

**NEW DIMENSION RESOURCES LTD.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FEBRUARY 28, 2017**

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

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the nine months ended February 28, 2017.

**New Dimension Resources Ltd.****Condensed Interim Consolidated Statements of Financial Position***(Unaudited - Prepared by Management)**Expressed in Canadian Dollars**As at*

	February 28, 2017	May 31, 2016
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 686,925	\$ 628,892
Amounts receivable	24,217	19,225
Prepaid expenses	11,800	-
	<u>722,942</u>	<u>648,117</u>
<b>Non-current assets</b>		
Exploration advances <i>(Note 5)</i>	264,495	25,000
Exploration and evaluation assets <i>(Note 5)</i>	437,088	152,632
	<u>701,583</u>	<u>177,632</u>
	<u>\$ 1,424,525</u>	<u>\$ 825,749</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 44,440	\$ 45,688
<b>SHAREHOLDERS' EQUITY</b>		
Share capital <i>(Note 6)</i>	9,357,214	8,676,001
Reserves – warrants <i>(Note 6)</i>	319,224	319,224
Reserves – options <i>(Note 6)</i>	743,284	734,534
Deficit	(9,039,637)	(8,949,698)
	<u>1,380,085</u>	<u>780,061</u>
	<u>\$ 1,424,525</u>	<u>\$ 825,749</u>

**Nature of operations and going concern** *(Note 1)***Basis of presentation** *(Note 2)*

APPROVED ON BEHALF OF THE BOARD ON April 27, 2017:

<u>“Fred Hewett”</u>	Director
<u>“Tom Burkhart”</u>	Director

- See accompanying notes to the condensed interim consolidated financial statements -

**New Dimension Resources Ltd.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

*(Unaudited - Prepared by Management)*

*For the Three and Nine Months Ended*

*Expressed in Canadian Dollars*

	<b>Three months ended February 28, 2017</b>	Three months ended February 29, 2016	<b>Nine months ended February 28, 2017</b>	Nine months ended February 29, 2016
<b>General and administrative expenses</b>				
Management, consulting and administrative fees	\$ 8,210	\$ 2,900	\$ 25,880	\$ 15,130
Office and general	7,415	6,850	18,295	17,284
Professional fees	2,000	389	9,836	5,731
Regulatory and transfer agent fees	3,255	2,805	8,135	8,213
Salaries and benefits	1,500	1,500	4,500	11,539
Share-based payments	-	-	8,750	-
Shareholder information and meetings	20,405	9,944	36,440	23,590
	<b>(42,785)</b>	(24,388)	<b>(111,836)</b>	(81,487)
Other income on deferred premium	20,769	-	20,769	-
Interest and foreign exchange	149	-	1,128	1,401
<b>Loss and comprehensive loss for the period</b>	<b>\$ (21,867)</b>	<b>\$ (24,388)</b>	<b>\$ (89,939)</b>	<b>\$ (80,086)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of shares</b>	<b>18,973,557</b>	9,610,967	<b>15,987,960</b>	9,552,448

- See accompanying notes to the condensed interim consolidated financial statements -

**New Dimension Resources Ltd.****Condensed Interim Consolidated Statements of Cash Flows***(Unaudited - Prepared by Management)**For the Nine Months Ended**Expressed in Canadian Dollars*

	<b>February 28, 2017</b>	February 29, 2016
<b>Cash and cash equivalents provided by (used in):</b>		
<b>Operating activities</b>		
Loss for the period	\$ (89,939)	\$ (80,086)
Items not affecting cash:		
Share-based payments	8,750	-
Other income on deferred premium	(20,769)	-
Changes in non-cash working capital <i>(Note 9)</i>	(42,273)	(86,093)
	<u>(144,231)</u>	<u>(166,179)</u>
<b>Investing activities</b>		
Exploration and evaluation costs	<u>(499,718)</u>	-
<b>Financing activities</b>		
Common shares issued pursuant to private placements	<u>701,982</u>	-
<b>Change in cash and cash equivalents</b>	<b>58,033</b>	<b>(166,179)</b>
Cash and cash equivalents - beginning of year	<u>628,892</u>	<u>560,144</u>
<b>Cash and cash equivalents - end of period</b>	<b>\$ 686,925</b>	<b>\$ 393,965</b>

*Supplemental cash flow information (Note 9)*

- See accompanying notes to the condensed interim consolidated financial statements -

**New Dimension Resources Ltd.****Condensed Interim Consolidated Statement of Changes in Shareholders' Equity***(Unaudited - Prepared by Management)**For the Nine Months Ended**Expressed in Canadian Dollars*

	<b>Share capital (Number of Common Shares)</b>	<b>Share capital (Amount)</b>	<b>Reserves - Warrants</b>	<b>Reserves – Options</b>	<b>Deficit</b>	<b>Total</b>
May 31, 2015	9,523,189	\$ 8,227,821	\$ 319,224	\$ 685,296	\$ (8,421,264)	\$ 811,077
Loss for the period	-	-	-	-	(80,086)	(80,086)
Shares issued for exploration and evaluation assets	100,000	5,000	-	-	-	5,000
February 29, 2016	9,623,189	\$8,232,821	\$319,224	\$685,296	\$(8,501,350)	\$ 735,991
May 31, 2016	14,519,634	\$ 8,676,001	\$ 319,224	\$ 734,534	\$(8,949,698)	\$ 780,061
Share-based payments	-	-	-	8,750	-	8,750
Loss for the period	-	-	-	-	(89,939)	(89,939)
Shares issued net of costs	7,136,582	681,213	-	-	-	681,213
February 28, 2017	21,656,216	\$ 9,357,214	\$ 319,224	\$ 743,284	\$(9,039,637)	\$ 1,380,085

- See accompanying notes to the condensed interim consolidated financial statements -

## **New Dimension Resources Ltd.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

*(Unaudited - Prepared by Management)*

*For the Nine Months Ended February 28, 2017*

*Expressed in Canadian Dollars*

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#### **1. Nature of Operations and Going Concern**

New Dimension Resources Ltd. (the “Company”) is incorporated under the laws of the Province of British Columbia, Canada. The Company’s corporate office, registered address and records office is located at 789 West Pender St., Suite 960, Vancouver, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of \$9,039,637 at February 28, 2017 and has no current source of revenue. The Company’s continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management’s future plans for the Company will be successful. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

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#### **2. Basis of Presentation**

##### **Statement of Compliance**

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies applied in preparation of these interim financial statements are consistent with those applied and disclosed in the Company’s annual financial statements.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual consolidated financial statements of the Company for the year ended May 31, 2016.

##### **Principles of Consolidation**

These consolidated financial statements have been prepared in accordance with IFRS and include the accounts of the Company and its wholly owned inactive U.S. and Peruvian subsidiaries, Dimension Resources (USA) Inc., Camino Ventures S.A.C., and a Peruvian corporation, which the Company has an irrevocable right to acquire, Minera NDR Peru S.A.C., respectively. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Inter-company balances have been eliminated upon consolidation.

## **New Dimension Resources Ltd.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

*(Unaudited - Prepared by Management)*

*For the Nine Months Ended February 28, 2017*

*Expressed in Canadian Dollars*

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#### **2. Basis of Presentation - continued**

##### **Historical cost**

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

##### **Flow-Through Shares**

Canadian Income Tax Legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds received as follows:

- Deferred premium: recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature; and
- Share capital: the residual balance.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits of qualifying resource expenditure to have been effectively transferred upon incurring of qualifying resource expenditures as it is the Company's expectation and intention to formally renounce those expenditures. Additionally, the Company reverses the liability for the deferred premium to income, on a proportionate basis, as an offset to deferred tax expense. To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

##### **New Accounting Policies and Pronouncements**

- i) The IASB has issued several new standards and amendments which have been adopted by the Company. The adoption of the standards and amendments did not have a material effect on the consolidated financial statements.
- ii) Certain pronouncements were issued by the IASB or IFRIC but are not yet effective as at February 28, 2017. The Company intends to adopt these standards and interpretations when they become effective.

The following are the accounting standards issued but not effective as of February 28, 2017 that the Company believes could be significant.

- **IFRS 9 - Financial Instruments – classification and measurement**  
Effective for annual periods beginning on or after January 1, 2018. This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is measured at fair value with changes in fair value through profit or loss. In addition, this new standard has been updated to include guidance on financial liabilities and derecognition of financial instruments.

## **New Dimension Resources Ltd.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

*(Unaudited - Prepared by Management)*

*For the Nine Months Ended February 28, 2017*

*Expressed in Canadian Dollars*

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## **2. Basis of Presentation - continued**

### **New Accounting Policies and Pronouncements - continued**

- IFRS 16 – Leases  
Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months.

The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

### **Significant Accounting Estimates and Judgments**

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

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share based payments, the valuation of deferred tax amounts and the valuation of non-cash transactions.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- (i) Economic recoverability and probability of future benefits of exploration and evaluation costs.

Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

- (ii) Valuation of share based payments

The Company uses the Black-Scholes option pricing model for valuation of share based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.



## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

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#### 2. Basis of Presentation- continued

##### (iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

##### (iv) Non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

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#### 3. Cash and cash equivalents

	February 28, 2017		May 31, 2016	
Cash	\$	436,925	\$	378,892
Cash equivalents	\$	250,000	\$	250,000
	\$	686,925	\$	628,892

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#### 4. Financial Instruments

##### Categories of financial instruments

	February 28, 2017		May 31, 2016	
Financial assets				
FVTPL				
Cash and cash equivalents	\$	686,925	\$	628,892
Loans and receivables				
Receivables		24,217		19,225
	\$	711,142	\$	648,117
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	\$	44,440	\$	45,688

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

#### 4. Financial Instruments - continued

##### Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	February 28, 2017	May 31, 2016
Level 1		
Cash and cash equivalents	\$ 686,925	\$ 628,892
Level 2	-	-
Level 3	-	-
	\$ 686,925	\$ 628,892

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

##### Financial Risk Management

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

###### a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

February 28, 2017	Cash and cash equivalents
US dollars	\$ 16,306

  

May 31, 2016	Cash and cash equivalents
US dollars	\$ 24,883

At February 28, 2017 with other variables unchanged, a +/-10% change in exchange rates would decrease/increase pre-tax loss by \$1,600.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

#### 4. Financial Instruments – continued

##### Financial Risk Management - continued

###### b) Interest rate and credit risk

The Company has a positive cash balance and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current 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 and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Cash and cash equivalents includes deposits which are at variable interest rates. Sensitivity to a +/- 1% change in rates could affect annual net gain or loss by \$7,000.

Receivables consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to receivables is remote.

###### c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at February 28, 2017, the Company had cash and cash equivalents of \$686,925 (May 31, 2016 - \$628,892) to settle current liabilities of \$44,440 (May 31, 2016 - \$45,688).

###### d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

#### 5. Exploration and Evaluation Assets

	<b>Midas, Ontario, Canada</b>	<b>Savant Lake, Ontario, Canada</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance, May 31, 2015	335,135	-	335,135
Acquisition and tenure	5,000	14,000	19,000
Data collection	-	138,632	138,632
Exploration costs written off	(340,135)	-	(340,135)
<b>Balance, May 31, 2016</b>	<b>-</b>	<b>152,632</b>	<b>152,632</b>
<b>Acquisition and tenure</b>	<b>-</b>	<b>65,400</b>	<b>65,400</b>
<b>Data collection, geology and other</b>	<b>-</b>	<b>219,056</b>	<b>219,056</b>
<b>Balance, February 28, 2017</b>	<b>-</b>	<b>437,088</b>	<b>437,088</b>

## **New Dimension Resources Ltd.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

*(Unaudited - Prepared by Management)*

*For the Nine Months Ended February 28, 2017*

*Expressed in Canadian Dollars*

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#### **5. Exploration and Evaluation Assets - continued**

##### **Midas Property, Ontario**

During the year ended May 31, 2014, the Company entered into an agreement to earn a 70% interest in the Midas gold property, subject to a 2% net smelter royalty, located in the Sault Ste. Marie Mining Division of Northern Ontario. Under the terms of the agreement, the Company could earn its interest by spending \$1,200,000 in exploration expenditures, issuing 214,285 shares (2016 – 100,000 shares issued at a fair value of \$5,000; 2014 - 42,857 shares issued at a fair value of \$7,500) in stages prior to December 31, 2016 and paying \$100,000 to the vendor on or before December 31, 2016. During the year ended May 31, 2016, capitalized costs totalling \$340,135 were written off due to a delay in exploration work completed and subsequent to May 31, 2016 the agreement was terminated.

##### **Savant Lake Property, Ontario**

Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario. Under the terms of the agreement, the Company can earn its interest in the property by issuing 600,000 shares (100,000 shares issued at a fair value of \$14,000) and paying \$100,000 to the vendors in stages with the final payment on or before the fourth anniversary date of the agreement. The property is subject to a 2% net smelter royalty, of which 1% can be purchased for \$1,000,000. Subsequent to February 28, 2017, the Company issued an additional 100,000 shares and paid \$20,000 to the vendors in accordance with the terms of the agreement. During the nine months ended February 28, 2017, the Company had advanced \$264,495 to a contractor for work on the Savant Lake Property.

##### **Domain Project, Manitoba**

The Domain Project consists of three claims in northern Manitoba. Under the terms of a joint venture agreement between the Company and Yamana Gold Inc. (“Yamana”), Yamana earned a 65% joint venture interest in the property in prior years. During the year ended May 31, 2013, capitalized costs totalling \$394,221 related to the property were written off. In February 2017, Yamana mobilized a drill rig to commence a 2,800-metre drill program that would include work on the Domain Project which the Company holds a 34.8% interest in. The Company has elected not to participate in funding the program and as a result will be diluted for non-participation in accordance with the terms of the joint venture agreement. Should the Company’s interest in the joint venture fall below 10%, its interest will convert to a 1% net smelter royalty.

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#### **6. Share Capital and Reserves**

Authorized share capital

Unlimited common shares without par value.

Shares issued

- a) During the year ended May 31, 2015, the Company closed a non-brokered private placement with the issuance of 1,315,000 units at a price of \$0.06 per unit for gross proceeds of \$78,900. Each unit was comprised of one share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one common share at a price of \$0.15 per share for a period of 24 months. The warrants are subject to an accelerated exercise provision if the share price of the Company trades at or above \$0.25 for 10 or more consecutive trading days. The Company also issued 37,500 units as finder’s fees valued at \$2,250, in respect of purchasers of securities introduced to the Company by the finder. The warrants attached to the finders’ units have the same terms as the private placement warrants.

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

#### 6. Share Capital and Reserves - continued

- b) During the year ended May 31, 2016, the Company closed a non-brokered private placement with the issuance of 4,796,445 units at a price of \$0.09 per unit for gross proceeds of \$431,680. As part of this private placement the Company paid costs totalling \$2,500. Each unit was comprised of one share and one half share purchase warrant. Each share purchase warrant entitles the holder to acquire one common share at a price of \$0.20 per share for a period of 24 months. The warrants are subject to an accelerated exercise provision if the share price of the Company trades at or above \$0.45 for 10 or more consecutive trading days.
- c) During the year ended May 31, 2016, the Company issued 100,000 common share with respect to each of the Company's property option agreements on the Midas and Savant Lake properties. The shares issued on the Midas and Savant Lake properties were valued at \$5,000 and \$14,000 respectively.
- d) During the nine months ended February 28, 2017, the Company completed a non-brokered private placement consisting of 6,325,000 units and 692,311 flow through shares for gross proceeds of \$722,500. The flow through shares were issued at a price of \$0.13 per share. Each unit was issued at a price of \$0.10 per unit and consisted of one share and one-half warrant. Each whole warrant will entitle the holder to acquire one share in the Company at a price of \$0.20 per share, subject to an accelerated exercise provision if the Company's shares trade at or above \$0.50 for 10 or more consecutive days. The Company allocated \$20,769 of the proceeds to the deferred premium liability and the remaining proceeds of \$701,731 were allocated to share capital. In connection with the private placement the Company paid costs of \$8,352, finders' fees consisting of 119,271 shares, cash payments of \$12,166 and 55,650 finders' warrants. The finders' warrants have the same terms as the warrants issued under the financing.

At February 28, 2017, the Company had incurred \$90,000 in qualifying exploration expenses related to this financing and had filed documents with the tax authorities to renounce \$90,000 in Canadian Exploration Expenses under the look back rules in accordance with the financing agreement. Accordingly the \$20,769 of deferred premiums has been credited to operations as other income on deferred premium.

#### Stock options

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant. The vesting periods of options outstanding range from immediately to one year and may expire up to 5 years from the grant date.

- a) Movements in stock options during the year:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2015	951,708	\$0.27
Granted	353,500	\$0.15
Cancelled/expired	(150,926)	\$0.55
<b>Balance, May 31, 2016</b>	<b>1,154,282</b>	<b>\$0.20</b>
<b>Granted</b>	<b>100,000</b>	<b>\$0.10</b>
<b>Cancelled/expired</b>	<b>(28,570)</b>	<b>\$1.19</b>
<b>Balance, February 28, 2017</b>	<b>1,225,712</b>	<b>\$0.17</b>

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

#### 6. Share Capital and Reserves - continued

##### b) Fair value of options granted

During the nine months ended February 28, 2017, the Company granted 100,000 (February 29, 2016- nil) stock options having a fair value of \$8,750 (February 29, 2016 - \$nil)

The fair value of options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Nine Months February 28, 2017	Nine Months February 29, 2016
Risk-free interest rate	1.00%	-
Expected dividend yield	Nil	-
Expected stock price volatility	216%	-
Expected life	2 Years	-
Expected forfeiture rate	Nil	-

##### c) Stock options outstanding

A summary of the Company's options outstanding as at February 28, 2017 is as follows:

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
65,712	65,712	\$1.05	0.38	July 12, 2017
706,500	706,500	\$0.10	3.20	May 11, 2020
353,500	353,500	\$0.15	4.22	May 19, 2021
100,000	25,000	\$0.10	1.66	November 4, 2018
<b>1,225,712</b>	<b>1,150,712</b>			

The weighted average exercise price of the options exercisable at February 28, 2017 is \$0.17.

Subsequent to February 28, 2017, the Company granted 150,000 options to a director exercisable at \$0.135 for a period of 5 years.

##### Share purchase warrants

##### a) Movements in warrants during the period

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2015	1,352,500	\$0.15
Issued	2,398,222	0.20
<b>Balance, May 31, 2016</b>	<b>3,750,722</b>	<b>0.18</b>
<b>Issued</b>	<b>3,218,150</b>	<b>0.20</b>
<b>Balance, February 28, 2017</b>	<b>6,968,872</b>	<b>\$0.19</b>

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

#### 6. Share Capital and Reserves - continued

Share purchase warrants – continued

A summary of the Company's warrants outstanding as at February 28, 2017, is as follows:

Warrants Outstanding	Warrants Exercisable	Price per share	Expiry date
1,352,500	1,352,500	\$0.15	May 4, 2017
2,398,222	2,398,222	\$0.20	May 9, 2018
2,710,650	2,710,650	\$0.20	December 28, 2018
507,500	507,500	\$0.20	February 8, 2019
<b>6,968,872</b>	<b>6,968,872</b>	<b>\$0.19</b>	

#### 7. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

##### a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	Note	Nine months ended February 28, 2017	Nine months ended February 29, 2016
Administrative, consulting and management costs		\$ 25,880	\$ 15,130
Rent		\$ 7,200	\$ 7,200
Shareholder information	(i)	\$ -	\$ 13,566
Exploration		\$ 21,000	\$ -
Salary costs	(i)	\$ 4,500	\$ 8,539

(i) The Company has reimbursed certain salary amounts to companies with certain officers and directors in common or formerly in common. These amounts have been recorded against salaries and benefits expense.

##### b) Related party balances

	February 28, 2017	May 31, 2016
North Arrow Minerals Inc.	\$ -	\$ 840
Mortimer Mining Services Ltd.	\$ 1,975	\$ 1,166
Brenda Nowak	\$ 4,930	\$ -
Wayne Johnstone – Chief Financial Officer	\$ 1,853	\$ 5,542

## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

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For the Nine Months Ended February 28, 2017

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#### 7. Related Party Transactions - continued

c) Compensation of key management personnel

The remuneration for the services of management personnel during the period was as follows:

	Note	Nine months ended February 28, 2017	Nine months ended February 29, 2016
Salary/Exploration/Consulting - CEO	(i)	\$ 7,000	\$ 2,250
Consulting – CFO		18,880	12,880
Corporate Secretary		4,500	4,500

(i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the periods ended February 28, 2017 and 2016.

#### 8. Segmented Information

The Company's business consists of only one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

Total Non-Current Assets	February 28, 2017	May 31, 2016
Canada	\$ 701,583	\$ 177,632
Total	\$ 701,583	\$ 177,632

Loss	Nine months ended February 28, 2017	Nine months ended February 29, 2016
Canada	\$ (89,939)	\$ (80,086)

#### 9. Supplemental Cash Flow Information

Changes in non-cash working capital:	Nine months ended February 28, 2017	Nine months ended February 29, 2016
(Increase) decrease in:		
Receivables	\$ (4,992)	\$ (6,334)
Prepaid expenses	(11,800)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	(25,481)	(79,759)
	\$ (42,273)	\$ (86,093)



## New Dimension Resources Ltd.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited - Prepared by Management)

For the Nine Months Ended February 28, 2017

Expressed in Canadian Dollars

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#### 9. Supplemental Cash Flow Information - continued

	Nine months ended February 28, 2017	Nine months ended February 29, 2016
<b>Supplementary disclosure of cash flow information:</b>		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Shares issued to acquire exploration and evaluation assets	\$ -	\$ 5,000
Change in exploration and evaluation assets in accounts payable	\$ 24,233	\$ -

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#### 10. 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 exploration and evaluation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity and it expects to need to raise additional capital in fiscal 2018.

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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There have been no changes to the management of capital during the period.

The Company's investment policy is to invest its cash and cash equivalents in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.