. The Company initiated a drilling program at the Brik Property (see "Exploration and Evaluation Assets") in October-2016 and is completing permitting requirements for the Drum Property (see "Exploration and Evaluation Assets") in order to conduct a drilling program in the first half of calendar year 2017.

**EXPLORATION AND EVALUATION ASSETS**

**PILOT GOLD PROPERTIES** (*Nevada and Utah, USA*)

On July 7, 2016, the Company and its wholly owned subsidiary, Logan Resources USA, Inc. ("Logan USA"), entered into an option agreement with Pilot Gold (USA) Inc. ("Pilot Gold") to acquire up to an 80% interest in certain gold mineral exploration properties located in Nevada and Utah, USA (the "Pilot Transaction"). The option agreement provides for the Company to evaluate a total of nine exploration properties over a 12 month period. At the end of the 12 month period, provided that the initial expenditure requirements detailed below have been met, the Company will select four of the nine properties to earn a 51% interest in those properties (the "Selected Properties"). The remaining five properties will be returned to Pilot Gold. The Pilot Transaction closed on August 18, 2016.

The Company may earn a 51% interest in four of the nine properties by:

- incurring US\$1,000,000 in cumulative exploration expenditures by August 18, 2017 which includes reimbursing Pilot Gold for 100% of the annual holding costs incurred by Pilot Gold prior to August 18, 2016 during the 2016 calendar year;
- issuing common shares of the Company to Pilot Gold equal to 9.9% of the issued and outstanding common shares of the Company after the closing of a concurrent financing (issued, see "Share Capital"); and
- selecting four of the nine properties and returning the remaining five properties to Pilot Gold with a minimum of one year of the holding costs paid for by the Company.

The Company can earn a 70% interest in the Selected Properties by incurring additional expenditures of US\$2,000,000 by August 18, 2019 and issuing 1,000,000 common shares of the Company to Pilot Gold.

The Company will then have the additional option to earn an 80% interest in any of the Selected Properties that it completes a prefeasibility study on.

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Once the Company earns its 80% interest in a Selected Property, or earlier if the Company has earned at least a 51% or 70% interest and declines to exercise its additional option(s), the Company and Pilot Gold shall form a joint venture and each party will thereafter be responsible for its pro rata share of expenditures on the Selected Property.

The Company incurred the following exploration and evaluation expenditures on the Pilot Gold properties during the six month period ended September 30, 2016:

	Pilot Gold									Total
	Anchor	Antelope	Brik	Drum	Easter	Griffon	Sandy	Stateline	Viper	
Claim maintenance and staking	\$ 1,455	\$ 52,543	\$ 12,397	\$ 52,945	\$ 7,404	\$ 14,323	\$ 8,691	\$ 16,386	\$ 9,130	\$ 175,274
Consulting	1,821	4,332	27,932	18,086	913	24,443	1,821	1,821	913	82,082
Drilling	-	-	622	622	-	-	-	-	-	1,244
Other	30	41	315	188	17	39	29	29	17	705
Travel	997	1,453	6,839	7,195	543	1,254	997	997	541	20,816
<b>Total</b>	<b>\$ 4,303</b>	<b>\$ 58,369</b>	<b>\$ 48,105</b>	<b>\$ 79,036</b>	<b>\$ 8,877</b>	<b>\$ 40,059</b>	<b>\$ 11,538</b>	<b>\$ 19,233</b>	<b>\$ 10,601</b>	<b>\$ 280,121</b>

A brief description of the nine properties included in the Pilot Transaction follows below.

Griffon

The Griffon property is a past producer consisting of 89 claims located along Nevada's Cortez Trend. Approximately 100,000 gold ounces were mined by Alta Gold, from two pits in the 1990s.

Griffon is located at the southern end of the Battle Mountain - Eureka Trend and is a typical Carlin-type sediment-hosted gold property. Disseminated gold mineralization occurs in siltstone and shale of the Mississippian Chainman Formation and in a sequence of fine-grained limestone and siltstone interpreted to represent an upper member of the Mississippian Joana Limestone.

Past exploration on the Griffon property focused on discovery and delineation of the two distinct historic gold deposits. Very little exploration work was done on peripheral targets after the initial discoveries.

The property has been permitted for 30 drill holes and a bond is in place. Targets include known extensions to the existing pits and other anomalies as defined by soil and rock geochemistry.

For further information on the Griffon Property, please refer to the NI 43-101 Technical Report on the Griffon Property dated June 1, 2016 which was filed by the Company on SEDAR on August 15, 2016 ([www.sedar.com](http://www.sedar.com)).

Brik

The Brik property is located in the Eastern Calderas and was previously drilled by Pilot Gold in 2011. The property is a volcanic-hosted, low-sulphidation epithermal gold system with oxide gold mineralization exposed in outcrop in at least five distinct target areas. One of these, the Hidden Treasure Zone, is being tested as part of a drilling program which commenced in October 2016 and was completed in November 2016. It consisted of eight reverse circulation drill holes totalling approximately 1,380 meters. Results are expected in January 2017.

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Drum

The Drum property is located in the Drum Mountains of west-central Utah, adjacent to the historic Drum mine property which operated between 1984 and 1989 and produced over 126,000 ounces of gold from two distinct "Carlin-type" gold deposits that averaged 0.04 ounce Au per ton (1.37g/t Au).

The property has been mapped and sampled and drill targets have been identified in five areas on the property based on rock and soil geochemistry. Lower Cambrian carbonate and fine-grained clastic strata are the projected host rocks in all of these target areas.

Gold in surface samples is strongly associated with silicification (jasperoid). This is similar to the historic Drum Mine, where gold-bearing jasperoid outcrops occur in the vicinity of the main deposit, in which the host rocks consist of strongly clay-altered strata and altered dikes. On the claims, gold concentrations in outcrops of jasperoid and variably silicified breccias are commonly between 0.10 and 1.00 ppm, with a maximum of 5.2 ppm Au. Antimony and bismuth display the strongest correlations with anomalous gold.

The Company is in the process of permitting for the purpose of conducting a 2,150 meter reverse circulation drilling program, planned for the first half of calendar year 2017.

Easter

The Easter property is located in Nevada's Eastern Calderas. The property contains a historical mineral resource estimate which is set out in the table below.

<b>Resource Classification</b>	<b>AuEq Cut-off (ppm)</b>	<b>Tons (M)</b>	<b>AuEq (ppm)</b>	<b>Au (ppm)</b>	<b>Ag (ppm)</b>	<b>Au Contained (k oz)</b>	<b>Ag Contained (k oz)</b>
Indicated	0.35	2.64	1.542	1.323	14	101.7	1,077
Inferred		0.20	1.321	1.142	12	6.7	71

The mineral resource estimate was the subject of a technical report prepared by SRK Consulting for La Quinta Resource Corp. and dated July 13, 2010. **However, a qualified person for the Company has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources.** In order to verify the historical estimate, the Company needs to retain a qualified person to review the historical data, review any work completed on the property since the date of the estimate and complete a new technical report.

The SRK mineral resource estimation was based on a geologic model of mineralization hosted within a 0.3ppm Au grade shell constructed using Leapfrog® software. The grade shell was used to constrain the resource estimation within a block model constructed with 15ft cubic blocks. The raw drill assays were capped prior to compositing into 15ft bench composites. Gold was capped at 6.5ppm and silver was capped at 70ppm. The grade estimation used an inverse distance squared weighting algorithm. A two pass estimation was run for both gold and silver. The first pass assigned grade to all blocks hosting a composite. The second pass was allowed to search within the grade shell to a maximum of 200ft down dip, 150ft along strike and 30ft across strike and dip. A minimum of three and maximum of eight composites were used with a restriction of only two samples per octant to assign grade.

The resources were classified according to CIM guidelines as Indicated and Inferred Mineral Resources. The Indicated Mineral Resource was defined by a wireframe solid constructed about the core of the mineralization where most drilling is spaced 25 to 50ft apart. All blocks located outside of this solid were classified as Inferred Mineral Resources.



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Antelope

The Antelope property consists of 47 unpatented federal lode claims located along Nevada's Long Canyon Trend. Gold-bearing jasperoid of variable thickness occurs locally in the silicified zone and disseminated gold mineralization also occurs locally in the upper Simonson Dolomite. 138 shallow drill holes were drilled by previous operators.

Anchor

The Anchor property is located along the Cortez Trend and has demonstrated gold mineralization at a relatively shallow depth. Previous surface sampling and drilling suggest that Anchor contains a sediment-hosted, Carlin-type gold system.

Stateline

The Stateline property is also situated within the Eastern Calderas and has demonstrated high grades for gold and silver at surface. There are a large number of veins present and the property is a historic producer.

Sandy

The Sandy property is a sediment-hosted gold property located in Southern Nevada and consists of 54 claims and has returned high grade surface samples. The property was staked due to structural and stratigraphic similarities to the Long Canyon, Kinsley Mountain and Bald Mountain properties.

Viper

The Viper property is located in Northeastern Nevada and represents an emerging off-trend gold district.

**REDFORD** (*British Columbia, Canada*)

The Company retains a 100% interest in the Redford Property which comprises 30 claims covering approximately 11,986 hectares and is located 22 km northeast of Ucluelet on Vancouver Island. Several types of mineralization are found on the property including iron skarns, gold in quartz veins, copper-cobalt in skarn deposits, copper-platinum-palladium in Karmutsen volcanics, and gold-hosted epithermal quartz veins associated with shear zones.

The Redford Property hosts the Brynnor iron (magnetite) deposit. From 1962-1967, Noranda Exploration Ltd. mined the near surface portion of the iron ore body by open pit methods. The underground extension to this ore body was never mined.

No exploration work was completed on the Redford Property during the six month period ended September 30, 2016 or year ended March 31, 2016. The Company has no current plans to advance the Redford Property and continues to evaluate its strategic options with respect to the property.

**SHELL CREEK** (*Yukon, Canada*)

The Company owns a 100% interest in the Shell Creek Property, subject to a 2% net smelter royalty ("NSR"). The property is located 75 km northwest of Dawson City, in the Dawson Mining District, in West-Central Yukon Territory and comprises 561 mineral claims, covering 11,727 hectares.

The property lies adjacent to the Tintina Fault, a major structure associated with several high-grade mineral deposits. Shell Creek lies on the margin of a 600 km<sup>2</sup> magnetic anomaly, along which IOCG type mineral potential is recognized. The property also hosts an 8 km<sup>2</sup> copper soil geochemical anomaly along the margin of the largest gravity anomaly in the Yukon.

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No exploration work was completed on the Shell Creek Property during the six month period ended September 30, 2016 or year ended March 31, 2016. The Company has no current plans to advance the Shell Creek Property and is currently evaluating its strategic options with respect to the property.

**HEIDI** (*Yukon, Canada*)

The Heidi Property comprises 120 claims, covering approximately 2,508 hectares, and is located approximately 95 km east-northeast of Dawson City, Yukon Territory and approximately 30 km east of the Dempster Highway. The Company owns a 100% interest in the Heidi Property, subject to a 2% NSR.

No exploration work was completed on the Heidi Property during the six month period ended September 30, 2016 or year ended March 31, 2016. The Company has no current plans to advance the Heidi Property and continues to evaluate its strategic options with respect to the property.

**CARSWELL DOME** (*Saskatchewan, Canada*)

In fiscal 2005, the Company staked the 7,552 hectare Gorilla Lake Property consisting of two claims on the Carswell Dome Structure, Athabasca Basin, Saskatchewan. The property is currently under option to Alpha Exploration Inc. ("Alpha"), a wholly-owned subsidiary of ALX Uranium Corp. ("ALX"). Pursuant to a series of option agreements, Alpha holds an 80% in the property.

The Company retains a 20% carried interest in the property and Alpha shall pay, perform and discharge all obligations in respect of the property and maintain the claims in good standing. This carried interest will continue until Alpha:

- a) Delivers a bankable feasibility study to the Company; or
- b) Transfers all of its interest in the property to the Company with no less than 2 years of good standing remaining. If the property reaches a good standing of less than 2 years, and no bankable feasibility study has been delivered to the Company, the property will automatically revert back to the Company.

After a bankable feasibility study is delivered to the Company the carried interest in the property will convert to a 20% participating interest and the Company will be obligated to fund and pay its proportionate share of any further expenditures on the property. If the Company fails to make payments for work carried out on the property, its interest in the property shall revert to a 2% gross overriding royalty and a 2% net smelter returns royalty.

Alpha has not yet provided the Company with a bankable feasibility study and the current reporting period ended with all claims remaining in good standing. On March 30, 2016, ALX announced the completion of a geophysical program at the Gorilla Lake Property. ALX's news release is available on SEDAR ([www.sedar.com](http://www.sedar.com)). Alpha has indicated that a drill program will be conducted by the winter of 2017.

**NATIONAL INSTRUMENT 43-101**

The Company's exploration work on its United States mineral properties is supervised by Dr. Craig Bow, Ph.D., Vice President of Exploration of the Company, and a Qualified Person ("QP") as defined by National Instrument 43-101 ("NI 43-101"). Dr. Bow has reviewed and approved the technical information disclosed in this MD&A.

With respect to the Company's Canadian mineral properties, C. Stewart Wallis, P.Geo and a director of the Company has reviewed and approved the technical information disclosed in this MD&A.

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**REVIEW OF FINANCIAL RESULTS**

**Results of Operations**

During the six month period ended September 30, 2016, the Company reported a loss of \$552,317 (\$0.02 per share) compared to a loss of \$100,766 (\$0.01 per share) for the same period of the prior year which represents an increase of \$451,551. The increase in net loss for the six month period ended September 30, 2016 is attributable to the completion of the Pilot Transaction and related increases in corporate and exploration activities.

During the six month period ended September 30, 2016, the Company incurred business development expenses in the amount of \$66,902 (September 30, 2015 - \$11,845). The increase in business development expenses for the six month period ended September 30, 2016 in the amount of \$55,057 is a result of the Company evaluating and completing due diligence procedures prior to closing the Pilot Transaction. Business development expenses for the six month period ended September 30, 2016 included personnel costs and the cost of site visits. During the six month period ended September 30, 2015, the Company incurred business development expenses in the amount of \$11,845 in connection with contemplating a reverse takeover transaction which was not completed.

Director fees remained consistent at \$2,000 for each of the six month periods ended September 30, 2016 and 2015 and related to compensation paid to the Chair of the Audit Committee.

During the six month period ended September 30, 2016, the Company incurred exploration and evaluation expenses of \$280,121 (September 30, 2015 - \$Nil) which related to the Pilot Gold properties and included claim maintenance and staking of \$175,274 (September 30, 2015 - \$Nil), consulting of \$82,082 (September 30, 2015 - \$Nil), drilling preparation of \$1,244 (September 30, 2015 - \$Nil), other costs of \$705 (September 30, 2015 - \$Nil) and travel costs of \$20,816 (September 30, 2015 - \$Nil). For additional detail and a breakdown of exploration and evaluation expenses on a property by property basis, refer to "Exploration and Evaluation Assets - Pilot Gold Properties".

Office, rent and administration expenses decreased by \$3,631 during the six month period ended September 30, 2016 compared to the same period of the prior year due to changes in usage of shared office space.

During the six month period ended September 30, 2016, the Company incurred professional fees of \$14,633 (September 30, 2015 - \$8,569) which related to accounting, audit and legal fees. The increase in professional fees of \$6,064 for the six month period ended September 30, 2016 related to the Pilot Transaction.

During the six month period ended September 30, 2016, the Company recognized share-based payment expense of \$43,998 (September 30, 2015 - \$Nil) as a result of granting 2,800,000 stock options during the period.

Transfer agent and filing fees for the six month period ended September 30, 2016 in the amount of \$14,622 (September 30, 2015 - \$16,337) remained consistent with the previous period and related to regulatory costs to maintain a publicly traded company.

The Company incurred travel expenses for the six month period ended September 30, 2016 in the amount of \$5,509 (September 30, 2015 - \$Nil) and related to the attendance of officers at conferences during the period.

Wages and salaries for the six month period ended September 30, 2016 amounted to \$99,598 (September 30, 2015 - \$19,289). The increase in wages and salaries of \$80,309 incurred in the six month period ended September 30, 2016 compared to the same period of the prior year is attributable to increased corporate activities to support business development and exploration activities.

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During the six month period ended September 30, 2016, the Company recorded finance income in the amount of \$1,163 (September 30, 2015 - \$47) related to accrued interest income from short term investments. The increase in finance income of \$1,116 for the six month period ended September 30, 2016 is explained by the increase in cash and cash equivalents balances subsequent to the Company completing equity financing during the period.

During the six month period ended September 30, 2016, the Company recorded a foreign exchange loss of \$2,396 (September 30, 2015 – gain of \$144) as a result of an increased number of US dollar transactions during the period.

During the six month period ended September 30, 2016, the Company recorded a loss on settlement of debt in the amount of \$15,000 in relation to 1,000,000 common shares valued at \$115,000 which were issued to settle third party debt with a carrying value of \$100,000. The details of the debt settlement are summarized in “Share Capital”.

During the six month period ended September 30, 2015, the Company recorded an impairment of exploration and evaluation assets in the amount of \$28,673 in relation to the Heidi and Shell Creek properties and capitalized reclamation costs.

The Company recorded an unrealized gain on marketable securities held during the six month period ended September 30, 2016 in the amount of \$4,511 (September 30, 2015 - \$2,599) as a result of period end fair value adjustments.

**SUMMARY OF QUARTERLY RESULTS**

	<b>Q2 September 30, 2016</b>	<b>Q1 June 30, 2016</b>	<b>Q4 March 31, 2016</b>	<b>Q3 December 31, 2015</b>
Loss for the period	\$ (485,120)	\$ (67,197)	\$ (38,752)	\$ (31,090)
Loss per share (basic and diluted)	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	<b>Q2 September 30, 2015</b>	<b>Q1 June 30, 2015</b>	<b>Q4 March 31, 2015</b>	<b>Q3 December 31, 2014</b>
Loss for the period	\$ (57,879)	\$ (42,887)	\$ (79,819)	\$ (42,412)
Loss per share (basic and diluted)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)

During the quarter ended September 30, 2016, the Company incurred an increased loss as a result of increased corporate and exploration activities with respect to the Pilot Transaction subsequent to completing a private placement for gross proceeds of \$2,200,000. Prior to the second quarter of fiscal 2017, the Company maintained low levels of expenditures while searching for new opportunities. During the quarters ended September 30, 2015, June 30, 2015 and March 31, 2015, the Company recorded impairment of exploration and evaluation assets which explains the increased losses reported for those periods.

The Company expects that its loss will increase over the upcoming quarters as a result of closing the Pilot Transaction and the associated property holding costs and work programs that will be undertaken on the properties located in Nevada and Utah, USA.

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**SECOND QUARTER**

**Results of Operations**

During the three month period ended September 30, 2016, the Company reported a loss of \$485,120 or \$0.02 per share, compared to a loss of \$57,879 or \$Nil per share for the three month period ended September 30, 2015. The increase in net loss for the three month period ended September 30, 2016 is attributable to the completion of the Pilot Transaction and related increases in corporate and exploration activities.

During the three month period ended September 30, 2016, the Company incurred business development expenses in the amount of \$20,373 (September 30, 2015 - \$11,004) as a result of the Company evaluating and completing due diligence procedures with respect to the Pilot Transaction. Business development expenses for the three month period ended September 30, 2016 included personnel costs and the cost of site visits.

Director fees remained consistent at \$1,000 for each of the three month periods ended September 30, 2016 and 2015. Director fees in the amount of \$1,000 per quarter are paid to the Chair of the Audit Committee.

During the three month period ended September 30, 2016, the Company incurred exploration and evaluation expenses of \$280,121 (September 30, 2015 - \$Nil) which related to the Pilot Gold properties, which are detailed on a property by property basis under the heading "Exploration and Evaluation Assets - Pilot Gold Properties".

Office, rent and administration expenses decreased by \$1,155 during the three month period ended September 30, 2016 compared to the same period of the prior year due to changes in usage of shared office space.

During the three month period ended September 30, 2016, the Company incurred professional fees of \$9,903 (September 30, 2015 - \$3,467) which related to accounting, audit and legal fees. The increase in professional fees of \$6,436 for the three month period ended September 30, 2016 related to the Pilot Transaction.

During the three month period ended September 30, 2016, the Company recognized share-based payment expense of \$43,998 (September 30, 2015 - \$Nil) as a result of granting 2,800,000 stock options during the period.

Transfer agent and filing fees for the three month period ended September 30, 2016 in the amount of \$12,445 (September 30, 2015 - \$13,838) remained consistent with the previous period and related to regulatory costs to maintain a publicly traded company.

The Company incurred travel expenses for the three month period ended September 30, 2016 in the amount of \$5,509 (September 30, 2015 - \$Nil) and related to the attendance of officers at conferences during the period.

Wages and salaries for the three month period ended September 30, 2016 amounted to \$86,190 (September 30, 2015 - \$14,400), representing an increase of \$71,790 which related to increased corporate activities to support business development and exploration activities.

During the three month period ended September 30, 2016, the Company recorded finance income in the amount of \$1,143 (September 30, 2015 - \$21) related to accrued interest income from short term investments. The increase in finance income of \$1,122 for the three month period ended September 30, 2016 is explained by the increase in cash and cash equivalents balances subsequent to the Company completing equity financing during the period.

During the three month period ended September 30, 2016, the Company recorded a foreign exchange loss of \$2,400 (September 30, 2015 – gain of \$204) as a result of an increased number of US dollar transactions during the period.

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During the three month period ended September 30, 2016, the Company recorded a loss on settlement of debt in the amount of \$15,000 in relation to 1,000,000 common shares valued at \$115,000 issued to settle third party debt with a carrying value of \$100,000. The details of the debt settlement are summarized in "Share Capital".

During the three month period ended September 30, 2015, the Company recorded an impairment of exploration and evaluation assets in the amount of \$2,273 in relation to the Heidi property and capitalized reclamation costs.

The Company recorded an unrealized gain on marketable securities held during the three month period ended September 30, 2016 in the amount of \$1,043 (September 30, 2015 - unrealized loss of \$600) as a result of period end fair value adjustments.

**LIQUIDITY AND CAPITAL RESOURCES**

**Cash Flows**

As at September 30, 2016, the Company had cash and cash equivalents of \$1,666,908 (March 31, 2016 - \$163,224) and working capital of \$1,280,563 (March 31, 2016 - \$40,703). The increase in working capital of \$1,239,860 is due to a private placement completed for gross proceeds of \$2,200,000 during the six month period ended September 30, 2016, net of the loss for the period of \$552,317 and the classification of amounts due to a related party of \$508,954 as current liabilities which were previously presented as non-current liabilities.

At present the Company has no producing properties and consequently has no current operating income or cash flows. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. See "Risk Factors".

During the six month period ended September 30, 2016, the Company completed a private placement for gross proceeds of \$2,200,000. The Company is required to spend US\$1 million (including the reimbursement of holding costs to Pilot Gold) in exploration expenditures on the Nevada and Utah properties within 12 months after the closing of the Pilot Transaction which occurred in August 2016. With the completion of the private placement, management believes the Company has sufficient funds to meet its administrative overhead costs, planned initial exploration programs on the Brik and Drum properties and required maintenance expenditures on its exploration and evaluation assets to the end of fiscal year end March 31, 2017. These expenditures are expected to enable the Company to satisfy the majority of the requirements to earn 51% interest of four of the nine eventually selected Pilot Gold properties. The Company has sufficient funds to complete the 51% earn-in requirement; however, it will require additional funding beyond such time to continue exploration activities on the eventually selected Pilot Gold properties and for administrative overhead expenditures and working capital purposes.

The Company's cash flows for the six month periods ended September 30, 2016 and 2015 are summarized as follows:

	<b>September 30, 2016</b>	<b>September 30, 2015</b>
Cash used in operating activities	\$ (638,449)	\$ (54,375)
Cash used in investing activities	(23,255)	(84,673)
Cash provided by financing activities	2,161,026	-
Change in cash and cash equivalents during the period	1,499,322	(139,048)
Effect of foreign exchange on cash and cash equivalents	4,362	-
Cash and cash equivalents, beginning of the period	163,224	337,865
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 1,666,908</b>	<b>\$ 198,817</b>

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Operating Activities

Cash used in operating activities adjusts loss for the period for non-cash items including, but not limited to, impairment of assets, loss on settlement of debt, share-based payments and unrealized gains and losses. Cash used in operating activities also reflects changes in working capital items, such as amounts receivable, prepaid expenses and amounts payable, which fluctuate in a manner that does not necessarily reflect predictable patterns for the overall use of cash, the generation of which depends almost entirely on sources of external financing to fund operations.

The increase in cash used in operating activities for the six month period ended September 30, 2016 compared to the same period of the prior year is directly attributable to the increased loss for the period, as discussed in detail in "Review of Financial Results".

Investing Activities

Cash used in investing activities for the six month period ended September 30, 2016 amounted to \$23,255 which consisted of a reclamation bond purchased during the period.

Cash used in investing activities for the six month period ended September 30, 2015 amounted to \$84,673 which consisted of reclamation costs with respect to the Heidi and Shell Creek properties.

Financing Activities

Cash provided by financing activities for the six month period ended September 30, 2016 amounted to \$2,161,026 which consisted of the issuance of common for gross proceeds of \$2,200,000, net of cash share issue costs in the amount of \$38,974.

There was no cash provided by or used in financing activities for the six month period ended September 30, 2015.

**STATEMENT OF FINANCIAL POSITION INFORMATION**

	<b>As at September 30, 2016</b>	<b>As at March 31, 2016</b>
Cash and cash equivalents	\$ 1,666,908	\$ 163,224
Marketable securities	8,491	3,980
Amounts receivable	10,826	1,774
Prepaid expenses	136,539	6,728
Deposits	11,500	11,500
Exploration and evaluation assets	499,609	-
Reclamation bond	23,133	-
<b>Total Assets</b>	<b>\$ 2,357,006</b>	<b>\$ 187,206</b>
Accounts payable and accrued liabilities	\$ 70,136	\$ 122,320
Due to related parties	472,065	521,637
Capital stock	18,677,052	15,914,457
Other equity reserves	1,487,131	1,443,133
Accumulated other comprehensive income	17,280	-
Deficit	(18,366,658)	(17,814,341)
<b>Total Liabilities and Equity (Deficiency)</b>	<b>\$ 2,357,006</b>	<b>\$ 187,206</b>

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**Assets**

Cash and cash equivalents increased by \$1,503,084 during the six month period ended September 30, 2016 as a result of completing a private placement for net proceeds of \$2,161,026 which funded operating and investing activities, as described in detail in "Liquidity and Capital Resources".

During the six month period ended September 30, 2016, marketable securities increased by \$4,511 as a result of fair value adjustments at period end for common shares of First Mining Finance Corp. and Inform Resources Corp. held by the Company. There were no additions to or disposals of marketable securities during the six month period ended September 30, 2016.

Amounts receivable increased by \$9,052 during the six month period ended September 30, 2016 as a result of GST input tax credits paid, net of GST refunds received.

During the six month period ended September 30, 2016, prepaid expenses increased by \$129,811 in relation to annual insurance premiums, software licenses and claim maintenance for the Pilot Gold properties, net of amortization.

There was no change in the balance of deposits during the six month period ended September 30, 2016. The deposits are held in relation to the Company's corporate credit card.

During the six month period ended September 30, 2016, exploration and evaluation assets increased by \$499,609 as a result of the Company issuing 4,231,037 common shares of the Company valued at \$486,569 in accordance with the Pilot Transaction and the effect of foreign currency translation of \$13,040. Refer to "Share Capital".

During the six month period ended September 30, 2016, the Company purchased a reclamation bond in the amount of \$23,133 related to the Pilot Gold properties.

**Liabilities**

Accounts payable and accrued liabilities decreased by \$52,184 during the six month period ended September 30, 2016 as a result of issuing 1,000,000 common shares of the Company to settle amounts due to a third party with a carrying value of \$100,000, as discussed in "Share Capital". This debt settlement was partially offset by additional amounts payable as the Company's corporate and exploration activities increased during the period.

During the six month period ended September 30, 2016, the amounts due to related parties decreased by \$49,572 due to the Company applying partial payments to outstanding balances, net of continued monthly services and shared facilities provided by King & Bay West. Refer to "Related Party Transactions" for further discussion of related party balances and transactions.

**Equity**

During the six month period ended September 30, 2016, capital stock increased by \$2,762,595 as a result of completing a private placement and issuing common shares for debt and exploration and evaluation properties, net of share issue costs. Refer to "Share Capital" for additional detail.

Other equity reserves increased by \$43,998 during the six month period ended September 30, 2016 due to share-based payment expense related to stock options granted during the period.

As of September 30, 2016, the balance of accumulated other comprehensive income in the amount of \$17,280 relates to the foreign currency translation of Logan USA which was incorporated during the period.



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Deficit increased by the loss for the six month period ended September 30, 2016 in the amount of \$552,317.

**SHARE CAPITAL**

The Company's authorized capital consists of an unlimited number of common shares without par value, and it has securities outstanding as follows:

<b>Security Description</b>	<b>September 30, 2016</b>	<b>Date of report</b>
Common shares	42,737,750	42,737,750
Director, employee and contractor options	2,800,000	2,800,000
Warrants to purchase shares	22,000,000	22,000,000
<b>Fully diluted shares</b>	<b>67,537,750</b>	<b>67,537,750</b>

The Company issued the following common shares during the six month period ending September 30, 2016:

On August 3, 2016, the Company completed a private placement and issued 22,000,000 units for gross proceeds of \$2,200,000. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share until August 3, 2019 at an exercise price of \$0.30. The Company issued 402,500 common shares valued at \$46,288 for finders' fees and paid share issue costs in the amount of \$38,974 in connection with the private placement.

On August 3, 2016, the Company issued 1,000,000 common shares valued at \$115,000 to settle amounts payable to a third party in the amount of \$100,000, resulting in a loss on settlement of debt of \$15,000.

On August 18, 2016, the Company issued 4,231,037 common shares valued at \$486,569 and equal to 9.9% of the issued and outstanding common shares of the Company, in accordance with the Pilot Transaction.

There were no common share issuances during the year ended March 31, 2016.

**RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the accompanying unaudited condensed consolidated interim financial statements are summarized below and include transactions with the following individuals or entities:

**Key Management Personnel**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	<b>Six Month Periods Ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
Short-term benefits <sup>(1)</sup>	\$ 73,774	\$ 7,108
Share-based payments	35,749	-
<b>Total</b>	<b>\$ 109,523</b>	<b>\$ 7,108</b>

<sup>(1)</sup> Includes director fees and base salaries, pursuant to contractual employment or consultancy arrangements.

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**Other Related Parties**

King & Bay West Management Corp.: King & Bay West is an entity that is owned by Mr. Mark J. Morabito, a director and officer of the Company, and employs or retains certain directors, officers and consultants of the Company. King & Bay West provides administrative, management, geological, regulatory, accounting, tax, legal, corporate development and corporate communications services to the Company. These services are provided to the Company on an as-needed basis and are billed based on the cost or value of the services provided to the Company. The fees are consistent with what King & Bay West charges its clients for similar services. The amount set out below represents amounts paid or accrued for King & Bay West services, personnel and overhead and third party costs incurred by King & Bay West on behalf of the Company.

During the six month period ended September 30, 2016, transactions entered into with King & Bay West, other than key management personnel, amounted to \$134,523 (September 30, 2015 - \$38,122).

As of September 30, 2016, amounts due to related parties include amounts payable to King & Bay West of \$448,892 (March 31, 2016 - \$521,637) which consist of current and non-current amounts payable of \$448,892 (March 31, 2016 - \$12,683) and \$Nil (March 31, 2016 - \$508,954), respectively. The current amount payable to King & Bay West is non-interest bearing, unsecured, and has no fixed terms for payment. The non-current amount payable to King & Bay West as of March 31, 2016 related to a term loan agreement between the Company and King & Bay West which converted amounts payable to King & Bay West in the amount of \$508,954 into a two year term loan, subject to early repayment in the event the Company undergoes a change of control or completes a financing for no less than \$1,000,000 gross proceeds. During the six month period ended September 30, 2016, the Company completed a private placement for gross proceeds of \$2,200,000 and accordingly the balance was reclassified to current liabilities.

As of September 30, 2016, amounts due to related parties include an amount payable to Dr. Craig Bow, the Vice President of Exploration of the Company, in the amount of \$23,173 (March 31, 2016 - \$Nil) for consulting services. The amount payable is non-interest bearing, unsecured, and has no fixed terms for payment.

Transactions with related parties were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

**CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, equity, income, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Critical Judgments

The preparation of financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1 of the accompanying unaudited condensed consolidated interim financial statements.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

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Significant estimates made by management affecting the accompanying unaudited condensed consolidated interim financial statements include:

*Deferred tax assets and liabilities*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

*Exploration and evaluation assets*

The Company is in the process of exploring and evaluating its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

*Share-based payments*

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based payment expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes Option-Pricing Model. The fair value of the options is recognized over the vesting period of the options granted as both share-based payment expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

**ACCOUNTING POLICIES**

For a complete summary of the Company's accounting policies and new accounting standards to be adopted, see Note 3 of the accompanying unaudited condensed consolidated interim financial statements for the six month period ended September 30, 2016.

**RISK FACTORS**

The exploration of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Certain of the more immediate risk factors are listed below:

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**Exploration, Evaluation and Development**

Mineral exploration, evaluation and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved.

The commercial viability of a mineral deposit is also dependent upon a number of factors, some of which are beyond the Company's control such as, commodity prices, exchange rates, government policies and regulation and environmental protection.

**Financing**

The Company does not currently have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The Company is therefore dependent upon debt and equity financing to carry out its exploration and evaluation plans. There can be no assurance that such financing will be available to the Company. In the future, the Company will require additional funding to maintain its mineral properties in good standing. The lack of additional financing could result in delay or indefinite postponement of further exploration and possible, partial, or total loss of the Company's interest in its exploration and evaluation assets.

**Commodity Price Volatility**

The market prices for commodities are volatile. The Company does not have any control over such prices or volatility. There is no assurance that if commercial quantities of mineralization are discovered a profitable market will exist for a production decision to be made or for the ultimate sale of production at a profit. As the Company is currently not in production, no sensitivity analysis for price changes has been provided.

**The Company has a history of losses and expects to incur losses for the foreseeable future**

The Company has incurred losses since its inception and expects to incur losses for the foreseeable future. The Company expects to continue to incur losses unless and until such time as one of its mineral projects enters into commercial production and generates sufficient revenues to fund continuing operations. The exploration and development of a mineral project will require the commitment of substantial financial resources. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration, evaluation and development, the results of consultant analysis and recommendations, the rate at which operating losses are incurred, the execution of any agreements with strategic partners and our acquisition of additional properties. Some of these factors are beyond the Company's control. There can be no assurance that the Company will ever achieve profitability.

**Share Price Volatility**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations that have not been necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur. It may be anticipated that any quoted market for our common shares will be subject to market trends generally, notwithstanding any potential success in creating revenues, cash flows or earnings. The value of the Company's common shares will be affected by such volatility.

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**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**FINANCIAL INSTRUMENTS**

The fair value of the Company's amounts receivable, deposits, accounts payable and accrued liabilities, and amounts due to related parties approximate their carrying value, the amount presented on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. Cash and cash equivalents and marketable securities are measured at fair value based on level one quoted prices in active markets for identical assets or liabilities under the fair value hierarchy. The reclamation bond is measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

**Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents and amounts receivable. The risk arises from the non-performance by counterparties of contractual financial obligations. To minimize credit risk, the Company places cash and cash equivalents with high credit quality financial institutions. The Company's policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts. Amounts receivable consist of input tax credits due from the Government of Canada and as such are exposed to insignificant credit risk.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash on hand. The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. The Company does not have investments in any asset backed deposits. As a result of financing completed during the six month period ended September 30, 2016, management believes the Company has sufficient funds to meet its administrative overhead costs, planned initial exploration programs on the Brik and Drum properties and required maintenance expenditures on its exploration and evaluation assets to the end of fiscal year end March 31, 2017. The Company will require additional funding beyond such time to continue exploration activities on the eventually selected Pilot Gold properties and for administrative overhead expenditures and working capital purposes.

**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices and foreign exchange rates.

Interest Rate Risk

The Company has cash and cash equivalents balances and no interest bearing debt. The interest earned on cash and cash equivalents approximates fair value rates and therefore the Company is not at a significant risk to fluctuating interest rates.

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Price Risk

The Company is exposed to price risk with respect to its investments in publicly traded securities. The Company closely monitors those prices to determine the appropriate course of action to be taken by the Company. There can be no assurance that the Company can exit these positions, if required, resulting in proceeds approximating the carrying value of these securities.

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of gold and precious metals. The Company closely monitors commodity prices and marketable securities to determine the appropriate course of action to be taken.

Currency Risk

During the six month period ended September 30, 2016, the Company entered into an option agreement with respect to properties located in the United States for which expenditures will be incurred in US dollars, exposing the Company to currency risk. The Company's recent financing was in Canadian dollars but any future equity raised may be in either US dollars or Canadian dollars. Approximately 60% of the Company's cash and cash equivalents are held in US dollar bank accounts as of September 30, 2016. A 10% change in the Canadian dollar versus the US dollar would affect the loss of the Company by approximately \$95,000.

**SUBSEQUENT EVENTS**

There were no reportable events subsequent to the six month period ended September 30, 2016.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**APPROVAL**

The Board of Directors of Logan Resources Ltd. has approved the disclosure contained in this MD&A.