ALPHAMIN RESOURCES CORP.
CONSOLIDATED FINANCIAL STATEMENTS
(EXPRESSED IN US DOLLARS)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying annual consolidated financial statements of the "Company" were prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the audited annual consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors of the Company is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the annual audited consolidated financial statements together with other financial information. An Audit Committee, whose members are not officers of the Company, assists the Board of Directors in fulfilling this responsibility. The Audit Committee, on behalf of the Board of Directors, meets with management to review the internal controls over the financial reporting process, the annual audited consolidated financial statements together with other financial information of the Company, and the auditor's report. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the annual consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)	**(signed)**
Boris Kamstra	**Eoin O'Driscoll**
Chief Executive Officer	**Chief Financial Officer**

March 31, 2017

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Independent auditor's report

To the Shareholders of Alphamin Resources Corp.

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated position of Alphamin Resources Corp. and its subsidiaries (together the Group) as at December 31, 2016 and December 31, 2015, and its consolidated performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Alphamin Resources Corp.'s (the Company's) consolidated financial statements set out on pages 9 to 31 comprise:

- the consolidated statements of financial position as at December 31, 2016 and December 31, 2015;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in stockholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board *(IESBA Code).* We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Material uncertainty related to going concern

We draw attention to Note 1 to the consolidated financial statements which describes events and conditions that indicate a material uncertainty that may cast significant doubt about Alphamin Resources Corp.'s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Our audit approach

Overview

Overall group materiality

- Overall group materiality in respect of our audit of the consolidated financial statements for the year ended December 31, 2016: USD 821,000, which represents 1% of the Group's total consolidated assets as at December 31, 2016.

Group audit scope

- The Group comprises of 2 operating components both of which are required to report on full scope audit procedures.

Key audit matters

The following key audit matters have been determined in respect of our audit of the consolidated financial statements for the year ended December 31, 2016:

- Material uncertainty related to going concern; and
- Assessment of impairment indicators of Exploration and Evaluation Assets (Alphamin Bisie Mining Tin Project).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our group audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	In respect of our audit of the consolidated financial statements for the year ended December 31, 2016: USD 821,000
How we determined it	1% of the Group's total consolidated assets as at December 31, 2016
Rationale for the materiality benchmark applied	We chose total consolidated assets as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users whilst the Group is in its Exploration and Evaluation phase, and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for similar companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of 2 operating components (consisting of the corporate head office in Mauritius and the exploration and evaluation project in the Democratic Republic of Congo ("DRC")), both of which were included for full scope audit requirements. This results in 100% audit coverage of the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2016. These matters were addressed in the context of our audit of the consolidated financial statements for the year ended December 31, 2016 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section above, we have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th>Key audit matter for the year ended December 31, 2016</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Assessment of impairment indicators of Exploration and Evaluation Assets (Alphamin Bisie Mining Tin Project).

In forming their assessment of possible impairment indicators of exploration and evaluation assets, management considered a number of factors as set out in note 6.

At December 31, 2016, the Group was in the process of exploring and evaluating its Tin Project in the DRC (referred to as the Alphamin Bisie Mining Tin Project).

Costs related to acquisition, exploration and evaluation of this project have been capitalised and, to date, amount to US$ 71.0 million.

By its nature, there are numerous uncertainties inherent in estimating qualities and quantities of mineral reserves and estimated costs to develop and mine it. Due to the high level of judgement and estimation involved in determining whether impairment indicators exist, and the material impact that an impairment could have on exploration and evaluation assets, we considered this a matter of most significance to our audit of the consolidated financial statements for the year ended December 31, 2016.</td><td>We evaluated management's assessment of impairment indicators, considering the factors per note 6, by performing the following procedures:
(a) We inspected the mining permit for the specified area and noted that it is valid until 2045. We also inspected legal title to additional exploration permits adjacent to the aforementioned mining area.
(b) We obtained the Group's updated feasibility study and noted that it indicates positive results as supported by geological studies performed by qualified and competent persons; and
(c) We inspected the financial models forming part of the updated feasibility study, which indicate that the carrying amount of the exploration and evaluation asset is likely to be recovered in full from successful development or by sale.

As part of our procedures in (b) and (c) above, we assessed the independence and competency of the external experts utilized by management by obtaining independence confirmations from the experts, as well as evidence relating to their qualifications and professional memberships.

We made use of our internal valuation expertise to assess the integrity of the financial model, to evaluate the appropriateness of key market related</td></tr>
</table>

	assumptions, including both short-term and long-term tin prices, and the discount rate applied to determine the net present value of the projected future cash flows of the project. We relied on the expertise and supporting documentation of the external experts utilized by management in projecting future cash flows. We reperformed the calculation of the discount rate using standard market related calculation methodologies. The discount rate applied by management fell within our independently calculated range and was therefore accepted as reasonable. The mathematical integrity of the model was checked by means of arithmetical testing. Based on the results of our procedures described above, we did not note any indicators of impairment.

Other information
Management is responsible for the other information. The other information comprises the Management's Responsibility for Financial Reporting Report and the Management Discussion and Analysis Report, which we obtained prior to the date of this auditor's report. Other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2016 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jean-Pierre van Staden.

(signed) ***PricewaterhouseCoopers Inc.***

PricewaterhouseCoopers Inc.
Chartered Accountants (South Africa)
Johannesburg - South Africa

March 31, 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, AS AT

ALPHAMIN RESOURCE CORP. Consolidated Statements of Financial Position As at (Expressed in US dollars)	December 31, 2016 $	December 31, 2015 $
ASSETS		
Current assets		
Cash and cash equivalents	8 648 895	9 067 707
Prepaids and other receivables (Note 3)	602 858	953 051
Consumable Stores (Note 4)	393 685	-
Total current assets	9 645 438	10 020 758
Non-current assets		
Plant and equipment (Note 5)	1 046 044	410 260
Prepaids and other receivables (Note 3)	444 868	297 246
Exploration and evaluation assets (Note 6)	70 968 191	62 487 300
Total non-current assets	72 459 103	63 194 806
Total assets	82 104 541	73 215 564
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	996 315	800 013
Accounts payable and accrued liabilities - related parties (Note 9)	190 833	37 500
Warrants (Note 10)	-	654 333
Total current liabilities	1 187 148	1 491 846
Stockholders' Equity		
Capital stock (Note 8)	104 277 696	92 885 725
Reserves (Note 8)	8 956 258	8 803 074
Foreign Currency Translation Reserve	(1 511 737)	(1 511 737)
Accumulated deficit	(41 808 168)	(37 681 668)
Stockholders' equity	69 914 049	62 495 394
Non-controlling interest	11 003 344	9 228 324
Total equity	80 917 393	71 723 718
Total liabilities and equity	82 104 541	73 215 564

Nature and continuance of operations (Note 1)

Approved and authorized by the Board of Directors on March 31, 2017

(signed)

Boris Kamstra, Director

(signed)

Eoin O'Driscoll, Director

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

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

ALPHAMIN RESOURCES CORP. Consolidated Statements of Loss and Comprehensive Loss For the periods ended (Expressed in US dollars)	For the Year Ended December 31, 2016 US$	For the Year Ended December 31, 2015 US$
Operating expenses:		
Accounting, audit and legal	541 237	615 997
Administrative	271 495	227 546
Bank charges and interest	158 611	110 471
Consulting fees	115 260	23 499
Directors fees	264 426	302 918
Depreciation (Note 5)	111 769	78 763
Foreign exchange loss	6 504	1 281 816
Corporate fees and salaries	2 957 708	2 653 839
Property examination and maintenance	14 555	136 181
Investor relations, filing and transfer fees	145 187	76 604
Insurance	34 211	9 515
Share-based payments (Note 8)	153 184	30 909
Warrants (Note 10)	(319 704)	(238 333)
Telecommunication costs	154 347	174 444
Loss on disposal of assets	482	-
Travel and accommodation	351 533	1 115 295
Witholding taxes	390 698	-
TOTAL	5 351 503	6 599 464
Finance income	(23)	(1 566)
Net loss and total comprehensive loss for the period	5 351 480	6 597 898
Loss and total comprehensive loss attributable to ;		
Equityholders	4 327 531	6 467 539
Non-controlling interests	1 023 949	130 359
	5 351 480	6 597 898
Net Loss Per Share – Basic and Diluted **	(0.01)	(0.02)
** Weighted average number of shares used in the calculation of net loss per share	369 278 530	357 733 523

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

ALPHAMIN RESOURCES CORP.
Consolidated Statements of Cash Flows
For the year ended
(Expressed in US dollars)

	For the Year Ended 31 December 2016	For the Year Ended 31 December 2015
Cash Flows From Operating Activities		
Net loss before interest income for the period/year	(5 351 503)	(6 599 464)
Adjustments for items not involving cash		
Share-based payments	153 184	30 909
Warrants	(319 704)	(238 333)
Loss on disposal of assets	482	-
Depreciation	111 769	78 763
Change in working capital items:		
Prepaids and other receivables - current	(620 799)	(540 764)
Consumable stores	(393 685)	-
Accounts payable and accrued liabilities	196 302	488 212
Due to related parties	153 333	(118 899)
Cash used in operations	(6 070 621)	(6 899 576)
Interest income	23	1 566
Net Cash Used in Operating Activities	(6 070 598)	(6 898 010)
Cash Flows From Investing Activities		
Purchase of equipment	(760 535)	(280 459)
Disposal of equipment	12 500	
Investing in exploration and evaluation assets	(7 462 449)	(10 990 179)
Prepaids and other receivables - non current	(195 072)	(297 246)
Net Cash Used in Investing Activities	(8 405 556)	(11 567 884)
Cash Flows From Financing Activities		
Issue of shares by subsidiary company (Note 8)	3 000 000	7 000 000
Proceeds from common stock and warrants	11 057 342	5 817 883
Net Cash Provided by Financing Activities	14 057 342	12 817 883
Decrease in cash and cash equivalents	(418 812)	(5 648 011)
Cash and cash equivalents at beginning of period/year	9 067 707	14 715 718
Cash and cash equivalents at end of period/year	8 648 895	9 067 707

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

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

ALPHAMIN RESOURCES CORP.	Capital Stock		Reserves	Foreign		Total		
			Share-based	Currency		Stockholders'	Non-	
			Payment	Translation		Equity	Controlling	
Consolidated Statement of Changes in Stockholders' Equity	Shares	Amount	Reserve	Reserve	Deficit	(Deficiency)	Interests	Total Equity
(Expressed in US dollars)	#	$	$	$	$	$		
Balance, December 31, 2014	347 019 237	88 822 651	4 383 136	(1 511 737)	(28 855 446)	62 838 604	-	62 838 604
Loss for the year	-	-	-	-	(6 467 539)	(6 467 539)	(130 359)	(6 597 898)
Share based payments	-	-	4 419 938	-	-	4 419 938	-	4 419 938
Transfer of 5% interest in subsidiary company	-	-	-	-	(2 361 732)	(2 361 732)	2 361 732	-
Issue of shares by subsidiary company	-	-	-	-	3 049	3 049	6 996 951	7 000 000
Issue of shares on September 2, 2015 for private placement	32 500 000	4 063 074	-	-	-	4 063 074	-	4 063 074
Balance, December 31, 2015	379 519 237	92 885 725	8 803 074	(1 511 737)	(37 681 668)	62 495 394	9 228 324	71 723 718
Loss for the year	-	-	-	-	(4 327 531)	(4 327 531)	(1 023 949)	(5 351 480)
Issue of shares by subsidiary company					201 031	201 031	2 798 969	3 000 000
Issue of shares in private placement	36 683 329	8 498 040				8 498 040		8 498 040
Exercise of stock options	2 749 999	467 939				467 939		467 939
Exercise of warrants	10 833 332	2 425 992				2 425 992		2 425 992
Share based payments	-	-	153 184	-	-	153 184	-	153 184
Balance, December 31, 2016	429 785 897	104 277 696	8 956 258	(1 511 737)	(41 808 168)	69 914 049	11 003 344	80 917 393

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

NOTES TO FINANCIAL STATEMENTS

1. Nature and Continuance of Operations

Alphamin Resources Corp. (the "Company") is governed by the laws of Mauritius. The Company is in the business of locating, acquiring, exploring, evaluating and, if warranted, developing mineral properties. The registered office is located at C2-202, Level 2, Office Block C, La Croisette, Grand Baie, 30517, Mauritius. The Company was previously incorporated under the laws of British Colombia, Canada, however it was continued in Mauritius effective on September 30, 2014. These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and satisfaction of liabilities in the normal course of business. From 2015, the Company' has focussed exclusively on its principal project in the Democratic Republic of Congo. The Company has recently (subsequent to the financial year end) concluded an updated feasibility study on its principal exploration and evaluation asset. Although positive, the success of the Company's future activities is influenced by significant financial risks, legal and political risks and commodity prices.

As at December 31, 2016, the Company has no source of operating cash flows, has not yet achieved profitable operations, has accumulated losses of $41,808,168, stockholders' equity of $69,914,049 and working capital of $8,458,290 and expects to incur further losses in the development of its business, all of which cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon the Company obtaining additional equity and/or debt financing and/or new strategic partners in connection with the development of its properties in the Democratic Republic of the Congo. However, there is no assurance that further financings and/or strategic partnerships will be obtained on favorable terms or at all. Failure to obtain future financing and/or strategic partnerships could result in the delay or indefinite postponement of further exploration and development of the Company's properties and may result in the Company not meeting any of its operational and capital requirements. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Summary of Significant Accounting Policies

a. Basis of Preparation

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").These consolidated financial statements have been prepared on a historical cost basis except for share based payments and financial instruments classified at fair value through profit or loss, which have been measured at fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b. Basis of Consolidation

These consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when an investor (the Company) has power over an investee (the Subsidiaries) that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. The consolidated financial statements include the accounts of the Company and its controlled subsidiaries, as follows:

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

2. Summary of Significant Accounting Policies (Continued)

Name of Subsidiary	Country of Incorporation	Principal Activity
Alphamin Bisie Mining SA (Formerly called Mining and Processing, Congo, SARL)	Democratic Republic of the Congo	Mineral exploration (84.55% owned by Alphamin Resources (BVI) Ltd)
Alphamin Holdings (BVI) Ltd *	British Virgin Islands	Holding Company (100% wholly owned by Parent)
Alphamin Resources (BVI) Ltd *	British Virgin Islands	Holding Company (100% wholly owned by Alphamin Holdings (BVI) Ltd)

* These subsidiaries were incorporated as part of the acquisition of Alphamin Bisie Mining SA (Formerly called Mining and Processing Congo, Sarl.)

All intercompany transactions and balances have been eliminated.

Following the receipt of mining license number PE 13155 and in line with Article 71 of the Mining Code 2002, 5% of the Class B shares of Alphamin Bisie Mining SA, were issued to the Government of the Democratic Republic of the Congo.

On December 31, 2015 Alphamin Bisie Mining SA received the first two tranches of the proposed $10m investment by the Industrial Development Corporation of South Africa Limited ("IDC") in the amount of $7m, resulting in 10.45% ownership in ABM. The final tranche of $3m was received in the quarter ended June 30, 2016, which brought the IDC's ownership of ABM to 14.25%. The Government of the Democratic Republic of the Congo owns a non-diluting 5% resulting in a Group ownership of 80.75%.

c. Measurement Uncertainty and Critical Judgements

The preparation of financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions, which by their nature are uncertain, affect the carrying value of assets, impact decisions as to when exploration and evaluation costs should be capitalized or expensed and affects estimates for rehabilitation provisions. Other significant estimates made by the Company include factors affecting valuations of share-based compensation and income tax accounts. The Company regularly review its estimates and assumptions, however actual results could differ from these estimates and these differences could be material. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Exploration and evaluation assets

The Company is in the process of exploring and evaluating its exploration and evaluation assets. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the successful future development of the project, the ability of the Company to obtain necessary financing to complete the development of the project and upon future production or proceeds from the disposition thereof.

Assumptions are used in estimating the Group's reserves and resources that might be extracted from the Group's properties. Judgement is applied in determining when an exploration and evaluation asset demonstrates technical feasibility and commercial viability and transitions to the development stage, requiring reclassification to construction in progress / mine development costs within property, plant and equipment.

2. Summary of Significant Accounting Policies (Continued)

Share-based payments

The share-based payments expense is estimated using the Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options, which requires inputs in calculating the fair value for share-based payments expense included in profit or loss and share-based issuance costs included in shareholders' equity. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share-based compensation are disclosed in Note 8.

Income taxes

The estimation of income taxes includes evaluating the recognition of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the recognized or unrecognized deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred income tax provisions or recoveries could be affected. No deferred tax assets have been recognized by the Group at this stage.

Environmental rehabilitation

The Company's policy with respect to provision for environmental rehabilitation is to record liabilities for statutory, legal, contractual or constructive obligations. To date, the Company's advancements on its projects have not created any significant disturbance on the land that would yield a material liability.

Going concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as disclosed in Note 1. As at December 31, 2016 the Company had working capital of $8,458,290. Additional financing will be required for the Company to continue as a going concern.

d. Cash and Cash Equivalents

Cash consists of cash on hand and on deposit in banks.

e. Foreign Currency Translation and Transactions

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. Following the change in functional currency outlined above, the functional currency of all group entities is the United States dollar.

Transactions and balances in currencies other than the United States dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Prior to the change in functional currency of the parent entity, the financial results and position of foreign operations whose functional currency was different from the reporting currency were translated as follows:

i) assets and liabilities were translated at period-end exchange rates prevailing at that reporting date; and
ii) income and expenses were translated at average exchange rates for the period.
iii) equity items were translated at historical rates.

Exchange gains and losses were included as part of the Foreign Currency Translation Reserve on the statement of financial position.

2. Summary of Significant Accounting Policies (Continued)

f. Exploration and Evaluation assets

Recognition and measurement

Exploration and Evaluation costs are those costs required to find a mineral property and determine technical feasibility and commercial viability. Exploration and Evaluation costs include costs to establish an initial mineral resource and determine whether inferred mineral resources can be upgraded to measured and indicated mineral resources and whether measured and indicated mineral resources are commercially viable. Costs incurred before the Company has obtained the legal right to explore an area are recognized in the consolidated statement of loss and comprehensive loss. Exploration and Evaluation costs relating to the acquisition of, exploration for and development of mineral properties are capitalized and include, but are not restricted to: drilling, trenching, sampling, surveying and gathering exploration data; tunnelling and development, calculation and definition of mineral resource; test work on geology, metallurgy, mining, geotechnical and geophysical; and conducting geological, geophysical, engineering, environmental, marketing and financial studies.

Administration costs that do not relate directly to specific exploration and evaluation activity for capitalized projects are expensed as incurred.

Impairment

All capitalized Exploration and Evaluation expenditures are monitored for indications of impairment. Indicators of impairment include, but are not limited to:

(a) the period for which the right to explore is less than one year;

(b) further exploration expenditures are not anticipated;

(c) a decision to discontinue activities in a specific area; and

(d) the existence of sufficient data indicating that the carrying amount of an exploration and evaluation asset is unlikely to be recovered from the development or sale of the asset.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that Exploration and Evaluation assets are not expected to be recovered, they are charged to the consolidated statement of loss and comprehensive loss.

Reclassification to property, plant and equipment

Capitalized Exploration and Evaluation costs for a project are classified as such until the project demonstrates technical feasibility and commercial viability. Upon demonstrating technical feasibility and commercial viability, and subject to an impairment analysis, capitalized exploration costs are transferred to construction in progress / mine development costs within property, plant and equipment. Demonstration of technical feasibility and commercial viability generally coincide with a board decision and approval to commence development and construction of a mine. This assessment also includes an assessment of initial development funding required as well as the availability of such funds. In addition, the assessment includes the estimation of projected future operating cash flows based on a detailed mine design plan supporting the extraction and production of established proven and probable reserves and an estimate of mineral resources expected to be converted into reserves in the future and includes initial construction and sustaining capital expenditures. However, this determination may also be impacted by management's assessment of certain modifying factors including legal, environmental, social and governmental factors. All subsequent expenditures on the development, construction, installation or completion of infrastructure facilities are capitalized as part of mine development / construction in progress within property, plant and equipment.

2. Summary of Significant Accounting Policies (Continued)

g. Plant and Equipment

Plant and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized using the straight-line method at the following annual rates:

Motor vehicle	3-5 years
Computer equipment	2 years
Plant and machinery	5-10 years
Land	not depreciated

h. Share-based payments

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the statement of loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied. Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss. Amounts related to the issuance of shares are recorded as a reduction of capital stock. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value of the shares or equity instruments issued is used.

i. Income Taxes

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

j. Basic and Diluted Earnings (Loss) Per Share

The basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to ordinary shareholders of the parent company by the weighted average number of common shares outstanding during the year. Diluted earnings per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. For this purpose, the "treasury stock method" is used for the assumed proceeds upon the exercise of stock options and warrants that are used to purchase common shares at the average market price during the period.

k. Provision for Environmental Rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and plant and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as

2. Summary of Significant Accounting Policies (Continued)

interest expense. The Company currently does not have any provisions for environmental rehabilitation for the years presented.

l. Capital Stock

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their market value at the date the shares are issued. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The Company first values the warrants at their fair value using option pricing methodologies. The balance is allocated to the common shares.

m. Financial Instruments

Financial assets

The Company classifies its financial assets into one of the following categories:

Fair value through profit or loss – this category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Loans and receivables – these assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment.

Held-to-maturity investments – these assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment.

Not-for-sale-non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and recognized in profit or loss. All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities

The Company classifies its financial liabilities into one of the following categories:

Fair value through profit or loss – this category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Other financial liabilities – this category consists of liabilities carried at amortized cost using the effective interest method.

2. Summary of Significant Accounting Policies (Continued)

n. Impairment of Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

o. Accounting standards and interpretations not yet effective and not early adopted

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting years ended after December 31, 2016. Many are not applicable or do not have a significant impact on the Company and have been excluded from the summary below. The Company does not plan to adopt any of these standards early.

(i) IFRS 9, Financial Instruments ("IFRS 9") replaces IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") and some of the requirements of IFRS 7, Financial Instruments: Disclosures ("IFRS 7"). The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Company is in the process of determining the impact of the adoption of this standard on the consolidated financial statements, if any.

(ii) IFRS 15, Revenue from Contracts with Customers ('IFRS 15") replaces IAS 11, Construction Contracts ("IAS 11"), IAS 18, Revenue ("IAS 18") and some revenue related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company does not expect the impact of this new standard to have a significant impact on the financial statements as the Company's properties will not be in commercial production prior to the effective date. All future operating mines will adopt IFRS 15 upon achieving commercial production.

(iii) IFRS 16, Leases ('IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

As at December 31, 2016, the Company did not have any significant operating lease commitments. The Company is in the process of determining the impact that any existing or future lease commitments will have on the consolidated financial statements, if any.

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

2. Summary of Significant Accounting Policies (Continued)

There are no other IFRS or IFRS Interpretations Committee ("IFRIC") interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Prepaids and other receivables

Item	December 31, 2016 $	December 31, 2015 $
Current		
VAT refund receivable*	-	836,412
Supplier prepayments	518,747	84,469
Tax prepayment**	62,011	-
Deposits and other receivables	22,100	32,170
	602,858	953,051
Non-current		
Environmental deposit in DRC***	242,466	242,466
Deposits and other receivables	-	54,780
Tax prepayment**	202,402	-
	444,868	297,246

* The VAT refund receivable in the DRC has been transferred to Exploration and evaluation assets until such time as recoverability can be confirmed with certainty.

** The tax prepayment relates to costs incurred by the Group's subsidiary in the DRC on upgrading a public road in the DRC. It has been agreed that this expenditure can be off-set against future provincial taxes due by the Group's subsidiary in the DRC.

*** The environmental deposit in the DRC relates to funds deposited with the central bank in the DRC. These funds will be utilized toward any future environmental rehabilitation activities. The Group did not have any significant environmental liabilities at December 31, 2016. The deposit will be returned to the Company in the event that the funds are not utilized.

4. Consumable Stores

	December 31, 2016 $	December 31, 2015 $
Consumables	393,685	-

Consumable stores consist of inventories of diesel, personal protective equipment and road building supplies. These items are likely to be capitalized as part of Exploration and Evaluation assets when they are consumed as part of the related activities.

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

5. Plant and Equipment

Description	Computer and Equipment $	Land	Motor Vehicles $	Plant and Machinery $	Total $
Cost					
Balance January 1, 2015	15 037	-	149 921	95 304	260 262
Additions	49 672	-	49 575	181 212	280 459
Balance December 31, 2015	64 709	-	199 496	276 516	540 721
Additions	31 669	271 029	212 518	245 320	760 536
Disposals	(12 331)	-	(7 000)	-	(19 331)
Balance December 31, 2016	84 047	271 029	405 014	521 836	1 281 926
Accumulated Depreciation					
Balance January 1, 2015	(4 314)	-	(42 638)	(4 746)	(51 698)
Depreciation during the year	(9 552)	-	(44 615)	(24 596)	(78 763)
Balance December 31, 2015	(13 866)	-	(87 253)	(29 342)	(130 461)
Depreciation during the period	(20 202)	-	(57 696)	(33 871)	(111 769)
Disposals	4 452	-	1 896	-	6 348
Balance December 31, 2016	(29 616)	-	(143 053)	(63 213)	(235 882)
Net closing value					
January 1, 2015	10 723	-	107 283	90 558	208 564
Balance December 31, 2015	50 843	-	112 243	247 174	410 260
Balance December 31, 2016	54 431	271 029	261 961	458 623	1 046 044

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

6. Exploration and Evaluation Assets

Exploration and evaluation assets and deferred exploration costs consist of:

Project acquisition costs	**Bisie**
	$
January 1, 2015 to December 31, 2016	33 822 040
Capitalized exploration costs:	
January 1, 2015	13 584 347
Costs incurred during the year	10 990 179
Share based payments	4 389 029
Reallocation of tax receivable	(298 295)
December 31, 2015	28 665 260
Costs incurred during the year	7 462 449
Reallocation of tax receivable	1 018 442
December 31, 2016	37 146 151

Total exploration and evaluation assets:	
Balance, January 1, 2015	47 406 387
Balance, December 31, 2015	62 487 300
Balance, December 31, 2016	70 968 191

Note: The VAT refund receivable in the DRC, amounting to $1,018,442, has been capitalized as part of Exploration and Evaluation assets until such time as recoverability can be confirmed with certainty.

(a) Bisie Project

The Company owns an indirect 80.75% interest in Alphamin Bisie Mining SA (formerly MPC SARL), a company incorporated in the Democratic Republic of the Congo and the holder of five exploration permits and one mining/exploitation permit constituting the Bisie Tin Project. See related parties note 9 for further information on the ownership of Alphamin Bisie Mining SA.

(b) Agreement to acquire adjoining Bisie Project Mining License in Democratic Republic of the Congo

During September 2013, the Company entered into an agreement to acquire an exploration license, which adjoins its Bisie Project in North Kivu Province of the Democratic Republic of the Congo. The Company has paid $875,000 to date, including an installment of $100,000 in June 2016. Additional payments due under the terms of the agreement are $100,000 by June 30, 2017 and $50,000 by June 30, 2018. The Company has the right to withdraw at any stage.

(c) Impairment assessment

In accordance with IFRS 6 (Exploration for and evaluation of mineral resources), Exploration and evaluation Assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The factors listed below were considered and no impairment indicators were identified:

(a) The Group has obtained a mining/exploitation permit covering the specific area that is valid until 2045 and, in addition holds the legal title to additional exploration permits adjacent to the aforementioned mining area;
(b) Exploration for and evaluation of mineral resources in the specific area have produced positive results and the Group has decided to continue such activities in the specific area with an objective to completing its evaluation activities and commencing with development activities during 2017; and
(c) No data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the Exploration and Evaluation asset is not likely to be recovered in full from successful development or by sale.

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

7. Accounts payable and accrued liabilities

	December 31, 2016 $	December 31, 2015 $
Accounts payable	586,409	519,471
Accrued liabilities	36,184	217,924
Payroll accruals	33,500	-
Payroll & Withholding Tax liabilities	340,222	62,618
	996,315	800,013

Accounts payable and accrued liabilities are mainly comprised of amounts outstanding for purchases relating to exploration and evaluation activities and amounts payable for professional services. The credit term period for purchases typically ranges from 30 to 120 days.

8. Capital Stock and Reserves

a) Capital Stock

The authorized capital stock of the Company consists of an unlimited number of common shares without par value, of which 429,785,897 common shares were issued and outstanding at December 31, 2016.

b) Changes in issued capital stock and reserves during the year ended December 31, 2016 were as follows:

(i) During the quarter ended March 31, 2016 1,000,000 stock options were forfeited.

(ii) During the quarters ended June 30, 2016 and December 31, 2016 5,420,001 stock options expired.

(iii) During the quarters ended September 30, 2016 and December 31, 2016 2,749,999 stock options were exercised.

(iv) During the quarter ended December 31, 2016 1,149,839 stock options were issued.

(v) During the quarter ended September 30, 2016 10,833,332 warrants were exercised.

(vi) During the quarters ended September 30, 2016 and December 31, 2016 36,683,329 shares were issued for a total consideration of $8,498,040 USD at a price of CAD$0.30 per share, pursuant to the private placement announced on September 8, 2016.

c) Changes in issued capital stock and reserves during the year ended December 31, 2015 were as follows:

(i) On September 2, 2015, the Company raised CAD$6,500,000 (USD$4,955,740) via a private placement of 32,500,000 units (the "Units") at a price of CAD$0.20 per Unit. Each Unit consisted of one common share and one-third of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of CAD$0.25 until September 2, 2016. Accordingly, a total of 10,833,332 warrants were issued in the private placement. All securities sold in the offering were subject to a hold period which expired on January 3, 2016.

(ii) During the quarter ended September 30, 2015 2,949,663 stock options were forfeited.

(iii) During the quarter ended September 30, 2015 1,518,077 stock options were granted.

(iv) During the quarter ended December 31, 2015 759,038 stock options were granted.

(v) During the quarter ended December 31, 2015 600,000 stock options forfeited.

(vi) During the quarter ended December 31, 2015 26,583,334 warrants expired

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

8. Capital Stock and Reserves (Continued)

d) Stock options

A summary of the stock option plan and principal terms is set out below.

The Plan provides that the number of common shares that may be purchased under the Plan is a rolling maximum which shall not exceed 10% of the issued and outstanding shares of the Company at any time, with appropriate substitutions and/or adjustments in accordance with regulatory policies if there is a change in the number of issued and outstanding shares resulting from a share split, consolidation, or other capital or corporate reorganization. Per TSX Venture Exchange ("TSX-V") policies, the total amount of shares reserved for issuance to any one optionee within a period of 12 months shall not exceed 5% of the outstanding common shares at the time of grant, the total amount of shares reserved for issuance to any one Consultant (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of grant, and the total amount of shares reserved for all persons conducting Investor Relations Activities (as defined by the Plan) within a period of 12 months shall not exceed 2% of the outstanding common shares at the time of the grant.

The Plan provides that it is solely within the discretion of the Board of Directors (the "Board") to determine which directors, employees and other service providers may be awarded options under the Plan, and under what terms they will be granted, as well as any amendments or variations to these terms in the event of an Accelerated Vesting Event (as defined by the Plan). Options granted under the Plan will be for a term not exceeding ten years from the day the option is granted, as in line with TSX-V policies. Subject to such other terms or conditions that may be attached to the particular option granted, an option shall only be exercisable so long as the optionee shall continue to hold office or provide services to the Company and shall, unless terminated earlier, or extended by the Board, terminate immediately if said optionee is terminated for cause, terminate at the close of business on the date which is no later than 90 calendar days after cessation of office or employment, or in the case of the optionee's death, terminate at the close of business on the date which is no later than one year after the date of death, as the case may be. Subject to a minimum price of CAD$0.10, the options will be exercisable at a price which is not less than the Market Price (as defined in the policies of the TSX-V) of the Company's shares at the time the options are granted. The options are non-assignable. Shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Company will not provide financial assistance to option holders to assist them in exercising their options. A summary of stock option activity and information concerning currently outstanding and exercisable options as at December 31, 2016 are as follows:

	Options Outstanding	
	Number of Options #	Weighted Average Exercise Price CAD$
Balance December 31, 2014	13,469,663	0.30
Options granted during the year	2,277,115	0.20
Options forfeited during the year	(3,549,663)	0.24
Balance December 31, 2015	12,197,115	0.30
Options granted during the year	1,149,839	0.23
Options exercised during the year	(2,749,999)	0.22
Options expired during the year	(5,420,001)	0.34
Options forfeited during the year	(1,000,000)	0.25
Balance December 31, 2016	4,176,954	0.29

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

8. Capital Stock and Reserves (Continued)

The following table summarizes information concerning outstanding and exercisable options at December 31, 2016:

			Options Outstanding and Exercisable	
Number Outstanding #	Number Exercisable #	Expiry Date	Weighted Average Exercise Price CAD$	Remaining Life (Years)
750,000	750,000	Feb 7, 2017	0.65	0.10
1,518,077	227,712	Aug 15, 2020	0.20	3.62
759,038	113,856	Oct 19, 2020	0.20	3.81
759,038	-	Apr 15, 2021	0.20	4.29
390,801	-	Nov 15, 2021	0.30	4.79
4,176,954	1,091,568		0.29	

All options vest over a 3 year period (15% after 1 year, 35% after 2 years and 50% after 3 years). Options expire 5 years after the date of issue.

The Company recorded a share based payment expense to the statement of loss and comprehensive loss of $153,184 for the year ended December 31, 2016 ($30,909 for the year ended December 31, 2015).

The share-based payments expense related to options granted was determined using the Black-Scholes option pricing model and the following weighted average assumptions:

	October 2016	April 2016
Forfeiture rate	-	-
Risk free interest rate	0.67%	0.58%
Expected life of options in years	3.00	3.00
Volatility*	137.61%	138.50%
Dividend rate	0.00%	0.00%

* calculated as standard deviation of the Company's historical share price

e) Share Purchase Warrants

A summary of warrants activity and information concerning outstanding warrants as at December 31, 2016 are as follows:

	Warrants Outstanding	
	Number of Warrants #	Weighted Average Exercise Price CAD$
Balance, December 31, 2014	26,583,334	0.25
Warrants issued	10,833,332	0.25
Warrants lapsed	(26,583,334)	0.25
Balance, December 31, 2015	10,833,332	0.25
Warrants exercised	(10,833,332)	0.25
Balance, December 31, 2016	-	0.25

The 10,833,332 warrants attached to the units issued in the September 2, 2015 were accounted for as a financial liability. See note 10 for further details.

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

8. Capital Stock and Reserves (Continued)

f) Share based payment

During the year ended December 31, 2015, the Company ceded 5% of its ownership of Alphamin Bisie Mining SA ("ABM") to the DRC government as part of the process of obtaining a mining license and in line with the Article 71 of the DRC Mining Code 2002. Under IFRS 2 this is considered to be a share based payment and an asset correlating to the fair value of the shares ceded has been recognised in exploration and evaluation assets.

The fair value of the equity instruments granted has been calculated by reference to the parent Company share price at the date of issue of the shares to the DRC government, adjusting for certain relevant items such as parent Company assets and liabilities not related to the value of the investment in the subsidiary, as well as the relative marketability and value of a minority and majority stake in private and public Companies in line with standard industry valuation practise. The DRC government holds a special class of non-dilutive, non-contributory shares. Included in the valuation of the equity instrument granted to the DRC government was an estimated fair value of future contributions that will not be made by the DRC Government regarding these shares. An asset of $4,389,029 was recorded with a corresponding increase in the share based payment reserve.

As a result of the decreased ownership in ABM the Company recognised a non-controlling interest of $2,361,732 based on the consolidated book value of the assets and liabilities of ABM at the date of the transaction.

See note 9 for additional information.

g) Transaction with non-controlling interest

The issue of shares in Alphamin Bisie Mining SA ("ABM") to the Industrial Development Corporation of South Africa ("IDC") for $7,000,000 during the year ended December 31, 2015 was accounted for as a shareholder transaction resulting in an increase of the non-controlling interest of $6,996,951. The balancing $3,049 was taken to equity in line with IFRS 10. The receipt of the third and final tranche from the IDC in the amount of $3,000,000 in May 2016 resulted in an additional increase in the non-controlling interest of $2,798,969. The balancing $201,031 was taken to equity in line with IFRS 10. See note 9 for additional information.

9. Related Party Transactions

Key management personnel

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

Item	Relationship	December 31, 2016 $	December 31, 2015 $
Director and Officer fees	Directors, officers	999,568	833,045
Secretarial and administrative fees	Corporate Secretary	53,500	47,700
Geologist and management fees	Directors, officers	-	153,000
Share based payments	Directors, officers	153,184	(99,237)

Total amounts due to related parties of $190,833 (December 31, 2015 - $37,500) are due or accrued to officers and directors.

In line with the DRC mining code the Company's subsidiary Alphamin Bisie Mining SA ("ABM") granted 5% of its share capital to the government of the DRC. To facilitate this ABM divided their share capital into two classes, "A" shares and "B" shares. The "B" shares are intended to be held solely by the government of the DRC and are non-dilutable at 5% of total share capital ("A" plus "B") in issue. "B" Class shares have normal voting rights on a pro rata bases and the DRC government has a right to appoint 1 director to the ABM board. The 5% is a free carry under the terms of the DRC mining code, hence the DRC government is not required to contribute on granting of their initial holding or further issues to maintain their stake at 5%. The percentage is fixed under the DRC mining code and management do not anticipate any changes in this regard in the short to medium term.

CONSOLIDATED FINANCIAL STATEMENTS (EXPRESSED IN US DOLLARS)

9. Related Party Transactions (Continued)

In November 2015, the Company entered into an agreement with the Industrial Development Corporation of South Africa Limited ("IDC") pursuant to which the IDC could invest up to $10,000,000 directly into ABM, in three tranches, subject to the completion of certain milestones. As at year end the Company had received all tranches, resulting in an ownership in ABM of 14.25% by the IDC.

Under the terms of the shareholders' agreement the IDC were granted an "offtake option". Under the offtake option the IDC is entitled, as long as it owns 11% or more of ABM "A" class shares, to an option to purchase from ABM a portion of the Company's mineral production. The percentage of production that the IDC wishes to acquire, cannot exceed their percentage holding in the "A" class shares of ABM at the date of exercise. The IDC shall only be able to benefit from the Offtake option if the relevant percentage of the Company's production is not already committed to other buyers in respect to the relevant period. The offtake acquired can only be for a minimum of six months and a maximum of twelve months, and must be purchased at the same average price and other terms as ABM is able to, and would otherwise intend to, sell its product to other third party purchasers. The offtake option is not transferrable.

Under the terms of the shareholders' agreement a qualifying "Seller", defined as a shareholder, or two or more shareholders acting together, holding more than 50% of the "A" class shares of ABM, has drag along and tag along rights that are normal in transactions of this nature.

The IDC has also granted pre-emption rights to the other "A" class shareholders, entitling them to a right of first refusal on any partial or full sale of their shares.

The IDC may propose (but is not obliged) at any time during the "Exit Period" that Alphamin Resources acquire all, but not less than all, its A Class Shares in exchange for shares in Alphamin Resources (the Share Swap), which shall be based on the then Fair Market Value of the A Class Shares, and on terms to be mutually agreed to by Alphamin Resources and the IDC. The Exit Period refers to the earlier of 5 years from the date of signature or 1 year from the date the Bisie tin project reaches 90% of its intended maximum production, having been fully funded and fully implemented.

10. Warrants

On September 2, 2015, the Company issued 10,833,332 warrants in the private placement as outlined in Note 8. The Company has assessed the conditions of these warrants in terms of IAS32 and IAS 39 and has concluded that, as a result of the currency of the warrants (CAD) being different to that of the Company's functional and presentation currency (USD), coupled with the fact that the warrants were issued as part of a private placement, rather than a rights issue, that the warrants need to be accounted for as a financial liability with fair value through profit and loss. The warrants were valued on the date of issue and the related fair value of $892 667 was raised as a liability (the balance of the cash received in the private placement was accounted for in equity as Capital Stock). The Company has valued the warrants using the Black-Scholes pricing model with the assumptions below. The warrants had an expiry date of September 2, 2016.

	September 2, 2016	December 31, 2015
Strike price	CAD0.25	CAD0.25
Risk free interest rate	0.50%	0.50%
Expected life of options in years	0.00	0.7
Annualized volatility	00%	138%
Dividend rate	0.00%	0.00%

The warrants were exercised on September 2, 2016 and on that date the fair value of the warrants was calculated at $334,629 (December 31, 2015: $654,333). The movement for the period of $319,704 (2015: $238 333) in the warrant liability was credited to the Statement of loss and comprehensive loss. The use of an option pricing model to determine the fair value of these warrants falls within Level 2 of IFRS 13's fair value hierarchy: Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Upon exercise of the warrants the carrying value of the liability was credited to capital stock.

11. Segmented information

The Company considers its business to consist of one reportable operating segment, being the acquisition, exploration, evaluation and if warranted, development of mineral deposits. As at reporting date, substantially all of the Company's plant and equipment and exploration and evaluation assets were located in the Democratic Republic of the Congo. In assessing potential operating segments, the Company has considered the information reviewed by the Chief Operating Decision Maker (CODM). The Company has identified the Board of Directors as the CODM, and is satisfied that the information as presented in the financial statements is the same as that assessed by the CODM for management reporting purposes. The Company has one asset, in one commodity in one country.

12. Income Taxes

In Mauritius, Alphamin Resources Corp. is a "Category 1 Global Business License Company" for the purpose of the Financial Services Act 2007. The Company is subject to income tax at 15%. It is, however, entitled to a tax credit equivalent to the higher of foreign taxes paid and 80% of the Mauritius tax on its foreign source income, leaving a maximum effective tax rate of 3%. Capital gains of the Company are exempt from tax in Mauritius. At December, 31 2016, the Company was not liable for income tax as it had not generated any taxable income to date. The Company does not recognise a deferred tax asset in respect of tax losses brought forward due to uncertainty around the future recoverability of such losses.

In the DRC, Alphamin Bisie Mining is exposed to a tax rate for mining companies of 30%. This is the main operating subsidiary of the group. At December, 31 2016, the Company was not liable for income tax as it had not generated any taxable income to date. The Company does not recognise a deferred tax asset in respect of tax losses brought forward due to uncertainty around the future recoverability of such losses.

13. 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 evaluation and exploration of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company currently depends on shareholder equity to fund its activities, but is also in the process of investigating 3rd party loan finance options. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. Changes in the equity accounts of the Company are disclosed in Note 8. 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, obtain 3rd party loan financing or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are approved by the Board of Directors and updated as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets to fund continued exploration, evaluation and development of its exploration and evaluation assets and the future growth of the business. The Company is also in the process of investigating specific project finance options to assist in funding the anticipated development of its tin project in the DRC. As at December 31, 2016, the Company has stockholders' equity of $69,914,049. The Company is not subject to any externally imposed capital requirements.

14. Financial Instruments and Risk Management

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations would warrant such hedging activities. The Company places its cash with high credit quality financial institutions.

a) Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis, including evaluation of counterparty credit rating, monitoring activities related to trade and other receivables and counterparty concentrations measured by amount and percentage. The primary source of credit risk for the Company arises from the following financial assets: (1) cash and cash equivalents and (2) other receivables. The Company has not had any credit losses in the past, nor does it expect to have any credit losses in the future. At December 31, 2016, the Company has no financial assets that are past due or impaired due to credit risk defaults. As at year end

14. Financial Instruments and Risk Management (Continued)

substantially all of the cash and cash equivalents balance was concentrated with Standard Bank group. Standard Bank's average credit rating is BBB+. The Company's maximum exposure to credit risk at the reporting date is as follows:

Item	December 31, 2016 $	December 31, 2015 $
Cash and cash equivalents	8,648,895	9,067,707
Other receivables – current	22,100	32,170
Other receivables – non-current	242,466	297,246
Total	8,913,461	9,397,123

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining a sufficient cash balance to meet its anticipated operational needs. When there are not sufficient funds, the Company reduces its exploration, evaluation and corporate spending to preserve liquidity. The Company's accounts payable and accrued liabilities arose as a result of exploration, evaluation and corporate expenses. Payment terms on these liabilities are typically 30 to 120 days from receipt of invoice and do not generally bear interest. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

	Within 0 to 120 days 2016 $	Within 0 to 120 days 2015 $
Accounts payable and accrued liabilities	656,093	737,395
Accounts payable and accrued liabilities – related parties	190,833	37,500

c) Market Risk

Market risk is the risk that the fair value for assets or future cash flows will fluctuate because of changes in market conditions. The Company evaluates market risk on an ongoing basis and has established policies and procedures for mitigating its exposure to foreign exchange fluctuations. The Company is not exposed to interest rate risk, as it does not hold debt balances and is not charged interest on its accounts payable balances.

(i) Foreign Exchange Risk

The Company operates on an international basis and therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. The Company is exposed to foreign currency risk on fluctuations related to financial instruments that are denominated in Canadian dollars (CAD). A 10% fluctuation in the USD against the Canadian dollar would affect the net loss and Foreign Currency Translation Reserve by insignificant amounts.

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14. Financial Instruments and Risk Management (Continued)

d) Fair Value Measurement

At December 31, 2016 and December 31, 2015, the carrying values and the fair values of the Company's financial instruments are shown in the following table.

	December 31, 2016	December 31, 2016	December 31, 2015	December 31, 2015
	Carrying Value $	Fair Value $	Carrying Value $	Fair Value $
Financial assets				
Cash and cash equivalents	8,648,895	8,648,895	9,067,707	9,067,707
Other receivables – current	22,100	22,100	32,170	32,170
Other receivables – non-current	242,466	242,466	297,246	297,246
Financial liabilities				
Accounts payable and accrued liabilities	656,093	656,093	737,395	737,395
Accounts payable and accrued liabilities - related parties	190,833	190,833	37,500	37,500
Warrants	-	-	654,333	654,333

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 fair value of the Company's other receivables, accounts payable and accrued liabilities, related party payables and warrants approximate their carrying values (all within Level 3 of the fair value hierarchy).

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15. Significant operating subsidiaries with non-controlling interests

The table below shows details of the non-wholly owned subsidiary of the Group that has material non-controlling interests:

	Proportion of ownership and voting rights held by non-controlling interests		Profit / (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
Company	**December 31, 2016**	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**	**December 31, 2016**	**December 31, 2015**
Alphamin Bisie Mining SA	19.25%	15.45%	(1 023 949)	(130 359)	11 003 344	9 228 324

Summarised financial information in respect of the above subsidiary is set out below.
The summarised financial information below presents amounts before intragroup eliminations.

	December 31, 2016	**December 31, 2015**
Current assets	2 482 086	8 008 430
Non-current assets	26 772 319	18 717 573
Total assets	**29 254 405**	**26 726 003**
Current liabilities	8 998 786	3 704 811
Equity	20 255 619	23 021 192
Total liabilities and equity	**29 254 405**	**26 726 003**
Operating expenses	(5 765 574)	(3 266 945)
Income tax expense	-	-
Net loss for the period/year	**(5 765 574)**	**(3 266 945)**
Attributable to owners of the Company	(4 741 625)	(3 136 586)
Attributable to non-controlling interest	(1 023 949)	(130 359)
Net cash used in operating activities	(3 538 088)	
Net cash used in investing activities	(7 605 010)	
Net cash from financing activities	18 061 930	
Net increase/(decrease) in cash and cash equivalents	**6 918 832**	

16. Subsequent Events

On February 6, 2017, the Company announced that it had completed its Front-End Engineering Design and Control Budget Estimate for its 80.75% owned Bisie Tin Project and on March 23, 2017 an updated Feasibility Study was filed. The Group expects to formally commence with development activities during the 2017 financial year. The carrying value of the Group's Exploration and Evaluation assets was assessed for impairment based on the updated mine design and budget referred to above and management determined that no indication of impairment exists.