Valterra Resource
CORPORATION

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Condensed Consolidated Interim Financial Statements
Six Months Ended June 30, 2017 and 2016
(Expressed in Canadian Dollars)
(Unaudited)

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NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2017, and comparatives for the six months ended June 30, 2016, were prepared by management and have not been reviewed or audited by the Company's auditors.

Valterra Resource Corporation

(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Comprehensive Loss
Six Months Ended June 30, 2017 and 2016
(Expressed in Canadian Dollars, Unaudited)

	Note	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating Expenses					
Administration	6	$ 15,000	$ -	$ 30,000	$ -
Consulting	6	6,412	3,000	12,141	6,000
Exploration and evaluation	5 & 6	31,629	-	65,801	-
Investor relations	6	21,573	-	68,530	1,946
Office and general	6	9,027	2,325	13,719	3,371
Professional fees	6	34,139	17,273	52,763	17,273
Regulatory fees and taxes		2,996	3,302	10,580	8,502
Share-based payments	7	-	-	201,803	-
Shareholders' communications		400	-	988	147
Transfer agent		587	626	1,932	1,263
		121,763	**26,526**	**458,257**	**38,502**
Foreign exchange gain		(256)	-	(256)	-
Reversal of flow-through premium	10	-	-	(728)	-
		(256)	**-**	**(984)**	**-**
Net Loss and Comprehensive Loss for the Period		**$ 121,507**	**$ 26,526**	**$ 457,273**	**$ 38,502**
Loss per share - basic and diluted		$ 0.00	$ 0.00	$ 0.01	$ 0.00
Weighted average number of common shares outstanding		62,390,140	32,735,925	62,390,140	32,735,925

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

Valterra Resource Corporation
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars, Unaudited)

As at	Note		June 30 2017		December 31 2016
Assets					
Current					
Cash	9	$	273,592	$	534,194
Receivables			4,413		20,118
Prepaids			5,601		2,785
			283,606		**557,097**
Non-current					
Mineral properties	5		197,924		194,197
Reclamation bond			12,000		12,000
			209,924		**206,197**
		$	**493,530**	**$**	**763,294**
Liabilities					
Current					
Accounts payable and accrued liabilities		$	461,909	$	460,902
Due to related parties	6		40,660		55,961
			502,569		**516,863**
Equity (Deficit)					
Share capital	7		13,371,398		13,371,398
Share-based payments reserve			427,677		225,874
Warrant reserve			201,290		201,290
Deficit			(14,009,404)		(13,552,131)
			(9,039)		**246,431**
		$	**493,530**	**$**	**763,294**

Approved on behalf of the Board

"Lawrence Page"	*"Edward Odishaw"*
Lawrence Page, Q.C. Director	Edward Odishaw Director

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

Valterra Resource Corporation

(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Changes in Equity (Deficit)
Six Months Ended June 30, 2017 and 2016
(Expressed in Canadian Dollars, Unaudited)

	Share Capital		Share-based			Total
	Number of Shares	Amount	Payments Reserve	Warrant Reserve	Deficit	Equity (Deficit)
Balance as at December 31, 2015	**32,735,925**	**$ 12,212,977**	**$ 237,867**	**$ -**	**$ (12,952,109)**	**$ (501,265)**
Expiry of options and warrants	-	-	(1,971)	-	1,971	-
Net loss	-	-	-	-	(38,502)	(38,502)
Balance as at June 30, 2016	**32,735,925**	**$ 12,212,977**	**$ 235,896**	**$ -**	**$ (12,988,640)**	**$ (539,767)**
Balance as at December 31, 2016	**62,390,140**	**$ 13,371,398**	**$ 225,874**	**$ 201,290**	**$ (13,552,131)**	**$ 246,431**
Share-based payments	-	-	201,803	-	-	201,803
Net loss	-	-	-	-	(457,273)	(457,273)
Balance as at June 30, 2017	**62,390,140**	**$ 13,371,398**	**$ 427,677**	**$ 201,290**	**$ (14,009,404)**	**$ (9,039)**

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

Valterra Resource Corporation

(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
Six Months Ended June 30, 2017 and 2016
(Expressed in Canadian Dollars, Unaudited)

		2017		2016
Operating Activities				
Net loss	$	(457,273)	$	(38,502)
Items not involving cash:				
Reversal of flow-through premium		(728)		-
Share-based payments		201,803		-
		(256,198)		(38,502)
Changes in Non-Cash Working Capital				
Receivables		15,705		9,258
Prepaids		(2,816)		-
Accounts payable and accrued liabilities		1,735		23,692
Due to related parties		(15,301)		6,000
		(677)		38,950
Cash (Used in) Provided by Operating Activities		**(256,875)**		**448**
Investing Activities				
Acquisition of mineral property		(3,727)		-
Cash (Used in) Provided by Investing Activities		**(3,727)**		**-**
Financing Activities				
Loans received from related parties		-		1,000
Cash Provided by Financing Activities		**-**		**1,000**
(Decrease) Increase in Cash During the Period		**(260,602)**		**1,448**
Cash, Beginning of the Period		534,194		-
Cash, End of the Period	$	**273,592**	$	**1,448**

Supplemental cash flow information (Note 9)

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

1. Nature of Operations and Going Concern

Valterra Resource Corporation (the "Company") was incorporated in Alberta on September 26, 1996, continued to the Yukon on May 8, 1997 and subsequently to British Columbia on February 22, 2008. The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements. The Company's registered office is 1710 - 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their exploration and development, and establish future profitable operations, or realize proceeds from their sale. The carrying value of the Company's mineral properties does not reflect present or future value.

These condensed consolidated interim financial statements were prepared on a 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. As at June 30, 2017, the Company had a working capital deficit of $218,963 (December 31, 2016 - working capital of $40,234). The Company incurred a net loss of $457,273 for the six months ended June 30, 2017 (2016 - $38,502) and had an accumulated deficit of $14,009,404 as at June 30, 2017 (December 31, 2016 - $13,552,131).

As at June 30, 2017, the Company does not have sufficient capital to meet the requirements for its administrative overhead or maintaining its mineral interests. The Company has relied mainly upon the issuance of share capital to finance its activities. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company will be required to issue share capital to finance future activities through private placements and the exercise of options and warrants. There can be no assurance that such financing will be available to the Company and, therefore, a material uncertainty exists that casts significant doubt over the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not include the adjustments to assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustment could be material.

2. Basis of Preparation

These condensed consolidated interim financial statements were prepared in accordance with International Accounting Standards 34: *Interim Financial Reporting* using historical cost, except for cash flow information and financial instruments measured at fair value, and incorporate the financial statements of the Company and Valterra Resource (US) Corporation, an entity wholly-controlled by the Company incorporated in Nevada, USA. All intercompany transactions and balances have been eliminated upon consolidation. The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

2. Basis of Preparation, continued

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2016.

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

3. Summary of Significant Accounting Policies

In addition to below, the same accounting policies are used in the preparation of these condensed consolidated interim financial statements as for the most recent audited annual financial statements and reflect all the adjustments necessary for fair presentation in accordance with International Financial Reporting Standards of the results for the interim periods presented.

Control

Management consolidates all entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

Foreign Currency Translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

(i) Monetary assets and liabilities, at the rate of exchange in effect as at the reporting date;
(ii) Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
(iii) Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

4. Financial Instruments

The Company's financial instruments include cash, reclamation bond, accounts payable and accrued liabilities and due to related parties.

The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Property

Mineral property acquisition costs as at June 30, 2017, were as follows:

	Swift Katie $	Weepah $	Total $
Balance as at December 31, 2015	-	-	-
Additions	194,197	-	194,197
Balance as at December 31, 2016	194,197	-	194,197
Additions	-	3,727	3,727
Balance as at June 30, 2017	**194,197**	**3,727**	**197,924**

Swift Katie

Pursuant to an agreement dated July 21, 2006, as amended, Manex Resource Group Inc. ("Manex"), a private company controlled by a director of the Company, acquired an option to purchase the property located near Salmo, British Columbia. The option was subsequently assigned by Manex to the Company for $2,500.

The property is subject to a 3% net smelter royalty ("NSR") of which the Company has the option to purchase one-half (1.5%) for $1,000,000 per 1% and the option to purchase a further one-sixth (0.5%) for an additional $1,500,000 at any time prior to the commencement of commercial production.

Beginning December 31, 2010 and annually thereafter, the Company is required to make an annual advance minimum royalty ("AMR") payment of $50,000. These payments will be adjusted annually according to the Consumer Price Index base of December 31, 2006 and are deductible from future NSR payments.

In addition to the NSR and the AMR, if the Company completes a positive feasibility study, the Company will issue 250,000 common shares to the optionors and if the Company achieves commercial production, the Company will issue 500,000 common shares to the optionors.

Weepah

Pursuant to an agreement dated June 23, 2017, the Company has the right to acquire a 100% interest in certain unpatented and patented mining claims in Esmeralda County, Nevada. To acquire the interest, the Company is required to make the following payments:

- US$100,000 at closing (paid via issuance of 2,598,680 common shares on July 6, 2017);
- US$100,000 on June 23, 2018 (which may be paid in common shares);
- US$200,000 on June 23, 2019;
- US$200,000 on June 23, 2020; and
- US$400,000 on June 23, 2021.

(Expressed in Canadian Dollars, Unaudited)

5. Mineral Properties, continued

Weepah, continued

The property is subject to NSR royalties totaling 3% of which the Company may reduce to 2% for US$2,500,000. AMR payments will be due upon the anniversary of the option exercise as follows: US$25,000 on first, second and third anniversaries, and US$35,000 on subsequent anniversaries.

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the six months ended June 30, 2017 and 2016, were as follows:

	Swift Katie		**Weepah**		**Total**	
	$	**$**	**$**	**$**	**$**	**$**
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Assays and analysis	17,842	-	508	-	**18,350**	**-**
Equipment rental and field supplies	1,748	-	-	-	**1,748**	**-**
Geological services	334	-	19,821	-	**20,155**	**-**
Project supervision	23,133	-	2,415	-	**25,548**	**-**
	43,057	**-**	**22,744**	**-**	**65,801**	**-**

6. Related Party Balances and Transactions

Except as disclosed elsewhere in these condensed consolidated interim financial statements, the Company entered into the following related party transactions:

(a) Fees were charged by a company controlled by a director and officer of the Company as follows:

- $30,000 (2016 - $nil) for office space and administration services;
- $6,141 (2016 - $nil) for consulting services;
- $16,000 (2016 - $nil) for professional services;
- $28,090 (2016 - $nil) for investor relations services;
- $17,673 (2016 - $nil) for geological consulting services; and
- $4,177 (2016 - $nil) for mark-up on out of pocket expenses.

Accounts payable as at June 30, 2017 were $32,696 (December 31, 2016 - $21,939).

(b) Fees in the amount of $14,212 (2016 - $nil) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, mineral property expenditures and share issue costs where applicable. Amounts payable as at June 30, 2017 were $4,373 (December 31, 2016 - $16,862).

(Expressed in Canadian Dollars, Unaudited)

6. Related Party Balances and Transactions, continued

(c) Fees in the amount of $6,000 (2016 - $6,000) were charged by an officer of the Company for consulting services. Amounts payable as at June 30, 2017 were $1,050 (December 31, 2016 - $1,000).

(d) Fees in the amount of $7,875 (2016 - $nil) were charged by a company controlled by a director of the Company for geological consulting services. Amounts payable as at June 30, 2017 were $788 (December 31, 2016 - $16,160).

(e) Fees in the amount of US$1,350 (2016 - US$nil) were charged by a director of the Company (appointed on May 29, 2017) for geological consulting services. Amounts payable as at June 30, 2017 were $1,753 (US$1,350) (December 31, 2016 - $nil).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits.

A summary of compensation awarded to key management, including amounts in (c) and (e) above, was as follows:

		2017		**2016**
Short-term benefits	$	7,816	$	6,000
Share-based payments		115,316		-
Total	$	123,132	$	6,000

7. Share Capital

(a) Authorized

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Stock Options

On March 27, 2017, a total of 4,200,000 fully vested stock options, exercisable for a period of five years with an exercise price of $0.05 per share, were granted to directors, officers and consultants.

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(b) Stock Options, continued

Stock options outstanding and exercisable as at June 30, 2017 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2016	Granted	Balance June 30, 2017
$0.10	July 19, 2017	445,000	-	445,000
$0.12	December 17, 2017	1,265,000	-	1,265,000
$0.17	March 1, 2018	100,000	-	100,000
$0.05	March 27, 2022	-	4,200,000	4,200,000
		1,810,000	**4,200,000**	**6,010,000**
Weighted average exercise price		$0.12	$0.05	$0.07
Weighted average contractual life remaining (years)		0.87		3.43

(c) Share Purchase Warrants

Share purchase warrants outstanding as at June 30, 2017 were as follows:

Exercise Price	Expiry Date	Balance December 31, 2016	Expired	Balance June 30, 2017
$0.05	February 20, 2019	3,105,000	-	3,105,000
$0.05	February 21, 2017	785,650	785,650	-
$0.05	June 10, 2019	1,000,000	-	1,000,000
$0.05	August 12, 2017	100,000	-	100,000
$0.10	October 5, 2021	16,584,000	-	16,584,000
$0.10	October 5, 2021	3,545,000	-	3,545,000
$0.10	October 5, 2021	120,000	-	120,000
$0.05	November 14, 2017	350,000	-	350,000
$0.10	December 29, 2021	2,815,107	-	2,815,107
$0.10	December 29, 2021	105,600	-	105,600
		28,510,357	**785,650**	**27,724,707**
Weighted average exercise price		$0.09	$0.05	$0.09
Weighted average contractual life remaining (years)		3.94		3.85

(Expressed in Canadian Dollars, Unaudited)

7. Share Capital, continued

(d) Fair Value Determination

The weighted average fair value of options granted was $0.05 (2016 - $nil). Fair values were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2017
Risk-free interest rate	1.09%
Expected share price volatility	183.59%
Expected life (years)	5.00
Expected dividend yield	0.00%

The expected volatility assumptions have been developed taking into consideration historical volatility of the Company's share price. The total calculated fair value of share-based payments recognized was as follows:

		2017
Condensed Consolidated Interim Statements of Comprehensive Loss		
Directors and officers	$	115,316
Consultants		86,487
Total	$	201,803

8. Segmented Information

The Company has one operating segment, the acquisition and exploration of mineral properties. As at June 30, 2017, the Company's non-current assets were located in Canada ($206,197) and the United States of America ($3,727).

9. Supplemental Cash Flow Information

		2017		2016
Cash comprised of:				
Cash	$	27,524	$	-
Cash reserved for flow-through expenditures		246,068		-
Total Cash	$	273,592	$	-
Cash Items				
Income tax paid	$	-	$	-
Interest paid		-		-
Interest received		-		-

10. Flow-through Expenditures

As at June 30, 2017, the Company had completed its remaining commitment to incur qualifying Canadian Exploration Expenditures of $7,278 with respect to a private placement of flow-through shares completed during October 2016.

As at June 30, 2017, the Company had completed $35,443 of qualifying Canadian Exploration Expenditures with respect to a private placement of flow-through shares completed during December 2016. The Company has a remaining commitment of $246,068 to be incurred by December 31, 2017.

11. Events after the Reporting Period

Other than the transactions disclosed elsewhere in these condensed consolidated interim financial statements, the following occurred subsequent to June 30, 2017:

- On July 19, 2017, a total of 445,000 stock options with an exercise price of $0.10 per share expired unexercised.

- On August 12, 2017, a total of 100,000 share purchase warrants with an exercise price of $0.05 per share expired unexercised.

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Management's Discussion and Analysis
For the Six Months Ended June 30, 2017
Dated: August 28, 2017

A. Introduction

The following Management's Discussion and Analysis ("MD&A") of the consolidated operating results and financial condition of Valterra Resource Corporation (the "Company") is for the six months ended June 30, 2017, and is dated August 28, 2017. This MD&A was prepared to conform to National Instrument 52-102F1 and was approved by the Board of Directors prior to its release. This analysis should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the six months ended June 30, 2017, and the Company's audited financial statements for the year ended December 31, 2016, and the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company's functional and presentation currency is the Canadian dollar and all amounts included herein are in Canadian dollars, unless otherwise indicated.

The Company's shares are listed on the TSX Venture Exchange ("VQA.V"), the Frankfurt Stock Exchange ("3VA.F") and the OTCQB Marketplace ("VRSCF").

Additional information relating to the Company, including detailed drill results previously disclosed in news releases, is available on the Company's website at valterraresource.com and on SEDAR at sedar.com.

B. Qualified Persons

Robert Macdonald, MSc. P. Geo., is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development program at Swift Katie. Mr. Macdonald graduated with a B.Sc. degree from Memorial University of Newfoundland and a M.Sc. from the University of British Columbia. His work has focused on vein and intrusive-related gold systems and massive sulfide deposits.

Joseph A. Kizis, Jr., AIPG Certified Professional Geologist No. CPG-11513, is the qualified person as defined by National Instrument 43-101 responsible for the technical information included in this MD&A and the supervision of work done in association with the exploration and development program at Weepah. Mr. Kizis graduated from University of Colorado with a M.S. in Geology and from Kent State University with a B.S. in Geology, and has many years of experience in minerals exploration both with major mining and junior exploration companies.

C. Conversion Tables

Precious metal units and conversion factors

ppb	- Part per billion	1	ppb	=	0.0010	ppm	=	0.000030	oz/t
ppm	- Part per million	100	ppb	=	0.1000	ppm	=	0.002920	oz/t
oz	- Ounce (troy)	10,000	ppb	=	10.0000	ppm	=	0.291670	oz/t
oz/t	- Ounce per ton (avdp.)	1	ppm	=	1.0000	ug/g	=	1.000000	g/tonne
g	- Gram								
g/t	- Gram per metric ton	1	oz/t	=	34.2857	ppm			
mg	- Milligram	1	Carat	=	41.6660	mg/g			
kg	- Kilogram	1	ton (avdp.)	=	907.1848	kg			
ug	- Microgram	1	oz (troy)	=	31.1035	g			

D. Summary of Mineral Properties

The Company's principal business activities include the acquisition, exploration, and development of natural resource properties for enhancement of value and disposition pursuant to sales agreements or development by way of third party option and/or joint venture agreements.

Swift Katie

The property consists of 19 contiguous MTO mineral claims, covering over 83 square kilometres and is located near Salmo, British Columbia. The area has hosted several important mining districts and is underlain by rocks considered very favourable for the discovery of gold-quartz veins and porphyry-style mineralization.

During December 2016, the Company completed six NQ2-sized diamond drill holes, totaling 1,954 metres, at the Swift Zone on two high-priority targets. The drill targets were prioritized from a series of gold anomalies identified from an earlier infill soils and reconnaissance rock sampling program which re-evaluated prospects from historical 1980s work and 2014 drilling.

Results of the 2016 program are tabulated below and include two near-surface zones from hole SK16-011, drilled adjacent to historical collar 87-6.

Hole #	Collar Data			From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
	Az Deg	Dip Deg	Depth (m)					
SK16-006	125	-50	341.50	310.6	312.4	1.8	0.32	9.1
SK16-007	000	-90	343.81	27.3	28.2	0.9	0.28	4.6
				162.1	162.5	0.4	**2.13**	**4.1**
				243.3	244.2	0.9	0.20	3.5
SK16-008	000	-90	352.96	22.8	23.8	1.0	0.18	5.9
				336.3	337.9	1.5	0.31	**13.3**
SK16-009	325	-50	302.51	252.8	253.9	1.2	0.71	1.1
				259.5	262.0	2.5	0.55	0.9
SK16-010	000	-90	404.88	215.0	216.0	1.0	0.29	1.2
				223.0	224.0	1.0	0.58	0.5
				311.4	312.1	0.7	0.50	9.0
SK16-011	360	-50	208.18	41.0	47.6	6.6	**0.96**	0.6
				incl 46.2	47.6	1.4	**2.33**	1.2
				50.9	53.5	2.5	**0.95**	1.8
				62.3	69.8	7.5	0.44	0.2

Reported intervals are core lengths, true widths undetermined. Core samples were prepared and analyzed at Bureau Veritas Labs in Vancouver BC. Accuracy of results is tested through the systematic inclusion of QA/QC standards, blanks and duplicates.

The mineralized intervals in SK16-011 are found within a broader +80 metre downhole zone of strongly foliated and quartz-carbonate-altered volcanic rock and tested the target structure approximately 30 metres down-dip and to the southeast of historical drilling in the area.

D. Summary of Mineral Properties, continued

Swift Katie, continued

Historical drill results include*:

- 10m averaging 1.83g/t Au from hole 87-6, *including* 2.0m grading 5.15g/t Au;
- 1.5m grading 1.43g/t Au from hole 87-7; and
- 3.6m averaging 1.27g/t Au from hole 87-8.

** Historical assay results have not been verified and should not be relied upon as such.*

The gold zone in hole SK16-011 crops out on surface and was one of two principal areas, approximately 600 metres apart, targeted with surface rock, trenching and drilling by Falconbridge Mines in the late 1980's. Mineralized outcrop with strong quartz-sericite-carbonate alteration extends beyond these two areas, forming a NE-SW trending zone measuring approximately 2,500 metres long.

Historical mapping of the zone reported variable gold-bearing quartz + quartz-carbonate veins within strongly propylitic and mixed areas of intense carbonate-silica-sericite and limonite alteration. Past work by Falconbridge included soil sampling, prospecting, geophysics, over thirty mechanical trenches and eight widely-spaced diamond drill holes totaling 892 metres. The historical trenching identified five areas of strongly anomalous gold mineralization (>0.5g/t Au over +10 metres) with higher grade results of up to 8.5g/t Au and 100g/t Au which will be the continued focus of follow-up exploration on the property.

In July 2017, the Company announced the start of exploration on the property. Eight core holes totalling 1,361 metres were completed during the course of the exploration program which tested the near-surface gold potential of portions of a 2,500 metre long alteration zone that extends through the southern Swift part of the property. Drilling successfully tested a 500 metre strike-length of the target structure in seven of eight drill holes. Assays are pending.

Exploration results to date support the Company's belief that a widespread gold-enriched, vein system exists at the Swift target and a large alkali porphyry system exists at the Katie target. Further work will be designed to continue to expand the known mineral systems and to evaluate several other targets that remain to be tested on the property.

Weepah

The property consists of 76 lode mining claims and one patented claim, totaling approximately 590 hectares, and is accessible from Highway 95 approximately 32 kilometres southwest of the town of Tonopah, Nevada. The property lies within the prolific Walker Lane Gold belt in western Nevada and is surrounded by active advanced exploration and development gold projects with growing mineral resources and reserves.

Historical production occurred from shallow underground mines and a small open pit during two separate time intervals. From 1935 to 1939, Weepah Nevada Mining Co. produced gold from 305,000 metric tonnes grading 5.8g/t. From 1986 to 1987, Sunshine Mining Co. produced at various grades approximately 60,000 oz. of additional gold with accessory silver. Historic production figures are from several published and unpublished company reports; however, a qualified person has not done sufficient work to verify these grades and tonnages, and the Company cautions that these historic production figures should not be relied upon.

D. Summary of Mineral Properties, continued

Weepah, continued

Gold mineralization occurs within two broad shear zones. The western shear zone was exploited by the small open pit and adjacent underground workings. The eastern shear zone was exploited by historic workings and was extended by recent drilling. The zones have been traced for several hundred meters along strike and variably down dip. Portions of the shear zones are exposed at surface or in workings and portions have been traced by widely spaced drill holes beneath shallow gravel cover, which is generally less than 10 metres to 30 metres thick. Vein textures and geochemistry suggest the mineralization is similar to many other mesothermal vein deposits along the western margin of North America.

Work conducted by the Company to date includes data compilation, 3D modeling, and identification of drill targets. Confirmation sampling in the open pit yielded results similar to those reported by others and highlights include:

- South Pit face - Chip-channel samples of up to 3m of 9.01 g/t Au and 7m of 5.67 g/t Au in two adjacent samples,
- North Pit face - Chip-channel samples of up to 8m of 3.50 g/t Au and 1.2m of 2.81 g/t Au in two adjacent samples, and
- Center of Pit – A float sample returned 16.2g/t Au and 10.6g/t Ag.

Historic data provided with the property includes various geophysical surveys, geological mapping, bedrock sampling, interpretation of satellite imagery, and 4,300 metres in twenty-four reverse circulation drill holes. Based on historic drilling, CSAMT & magnetics, the two approximate 50-metre-wide mineralized structural zones have a combined strike potential of approximately 2,000 metres. Other advantages of the property include excellent infrastructure, low topography, and minimal cultural and environmental concerns.

The Company is planning an initial 2,250 metre drill program consisting of five fences along the two identified shear zones, with each fence consisting of three drill holes each for a total of fifteen holes. Additional sampling is planned to identify other potential shear zones and zoning patterns that have been indicated by multi-element geochemistry from very limited surface sampling.

Acquisition Costs

Mineral property acquisition costs as at June 30, 2017, were as follows:

	Swift Katie **$**	**Weepah** **$**	**Total** **$**
Balance as at December 31, 2015	-	-	-
Additions	194,197	-	194,197
Balance as at December 31, 2016	194,197	-	194,197
Additions	-	3,727	3,727
Balance as at June 30, 2017	**194,197**	**3,727**	**197,924**

D. Summary of Mineral Properties, continued

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures incurred for the six months ended June 30, 2017 and 2016, were as follows:

	Swift Katie		**Weepah**		**Total**	
	$	**$**	**$**	**$**	**$**	**$**
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Assays and analysis	17,842	-	508	-	**18,350**	**-**
Equipment rental and field supplies	1,748	-	-	-	**1,748**	**-**
Geological services	334	-	19,821	-	**20,155**	**-**
Project supervision	23,133	-	2,415	-	**25,548**	**-**
	43,057	**-**	**22,744**	**-**	**65,801**	**-**

E. Results of Operations

The Company incurred a net loss and comprehensive loss of $457,273 for the six months ended June 30, 2017 (2016 - $38,502). A summary of variances is as follows:

	2017	**2016**	**Change**
	$	**$**	**$**
Administration	30,000	-	30,000
Consulting	12,141	6,000	6,141
Exploration and evaluation	65,801	-	65,801
Investor relations	68,530	1,946	66,584
Office and general	13,719	3,371	10,348
Professional fees	52,763	17,273	35,490
Regulatory fees and taxes	10,580	8,502	2,078
Share-based payments	201,803	-	201,803
Shareholders communications	988	147	841
Transfer agent	1,932	1,263	669
Foreign exchange gain	(256)	-	(256)
Reversal of flow-through premium	(728)	-	(728)

Differences in administration, consulting, investor relations, office and general and professional fees arose partly as a result of reinstatement of charges for such service fees (G - *Related Party Transactions*).

As per the Company's mandate to acquire, explore, and develop mineral resource properties, the Company finalized an initial drill program and commenced planning activities for the next phase at Swift Katie and completed initial assessment work at Weepah (*D - Summary of Mineral Properties*).

E. Results of Operations, continued

Investor relations costs also increased due to the engagement of external investor relations consultants and increased activity associated with on-going financing and promotional initiatives.

Non-cash share-based payments expense was recognized with respect to fully vested stock options that were granted to directors, officers and consultants.

A flow-through share premium that related to a private placement of flow-through shares was reversed upon completion of the qualifying expenditure.

F. Summary of Quarterly Results

The following financial data was derived from the Company's financial statements for the last eight quarters:

	Jun 30 2017 $	Mar 31 2017 $	Dec 31 2016 $	Sept 30 2016 $	Jun 30 2016 $	Mar 31 2016 $	Dec 31 2015 $	Sept 30 2015 $
Net loss	121,507	335,766	420,038	163,957	26,526	11,976	374,759	8,020
Basic and diluted loss per share	$0.00	$0.01	$0.01	$0.01	$0.00	$0.00	$0.01	$0.00

Due to the nature of its current operations, the Company earned no revenue during the periods presented. Quarterly fluctuations mainly relate to mineral property exploration expenditures and impairments which occur as projects are identified and results are analyzed or other indicators arise. Significant impairment charges were recognized in the three months ended December 31, 2015. Costs increased in the three months ended September 30, 2016 and onward as a result of reinstatement of charges for certain fees (*G - Related Party Transactions*). A significant share-based payments expense was recognized in the three months ended March 31, 2017 with respect to a grant of fully vested stock options.

G. Related Party Transactions

The Company entered into the following related party transactions during the six months ended June 30, 2017:

(a) Fees were charged by a company controlled by a director and officer of the Company as follows:

- $30,000 (2016 - $nil) for office space and administration services;
- $6,141 (2016 - $nil) for consulting services;
- $16,000 (2016 - $nil) for professional services;
- $28,090 (2016 - $nil) for investor relations services;
- $17,673 (2016 - $nil) for geological consulting services; and
- $4,177 (2016 - $nil) for mark-up on out of pocket expenses.

Accounts payable as at June 30, 2017 were $32,696 (December 31, 2016 - $21,939).

G. Related Party Transactions, continued

(b) Fees in the amount of $14,212 (2016 - $nil) were charged by a law firm controlled by a director and officer of the Company and included in professional fees, mineral property expenditures and share issue costs where applicable. Amounts payable as at June 30, 2017 were $4,373 (December 31, 2016 - $16,862).

(c) Fees in the amount of $6,000 (2016 - $6,000) were charged by an officer of the Company for consulting services. Amounts payable as at June 30, 2017 were $1,050 (December 31, 2016 - $1,000).

(d) Fees in the amount of $7,875 (2016 - $nil) were charged by a company controlled by a director of the Company for geological consulting services. Amounts payable as at June 30, 2017 were $788 (December 31, 2016 - $16,160).

(e) Fees in the amount of US$1,350 (2016 - US$nil) were charged by a director of the Company (appointed on May 29, 2017) for geological consulting services. Amounts payable as at June 30, 2017 were $1,753 (US$1,350) (December 31, 2016 - $nil).

These transactions were in the normal course of operations and were measured at the fair value of the services rendered. Amounts due to related parties are unsecured, non-interest-bearing, and have no formal terms of repayment.

The key management personnel of the Company are the directors and officers of the Company. The Company has no long-term employee or post-employment benefits. A summary of compensation awarded to key management, including amounts in (c) and (e) above, was as follows:

		2017		**2016**
Short-term benefits	$	7,816	$	6,000
Share-based payments		115,316		-
Total	$	123,132	$	6,000

H. Financial Condition, Liquidity and Capital Resources

As at June 30, 2017, the Company had a working capital deficit of $218,963 (December 31, 2016 - working capital of $40,234). Wherever possible, the Company has been negotiating its trade payables and reviewing its future commitments to identify opportunities to reduce or delay spending and payments. However, the Company does not generate any revenue from operations and does not have sufficient capital to meet the requirements for its administrative overhead and maintaining its mineral interests.

For the foreseeable future, the Company will need to rely on raising capital in the equity markets and/or enter into joint venture agreements with third parties to provide working capital and to finance its mineral property activities. Although the Company has been successful in obtaining financing through the issuance of its securities, there can be no assurance that the Company will be able to obtain adequate future financing. Failure to do so could result in delay or indefinite postponement of further exploration and reduction or termination of operations.

H. Financial Condition, Liquidity and Capital Resources, continued

A Notice of Claim filed in Small Claims Court regarding disputed amounts owed to a certain vendor remains outstanding in an amount of $25,000 plus interest and costs.

I. Outstanding Equity and Convertible Securities

i) Issued and outstanding

On July 6, 2017, a total of 2,598,680 common shares were issued with respect to the Weepah property. As at August 28, 2017, the Company had 64,988,820 common shares issued and outstanding.

ii) Stock Options

As at August 28, 2017, stock options outstanding and exercisable were as follows:

Exercise Price	Expiry Date	Balance June 30, 2017	Cancelled / Expired	Balance August 28, 2017
$0.10	July 19, 2017	445,000	445,000	-
$0.12	December 17, 2017	1,265,000	-	1,265,000
$0.17	March 1, 2018	100,000	-	100,000
$0.05	March 27, 2022	4,200,000	-	4,200,000
		6,010,000	**445,000**	**5,565,000**
Weighted average exercise price		$0.07	$0.10	$0.07
Weighted average contractual life remaining (years)		3.43		3.54

iii) Share Purchase Warrants

As at August 28, 2017, share purchase warrants outstanding were as follows:

Exercise Price	Expiry Date	Balance June 30, 2017	Expired	Balance August 28, 2017
$0.05	February 20, 2019	3,105,000	-	3,105,000
$0.05	June 10, 2019	1,000,000	-	1,000,000
$0.05	August 12, 2017	100,000	100,000	-
$0.10	October 5, 2021	16,584,000	-	16,584,000
$0.10	October 5, 2021	3,545,000	-	3,545,000
$0.10	October 5, 2021	120,000	-	120,000
$0.05	November 14, 2017	350,000	-	350,000
$0.10	December 29, 2021	2,815,107	-	2,815,107
$0.10	December 29, 2021	105,600	-	105,600
		27,724,707	**100,000**	**27,624,707**
Weighted average exercise price		$0.09	$0.05	$0.09
Weighted average contractual life remaining (years)		3.85		3.70

J. Financial Instruments

The Company's financial instruments include cash, reclamation bond, accounts payable and accrued liabilities and amounts due to related parties. The Company has classified its financial instruments into the following categories:

Financial Instrument	Category	Carrying Value
Cash	FVTPL	Fair Value
Reclamation Bond	Loans and Receivables	Amortized Cost
Accounts Payable and Accrued Liabilities	Other Financial Liabilities	Amortized Cost
Due to Related Parties	Other Financial Liabilities	Amortized Cost

The carrying values of accounts payable and accrued liabilities and due to related parties approximate their fair values due to the short period to maturity. The reclamation bond is non-interest-bearing, has no maturity date and carrying value approximates fair value.

These financial instruments have no material risk exposure. Risk is managed with respect to cash by risk management policies that require significant cash deposits or short-term investments be invested with Canadian chartered banks rated BBB or better, or commercial paper issuers R1/A2/P2 or higher. In addition, all investments must be less than one year in duration.

K. Events After the Reporting Period and Outlook

There are no other material events subsequent to the date of this document.

The Company is confident that its properties have potential warranting continued exploration and activities over the ensuing year will focus on this. The Company also expects to continue its strategy of acquiring properties and collaborating with experienced mining companies to develop such properties to advance them to production.

L. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate entering into any such arrangements in the foreseeable future.

M. Disclosure Controls and Procedures

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three independent directors who meet at least quarterly with management and at least annually with the external auditors to review accounting, internal control, financial reporting, and audit matters. There have been no significant changes to the Company's internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

The Audit Committee has established procedures for complaints received regarding accounting, internal controls or auditing matters, and for a confidential, anonymous submission procedure for employees who have concerns regarding questionable accounting or auditing matters. The Whistleblower policy is in accordance with National Instrument 52-110 Audit Committees, National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices.

M. Disclosure Controls and Procedures, continued

Being a venture issuer, the Company is exempted from the certification on Disclosure Controls and Procedures and Internal Control Over Financial Reporting. The Company is required to file Form 52-109FV1 for annual reporting and Form 52-109FV2 for interim reporting.

N. Risks and Uncertainties

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

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration.

Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities.

Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Competition

The resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources.

Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Operating History and Availability of Financial Resources

The Company has no operating revenues and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities and such reliance on the issuance of securities for future financing may result in dilution to existing shareholders.

N. Risks and Uncertainties, continued

Furthermore, the amount of additional funds required may not be available under favourable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

Price Volatility and Lack of Active Market

For some time, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned.

The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain of the mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits.

However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Dependence on Key Personnel

The Company is dependent on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key-man" insurance in respect of any of its management.

N. Risks and Uncertainties, continued

Government Regulations and Environmental Risks and Hazards

The Company conducts exploration activities in the United States and Canada, and is subject to various federal, provincial, state laws, rules and regulations. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation.

Environmental hazards may exist on the Company's properties, that are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current or former property interests that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

O. Proposed Transactions

Other than normal course review of monthly submittals there are no other proposed transactions contemplated as at the date of this report.

P. Forward-Looking Statements

Some of the statements contained in this MD&A may be deemed "forward-looking statements." These include estimates and statements that describe the Company's future plans, objectives or goals, and expectations of a stated condition or occurrence. Forward-looking statements may be identified by the use of words such as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Actual results relating to, among other things, results of exploration, reclamation, capital costs, and the Company's financial condition and prospects, could differ materially from those currently anticipated in such statements for many reasons such as but not limited to; changes in general economic conditions and conditions in the financial markets; changes in demand and prices for the minerals the Company expects to produce; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; technological and operational difficulties encountered in connection with the Company's activities; and changing foreign exchange rates and other matters discussed in this MD&A.

Readers should not place undue reliance on the Company's forward-looking statements. Further information regarding these and other factors, which may cause results to differ materially from those projected in forward-looking statements, are included in the filings by the Company with securities regulatory authorities. The Company does not assume any obligation to update or revise any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws, whether as a result of new information, future events or otherwise.