

ROSCAN MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

(unaudited)

EXPRESSED IN CANADIAN DOLLARS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of Roscan Minerals Corporation (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor, Collins Barrow - Toronto LLP, has not performed a review of these unaudited condensed interim consolidated financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

ROSCAN MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(expressed in Canadian dollars)

	April 30 2017 (unaudited)	October 31 2016 (audited)
ASSETS		
Current		
Cash	\$ 12,701	\$ 2,269
Sales tax receivable	12,956	1,423
Prepaid expenses	833	833
	\$ 26,490	\$ 4,525
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 4,8)	\$ 57,450	\$ 169,706
Loans due to related parties (notes 4,8)	-	67,000
	57,450	236,706
EQUITY		
Share capital (note 4)	7,425,526	7,126,207
Contributed surplus	475,611	453,081
Warrants (note 5)	132,866	-
Deficit	(8,064,963)	(7,811,469)
	(30,960)	(232,181)
	\$ 26,490	\$ 4,525

Nature of operations and going concern (note 1)

Subsequent events (note 13)

See accompanying notes.

ROSCAN MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(unaudited, expressed in Canadian dollars)

	Three months ended		Six months ended	
	April 30		April 30	
	2017	2016	2017	2016
Expenses				
Corporate and administrative (notes 6, 8)	\$ 44,579	\$ 25,413	\$ 59,728	\$ 41,288
Exploration and evaluation (note 7)	161,208	-	171,208	-
Share-based payments (notes 4, 8)	17,480	-	22,530	-
Foreign exchange loss (gain)	24	33	28	(8)
	223,291	25,446	253,494	41,280
Net loss and comprehensive loss	\$ (223,291)	\$ (25,446)	\$ (253,494)	\$ (41,280)
Basic and diluted loss per share (note 10)	\$ (0.006)	\$ (0.001)	\$ (0.007)	\$ (0.001)
Weighted average number of common shares outstanding: Basic and diluted	34,261,579	33,766,073	34,009,720	33,766,073

See accompanying notes.

ROSCAN MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited, expressed in Canadian dollars)

	Share capital		Contributed surplus	Warrants	Deficit	Total
	Number of shares	Amount				
Balance, October 31, 2015	33,766,073	\$ 7,126,207	\$ 453,081	\$ -	\$ (7,721,068)	\$ (141,780)
Net loss for the period	-	-	-	-	(41,280)	(41,280)
Balance, April 30, 2016	33,766,073	7,126,207	453,081	-	(7,762,348)	(183,060)
Net loss for the period	-	-	-	-	(49,121)	(49,121)
Balance, October 31, 2016	33,766,073	7,126,207	453,081	-	(7,811,469)	(232,181)
Units issued by private placement (notes 4,5)	4,300,000	82,134	-	132,866	-	215,000
Shares issued for debt (notes 4,8)	4,520,000	226,000	-	-	-	226,000
Share issuance costs (notes 4, 8)	-	(8,815)	-	-	-	(8,815)
Share-based payments (notes 4,8)	-	-	22,530	-	-	22,530
Net loss for the period	-	-	-	-	(253,494)	(253,494)
Balance, April 30, 2017	42,586,073	\$ 7,425,526	\$ 475,611	\$ 132,866	\$ (8,064,963)	\$ (30,960)

See accompanying notes.

ROSCAN MINERALS CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, expressed in Canadian dollars)

	Three months ended		Six months ended	
		April 30		April 30
	2017	2016	2017	2016
Operating activities				
Loss for the period	\$ (223,291)	\$ (25,446)	\$ (253,494)	\$ (41,280)
Adjustments to reconcile loss to net cash used:				
Share-based payments	17,480	-	22,530	-
Shares issued for management fees (note 4)	2,500	-	10,000	-
	(203,311)	(25,446)	(220,964)	(41,280)
Changes in non-cash working capital items				
Sales tax receivable	(10,629)	423	(11,533)	(1,001)
Prepaid expenses	-	(135)	-	(135)
Accounts payable and accrued liabilities (note 4)	19,874	6,607	25,744	19,179
	(194,066)	(18,551)	(206,753)	(23,237)
Financing activities				
Loans from related parties	-	20,000	11,000	23,000
Units issued by private placement	215,000	-	215,000	-
Share issuance costs	(8,815)	-	(8,815)	-
	206,185	20,000	217,185	23,000
Net change in cash	12,119	1,449	10,432	(237)
Cash, beginning of period	582	2,231	2,269	3,917
Cash, end of period	\$ 12,701	\$ 3,680	\$ 12,701	\$ 3,680
Supplemental disclosure				
Shares issued for debt	\$ 226,000	\$ -	\$ 226,000	\$ -

See accompanying notes.

ROSCAN MINERALS CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

1. NATURE OF OPERATIONS AND GOING CONCERN

RosCan Minerals Corporation (the “Company”) is an exploration stage company involved in the business of acquiring, exploring and developing mineral properties. The Company holds an option to participate in a gold exploration project in Ghana (note 7). The address of the Company’s registered office is 365 Bay St., Suite 400, Toronto, Ontario, M5H 2V1.

Going Concern

The business of exploration, development and mining of minerals involves a high degree of risk and there can be no assurances that future exploration activities will result in the discovery of economically recoverable mineral deposits. The success and continuation of the Company as a going concern is dependent upon the Company acquiring mineral properties, discovering economically recoverable mineral deposits, future profitable production, maintaining and securing title and beneficial interest in its properties and its ability to obtain necessary financing, if and when required.

Further funds will be required for the Company to continue as a going concern and fund its activities. The Company does not have a regular source of cash flow and has not produced revenues from its exploration activities. There can be no assurance that the Company will be able to obtain sufficient financing in the future or at favourable terms, depending in part on the prevailing capital market conditions and mineral property exploration success.

At April 30, 2017, the Company had a working capital deficiency of \$30,960 (October 31, 2016 – \$232,181) and has incurred losses of \$8,064,963 (October 31, 2016 - \$7,811,469) since inception. Subsequent to April 30, 2017, the Company received gross proceeds of \$222,000 from the completion of the second and final tranche of a \$437,000 private placement (note 13).

These unaudited condensed interim consolidated financial statements have been prepared using accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. However, due to uncertainties surrounding a number of factors, such as, but not limited to, ability to acquire mineral properties, exploration results, price of underlying commodities, investor sentiment and financial market conditions, it is not possible to predict if this assumption will prove to be accurate. If the going concern assumption was not appropriate then adjustments would be necessary to the carrying values of the Company’s assets and liabilities, which may be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

(a) Basis of presentation and consolidation

These financial statements: are presented in Canadian dollars, which is the Company’s functional currency; and, are prepared using the historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. Non-current assets are stated at the lower of: the carrying amount; or, fair value less transaction costs.

ROSCAN MINERALS CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's significant accounting policies, as described in Note 3 of the Company's Audited Consolidated Financial Statements for the year ended October 31, 2016, have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements, unless otherwise noted. These interim financial statements do not include all of the disclosure required in annual financial statements and should be read in conjunction with the Company's 2016 audited annual consolidated financial statements. These interim results are not necessarily indicative of the results that may be anticipated for the entire fiscal year.

(b) Estimates and judgements

The preparation of financial statements, in conformity with IFRS, requires the Company's management to make certain estimates and judgements about future events that they consider reasonable and realistic. These estimates and judgements are based on historical experience, future expectations, economic conditions and other factors. By their nature, estimates and judgements are subject to measurement uncertainty and actual results could vary from estimates. Significant estimates and judgements relate to:

- ability to continue as a going concern;
- fair value of share-based payments, warrants and shares issued for debt.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following standards has been issued but are not yet effective:

IFRS 9 – Financial Instruments

IFRS 9 will replace the current standard, IAS 39 Financial Instruments: Recognition and Measurement. The new standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics on the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods of IAS 39. The most significant improvements are expected to be of particular interest to non-financial institutions. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IAS 7 – Statement of Cash Flows

The IAS 7 Disclosure Initiative, amending IAS 7 *Statement of Cash Flows*, require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. One way to fulfil the new disclosure is to provide a reconciliation between the opening and closing balances on the statement of financial position for liabilities arising from financing activities. Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. These amendments are effective for reporting periods beginning on or after January 1, 2017.

The Company is currently evaluating the impact of the above standard on its financial performance and financial statement disclosures, but expects that such impact would not be material.

ROSCAN MINERALS CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

4. SHARE CAPITAL

Authorized

Unlimited common shares

	Number	Amount
Balance, October 31, 2015 and 2016	33,766,073	\$ 7,126,207
Shares issued by private placement (i)	4,300,000	215,000
Shares issued for debt (ii)	4,520,000	226,000
Fair value attributable to warrants (i)	-	(132,866)
Share issuance costs	-	(8,815)
Balance, April 30, 2017	42,586,073	\$ 7,425,526

- (i) On April 26, 2017, the Company issued 4,300,000 units at \$0.05 per unit for gross proceeds of \$215,000. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.08 for a period of 12 months, expiring on April 26, 2018. If at any time, after August 26, 2017, the closing price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds \$0.15 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of the Company announcing the accelerated expiry. The fair value of the warrants was estimated at \$132,866 using the relative fair value method.
- (ii) On April 26, 2017, the Company issued 4,520,000 shares at \$0.05 per share in settlement of accounts payable of \$148,000 and loans due to related parties of \$78,000.

Stock options

Under the terms of the Company's stock option plan ("Plan"), the Company is authorized to issue up to a maximum of 10% of the issued common shares with an exercise period that is not to exceed ten years. The term, exercise price and vesting conditions of the options are fixed by the Board of Directors at the time of grant. All issued stock options were granted in accordance with the terms of the Plan and expire five years from the date of grant.

Stock option transactions and the number of stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, October 31, 2015 and 2016	1,400,000	\$0.05
Granted (i)	450,000	\$0.06
Balance, April 30, 2017	1,850,000	\$0.05

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For the six months ended April 30, 2017

SHARE CAPITAL (continued)

- (i) On November 7, 2016, the Company granted 150,000 stock options to a director. These options vested immediately and were issued with an exercise of \$0.05 and have a five year term, expiring on November 7, 2021.

On March 15, 2017, the Company granted 300,000 stock options to a director. These options vested immediately and were issued with an exercise price of \$0.06 and have a five year term, expiring on March 15, 2022.

Fair value of the options issued were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2017
Dividend yield	Nil
Expected volatility (based on Company historical trends)	193%
Risk free rate of return	1.04%
Expected life	5 years
Share price	\$0.052

During the six month period ended April 30, 2017, the Company recognized share-based compensation expense of \$22,530 (2016 - \$nil).

The following summarizes information on the outstanding stock options:

Expiry Date	Number	Exercise price	Exercisable	Weighted average remaining life (years)
March 15, 2018	100,000	\$0.05	100,000	0.87
April 27, 2018	250,000	\$0.05	250,000	0.99
September 18, 2019	1,200,000	\$0.05	1,200,000	2.38
March 15, 2022	300,000	\$0.06	300,000	4.88
	1,850,000	\$0.05	1,850,000	2.52

5. WARRANTS

	Number	Weighted average exercise price	Fair value
Balance, October 31, 2015 and 2016	-	\$0.00	\$ -
Unit warrants issued (note 4 (i))	4,300,000	0.08	132,866
Balance, April 30, 2017	4,300,000	\$0.08	\$ 132,866

ROSCAN MINERALS CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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WARRANTS (continued)

Fair value of the warrants were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2017
Dividend yield	Nil
Expected volatility (based on Company historical trends)	248%
Risk free rate of return	0.72%
Expected life	1 year
Share price	\$0.10

The following summarizes information on the outstanding warrants:

Expiry Date	Number	Weighted average exercise price	Weighted average remaining life (years)	Fair value
April 26, 2018	4,300,000	\$0.08	0.99	\$ 132,866

6. CORPORATE AND ADMINISTRATIVE

	Three months ended		Six months ended	
	April 30		April 30	
	2017	2016	2017	2016
Legal, audit and accounting (note 8)	\$ 10,744	\$ 5,046	\$ 11,946	\$ 6,036
Management fees (note 8)	9,000	9,000	18,000	18,000
Office	815	519	1,649	1,063
Premises	1,050	1,050	2,100	2,100
Regulatory fees (note 8)	7,504	3,385	8,832	4,635
Shareholder relations and promotions	6,510	3,831	7,424	3,831
Transfer agent fees	8,956	2,582	9,777	3,270
Travel	-	-	-	2,353
	\$ 44,579	\$ 25,413	\$ 59,728	\$ 41,288

7. EXPLORATION AND EVALUATION

Dormaa Project – Ghana

On November 7, 2016, the Company entered into an option and joint venture agreement (the “Option Agreement”), as amended on February 14, 2017, with Pelangio Exploration Inc. (“Pelangio”), pursuant to which the Company and Pelangio established an earn-in arrangement to jointly advance an early-stage gold exploration project in Ghana (the “Dormaa Project). Subject to the terms and conditions of the Option Agreement, the Company has the right (the

ROSCAN MINERALS CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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EXPLORATION AND EVALUATION (continued)

“Option”) to earn a 50% equity and participating interest in the Dormaa Project. In order to exercise the Option the Company shall:

- (a) pay Pelangio an aggregate of \$160,000, as follows:
 - (i) \$10,000 on November 7, 2016 (paid);
 - (ii) \$50,000 on December 5, 2017; and,
 - (iii) \$100,000 on December 5, 2018.
- (b) fund a total of \$2,000,000 in exploration expenditures, as follows:
 - (i) \$150,000 by March 5, 2017 (paid);
 - (ii) \$150,000 by May 4, 2017 (paid);
 - (iii) \$700,000 by December 5, 2017; and,
 - (iv) \$1,000,000 by December 5, 2018.
- (c) pay the applicable annual ground rent and mineral right fees during the Option period, when such costs are first due and payable.

Upon the exercise of the Option, a joint venture between the Company and Pelangio would be formed, whereby each party would have an initial 50% participating interest, and thereafter contribute funding on a proportionate basis or have its interest diluted.

Once formed, the joint venture would, hold 100% of the mineral rights to the Dormaa Project, subject to a 2% net smelter royalty (“NSR”) on all ounces of gold recovered and a 10% free carried interest reserved for the government of Ghana. The joint venture retains the right to buy-back 50% (equivalent to 1%) of the NSR for USD \$2,000,000.

	Three months ended		Six months ended	
	2017	April 30 2016	2017	April 30 2016
Acquisition costs – Option payments	\$ -	\$ -	\$ 10,000	\$ -
Acquisition costs – Exploration contributions	150,000	-	150,000	-
Reports	11,208	-	11,208	-
	\$ 161,208	\$ -	\$ 171,208	\$ -

Exploration contributions represent funds provided to Pelangio to explore, evaluate, develop and operate the Dormaa Project.

ROSCAN MINERALS CORPORATION

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8. RELATED PARTY TRANSACTIONS

	Three months ended		Six months ended	
	April 30		April 30	
	2017	2016	2017	2016
Legal, audit and accounting (i)	\$ 10,315	\$ 4,670	\$ 11,317	\$ 5,460
Management fees (ii)	9,000	9,000	18,000	18,000
Regulatory fees (iii)	475	225	525	225
Share-based payments (iv)	17,480	-	22,530	-
Share issuance costs (i)	5,100	-	5,100	-
	\$ 42,370	\$ 13,895	\$ 57,472	\$ 23,685

- (i) Legal fees were paid or became payable to a law firm in which a director/officer of the Company is a partner.
- (ii) Management fees were paid or became payable to a company controlled by an associate of a director/officer of the Company.
- (iii) Filing fees were paid or became payable to a law firm in which a director/officer of the Company is a partner and to a company in which the director/officer controls.
- (iv) Share-based payments represents the fair value assigned to options granted to directors/officers.
- (v) Received cash of \$nil (2016 - \$20,000) for the current quarter and \$11,000 (2016 - \$23,000) for the six month period from Company directors/officers or entities controlled by or associated with Company directors/officers. The loans were non-interest bearing, unsecured and due on demand.
- (vi) Settled debt (note 4) owing to Company directors/officers or entities controlled by or associated with Company directors/officers of \$207,000 by the issuance of 4,140,000 shares, consisting of: loans due to related parties of \$78,000 and accounts payable of \$129,000.
- (vii) Company directors/officers subscribed for \$35,000 (700,000 units) of the \$215,000 private placement closed on April 26, 2017 (note 4).

Included in accounts payable and accrued liabilities is \$33,867 (October 31, 2016 - \$139,412) payable to entities controlled by or associated with directors/officers of the Company.

9. KEY MANAGEMENT COMPENSATION

The Company considers its officers and directors to be key management. Key management are those persons having authority and responsibility for planning, directing and controlling activities, directly or indirectly, of the Company. Compensation of key management is summarized below.

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NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

KEY MANAGEMENT (continued)

	Three months ended		Six months ended	
	April 30		April 30	
	2017	2016	2017	2016
Short-term compensation	\$ 24,890	\$ 13,895	\$ 34,942	\$ 23,685
Share-based payments	17,480	-	22,530	-
	\$ 42,370	\$ 13,895	\$ 57,472	\$ 23,685

10. LOSS PER SHARE

Loss per share is calculated using the weighted average number of shares outstanding for the period. For the purposes of calculating the basic and diluted loss per share the effect of the potentially dilutive options and warrants were not included in the calculation as the result would be anti-dilutive.

11. CAPITAL MANAGEMENT

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to fund the exploration and development of its mineral properties and acquisition of other mineral properties for the benefit of its shareholders.

As at April 30, 2017, the Company had a working capital deficiency of \$30,960 (October 31, 2016 – \$232,181).

The Company considers its capital structure to consist of shareholder equity. In order to maintain its capital structure the Company is dependent on equity funding and loans from related parties and, when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares, warrants and incentive stock options. The Board of Directors does not established quantitative targets on its capital criteria for management, however, it relies on management to review its capital management methods and requirements on an ongoing basis and make adjustments, accordingly, to sustain future development of the business.

There were no changes in the Company's management of its capital during the six month period ended April 30, 2017. The Company is not subject to any externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, accounts payable and accrued liabilities and loans due to related party approximates fair value due to the relative short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arms-length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

IFRS 7 establishes a fair value hierarchy that prioritizes the valuation techniques for each financial instrument measured at fair value. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgement.

ROSCAN MINERALS CORPORATION

NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended April 30, 2017

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The methods and assumptions used to develop fair value measurements are: Level one - includes quoted prices (unadjusted) in active markets for identical assets or liabilities; Level two - includes inputs, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from process); and, Level three - includes inputs that are not based on observable data.

As at April 30, 2017 and October 31, 2016, cash was the only financial instrument classified within the fair value hierarchy and was classified as Level 1.

Risk Management

The primary objectives of the Company's financial risk management procedures are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position, from events that have the potential to materially impair its financial strength. These activities include the preservation of its capital by minimizing risk related to its cash.

The Company does not trade financial instruments for speculative purposes and does not have a risk management committee or written risk management policies.

The Company's financial instruments are exposed to the risks described below:

Credit Risk

Credit risk is the risk of financial loss to the Company, if one party to a financial instrument fails to discharge or meet their obligations. Financial instruments that potentially expose the Company to this risk relate to cash and exploration advances. The Company's risk to its cash is minimal, as it held on deposit with a Canadian chartered bank.

Liquidity Risk

Liquidity risk management requires maintaining sufficient cash, liquid investments or credit facilities to meet the Company's operating expenditures and commitments, as they come due. The Company manages liquidity risk through the management of its capital structure as described in Note 11. The Company does not have any income from operations or a regular source of income and is highly dependent on its working capital and equity funding to support its exploration and corporate activities. There can be no assurance that the Company will be successful in its fund raising activities.

As at April 30, 2017, the Company had cash of \$12,701 to settle current liabilities of \$57,450. The Company does not have sufficient cash to fund its obligations and it will be required to raise additional capital.

Currency Risk

The Company's operates in Canada and its financial commitments pursuant to the Option Agreement with Pelangio are in Canadian dollars. The Company may acquire or participate in mineral exploration properties or projects outside of Canada and may incur foreign denominated expenditures, thus potentially exposing the Company to foreign currency risk. The Company monitors foreign exchange rates on an as needed basis. As at April 30, 2017 the Company's foreign currency exposure consisted of a nominal amount of USD cash.

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13. SUBSEQUENT EVENTS

- (i) On May 1, 2017, the Company issued 4,440,000 units at \$0.05 per unit for gross proceeds of \$222,000. Each unit was comprised of one common share and common share purchase warrant. Each warrant entitles the holder to acquire an additional common share at a price of \$0.08 for a period of 12 months, expiring on May 1, 2018. If at any time, after September 1, 2017, the closing price of the common shares of the Company, as traded on the TSX Venture Exchange, equals or exceeds \$0.15 for 20 consecutive trading days, the Company has the right to accelerate the expiry date of the warrants to a date which is 30 days following the date of the Company announcing the accelerated expiry.
- (ii) On May 3, 2017, the Company made the second \$150,000 payment for exploration expenditures pursuant to the Option Agreement with Pelangio.