THOR EXPLORATIONS LTD

Consolidated Financial Statements

For the Years Ended December 31, 2016 and 2015

(in Canadian Dollars)

THOR EXPLORATIONS LTD.

December 31, 2016

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Independent Auditor's Report

To the Shareholders of Thor Explorations Ltd.

We have audited the accompanying consolidated financial statements of Thor Explorations Ltd., which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, and the consolidated statements of comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in equity for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Thor Explorations Ltd. as at December 31, 2016 and December 31, 2015, and its financial performance and its cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2c in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about Thor Explorations Ltd.'s ability to continue as a going concern.

"D&H GROUP LLP"

Vancouver, B.C.
April 27, 2017

Chartered Professional Accountants

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
In Canadian dollars

	Note		December 31, 2016		2015
ASSETS					
Current					
Cash		**$**	**1,469,015**	$	166,981
Amounts receivable	6		**3,501**		10,270
Prepaid expenses, advances and deposits	7		**92,726**		12,201
Total current assets			**1,565,242**		189,452
Investment	8		**2**		2
Prepaid expenses, advances and deposits	7		**29,402**		-
Property, plant and equipment	9		**213,904**		83,299
Exploration and evaluation assets	10		**32,474,686**		13,989,759
TOTAL ASSETS		**$**	**34,283,236**	$	14,262,512
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	11	**$**	**419,667**	$	669,961
Non-current liabilities					
Deferred income tax liabilities		**$**	**30,274**	$	37,029
Deferred payment	12		**2,002,810**		-
Total non-current liabilities			**2,033,084**		37,029
SHAREHOLDERS' EQUITY					
Common shares	13		**39,038,540**		18,476,613
Shares subscription			**-**		134,654
Reserve	13		**1,539,308**		1,539,308
Currency translation reserve			**488,362**		1,793,362
Deficit			**(9,235,725)**		(8,388,415)
Total shareholders' equity			**31,830,485**		13,555,522
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**34,283,236**	$	14,262,512

Nature of operations and going concern (Note 2(c))
Subsequent events (Note 21)

These consolidated financial statements were approved for issue by the Board of Directors on April 27, 2017 and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note		2016		2015
Expenses:					
Audit and legal		**$**	**66,540**	$	152,013
Bank charges			**5,950**		4,771
Consulting fees	15		**259,397**		242,393
Accretion	12		**136,097**		-
Directors fees	15		**2,656**		2,557
Depreciation			**1,706**		2,149
Foreign exchange loss (gain)			**202,266**		(15,186)
Listing and filing fees			**7,279**		8,838
Office and miscellaneous			**131,717**		73,588
Shareholder information and transfer agent fees			**19,645**		9,512
Travel			**14,542**		13,952
Write-off of receivables			**2,861**		2,238
Net loss before taxes		**$**	**(850,656)**	$	(496,825)
Current income taxes	17		**(1,113)**		(1,082)
Deferred income tax recovery	17		**4,459**		36,699
Net loss for the year		**$**	**(847,310)**	$	(461,208)
Other comprehensive income (loss)					
Foreign currency translation (loss) gain attributed to equity shareholders of the company			**(1,305,000)**		1,011,113
Total comprehensive income (loss) for the year		**$**	**(2,152,310)**	$	549,905
Net loss per share - basic and diluted		**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding - basic and diluted			**170,665,299**		105,920,056

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,
In Canadian dollars

	Note	**2016**	2015
Cash flows from (used in):			
Operating activities			
Net loss for the period		**$ (847,310)**	$ (461,208)
Adjustments for:			
Foreign exchange loss (gain)		**71,033**	(15,186)
Accretion		**136,097**	-
Depreciation		**1,706**	2,149
Current income taxes		**1,113**	1,082
Deferred income tax recovery		**(4,459)**	(36,699)
Write-off of receivable		**2,861**	2,238
Changes in non-cash working capital items	16	**(302,808)**	207,709
Non-current prepaid expenses, advances and deposits		**(28,728)**	-
Cash utilized in operations		**(970,495)**	(299,915)
Adjustments to net loss for cash items			
Realized foreign exchange loss (gain)		**(40,045)**	(2,552)
Income tax paid		**(1,113)**	(1,082)
Net operating cash flows		**(1,011,653)**	(303,549)
Investing activities			
Acquisition of exploration and evaluation assets, net of cash acquired	5(a)	**(4,024,044)**	-
Purchases of property, plant and equipment	9	**(201,597)**	-
Exploration and evaluation expenditures	10	**(100,513)**	(127,738)
Net investing cash flows		**(4,326,154)**	(127,738)
Financing			
Proceeds from issuance of equity securities	13	**6,804,710**	426,773
Share subscriptions	13	**-**	78,925
Share issue costs	13	**(263,836)**	(3,035)
Net financing cash flows		**6,540,874**	502,663
Effect of exchange rates on cash		**98,967**	15,131
Net change in cash		**1,302,034**	86,507
Cash, beginning of the year		**166,981**	80,474
Cash, end of the year		**$ 1,469,015**	$ 166,981

Supplemental cash flow information (Note 16)

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

THOR EXPLORATIONS LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars

	Note	Issued capital: Number of common shares	Issued capital: Amount	Share subscription	Reserves	Currency translation reserve	Non-controlling interest	Deficit	Total shareholders' equity
Balance on December 31, 2014		**101,666,865**	**$ 18,021,126**	**$ 55,729**	**$ 1,539,308**	**$ 782,249**	**$ 58,096**	**$ (7,927,207)**	**$ 12,529,301**
Private placements	13	5,020,853	426,773	-	-	-	-	-	426,773
Shares issued for additional investment in subsidiary	5(b) 13	373,517	31,749						31,749
Share issuance costs	13	-	(3,035)	-	-	-	-	-	(3,035)
Share subscription received		-	-	78,925					78,925
Net loss for the year		-	-	-	-	-	-	(461,208)	(461,208)
Comprehensive income		-	-	-	-	1,011,113	(58,096)	-	953,017
Balance on December 31, 2015		**107,061,235**	**$ 18,476,613**	**$ 134,654**	**$ 1,539,308**	**$ 1,793,362**	**$ -**	**$ (8,388,415)**	**$ 13,555,522**
Private placements	13	56,952,081	6,939,363	-	-	-	-	-	6,939,363
- Finders fee	13	428,386	49,264						49,264
Share issuance costs		-	(313,100)	-	-	-	-	-	(313,100)
Shares issued for acquisition of subsidiaries	5(a)	120,751,301	13,886,400	-	-	-	-	-	13,886,400
Share subscription received		-	-	(134,654)	-				(134,654)
Net loss for the year		-	-	-	-	-	-	(847,310)	(847,310)
Comprehensive income loss		-	-	-	-	(1,305,000)	-	-	(1,305,000)
Balance on December 31, 2016		**285,193,003**	**$ 39,038,540**	**$ -**	**$ 1,539,308**	**$ 488,362**	**$ -**	**$ (9,235,725)**	**$ 31,830,485**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company"). Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a junior natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold exploration and development projects located in West Africa.

The Company's principal office is located at 250 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These audited 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.

b) Basis of measurement

These audited consolidated financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. A precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4.

2. BASIS OF PREPATION (continued)

c) Nature of operations and going concern

The Company is in the exploration stage and is in the process of exploring its resource properties and has not determined whether these properties contain reserves which are economically recoverable. The recoverability of amounts shown for mineral property costs is dependent upon the discovery of economically recoverable reserves, the ability to obtain the necessary financing to complete their exploration and development, as well as environmental regulations that may limit certain mining processes.

These audited consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Accordingly, no adjustments to the carrying values of the assets and liabilities have been made in these audited consolidated financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis which may differ materially from the going concern basis.

The Company has incurred losses in the current period and prior years. For the year ended December 31, 2016, the Company has incurred a net loss of $847,310 (year ended December 31, 2015 – of $461,208), and has an accumulated deficit including the currency translation adjustment of $8,747,363. As at December 31 2016, the Company has a working capital surplus of $1,145,575 (December 31, 2015 – working capital deficit $480,509). Although the Company has been successful in securing additional financing in the past, the current market condition raises material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these audited consolidated financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

In Canadian dollars, except where noted

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Details of the group

In addition to the Company, these audited consolidated financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. (“Thor BVI”)	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated (“African Star”)	British Virgin Islands	March 31, 2011	100%
African Star Resources SARL (“African Star SARL”)	Senegal	July 14, 2011	100%
Argento Exploration BF SARL (“Argento BF SARL”)	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL (“AFC Constelor SARL”)	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited (“SROL”)	Nigeria	August 18, 2016	100%
Segilola Gold Limited (“SGL”)	Nigeria	August 18, 2016	100%

c) Foreign currency translation

Functional and presentation currency

The Company’s presentation currency is the Canadian dollar (“$”). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The functional currency of the Company’s wholly owned subsidiaries Thor BVI and SGL is the United States Dollar (“USD”). The functional currency of the Company’s wholly-owned subsidiary African Star is the UK Pound Sterling (“GBP”). The functional currency of African Star SARL, Argento BF SARL and AFC Constelor SARL is West African CFA Franc ("CFA"). The functional currency of SROL is Nigerian Naira ("NGN").

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, SGL, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL and SROL’s financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, SGL, African Star and African Star SARL, Argento BF SARL, AFC Constelor SARL and SROL are recognized in other comprehensive income (loss).

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments

Financial Assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Cash and amounts receivable are classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2016 the Company has an investment in a management service entity classified as available for sale. This investment is recorded on a cost basis.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and deferred payment are classified as other financial liabilities.

e) Cash

Cash consist of cash bank deposit balances.

f) Investment

The Company records investment in non-publicly traded companies, where significant influence is not present, the investment does not have a quoted market price in an active market and fair value cannot be reliably measured, at cost.

g) Property, plant and equipment

Recognition and Measurement
On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Property, plant and equipment (continued)

Subsequent Costs
The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Major Maintenance and Repairs
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and Losses
Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation
Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-25%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

h) Exploration and evaluation expenditures

Pre-exploration Costs
Pre-exploration costs are expensed in the year in which they are incurred.

Acquisition costs
The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At December 31, 2016 all exploration and evaluation assets are intangible assets.

Mines under Construction - Development costs

If an unproven mineral interest is determined to be economically feasible, then costs incurred to develop the mineral interest, including additional exploration and evaluation costs relating to the mineral interest, are capitalized. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

Depletion

If a mineral interest is put into commercial production, then any related capitalized costs will be depleted using the units-of-production method.

Option agreements

As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under an option agreement. Option agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the optionee. The Company recognizes amounts payable under an option agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under an option agreement only when the optionee has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under option agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

Uncertainty of legal title

There may be material uncertainties associated with the Company's ownership of its exploration and evaluation assets. Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to profit and loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

j) Provision for site restoration

Obligations to retire a non-current asset, including dismantling, restoration and similar activities, are provided for at the time they are incurred or an event occurs giving rise to such obligation. The Company is subject to laws and regulations relating to environmental matters, including land reclamations and discharge of hazardous materials, in all jurisdictions in which it operates. The Company may be found to be responsible for damages caused by prior owners and operators of its exploration and evaluation assets and in relation to the assets previously held by the Company. The Company believes it has conducted its exploration and evaluation activities in compliance with applicable environmental laws and regulations.

On initial recognition, the estimated net present value of future site restoration is recorded as a liability and a corresponding amount is added to the capitalized cost of the related non-current asset. The liability increase over time through periodic charges to profit and loss. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The provision is evaluated at the end of each reporting period for changes in the estimated amount or timing of settlement of the obligation. The Company is not presently aware of any such obligations.

k) Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company is not presently aware of any such obligations.

l) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Income taxes (continued)

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

n) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

p) Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

q) Application of new and revised International Financial Reporting Standards

Effective January 1, 2016, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("IASB").

(i) Amended Standard IAS 1 Presentation of Financial Statements

The amendments to IAS 1 deal with clarification of materiality in terms of the presentation of financial statements, clarification of the disclosure required in the statement of financial position, statement of loss and statement of other comprehensive income, and addition of possible ways of ordering the notes in order to increase the understandability and comparability of the financial statements. The application of this IFRS did not have a material impact on the amounts reported for the current and prior years but may affect the presentation of future transactions or arrangements.

(ii) Amended IAS 16 Property, Plant and Equipment and IAS 38 Intangibles

The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" prohibit the use of revenue-based depreciation for plant and equipment and significantly limit the use of revenue-based amortization for intangible assets. The application of these amendments did not have a material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(iii) Amended IFRS 11 Joint Arrangements

The amendments to IFRS 11 deal with the accounting for acquisitions of an interest in a joint operation. The application of this amendment did not have any impact for the current or prior years but may affect the disclosure required in the future.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Future accounting pronouncements

The following are the accounting standards issued but not yet effective, as of December 31, 2016.

(i) Effective for annual periods beginning on or after January 1, 2017

Amended standard IAS 7 Statement of Cash Flows
These amendments to IAS 7 "Statement of Cash Flows" were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities.

Amended standard IAS 12 Income Taxes
These amendments relate to the recognition of deferred tax assets for unrealized losses associated with debt instruments measured at fair value.

(ii) Effective for annual periods beginning on or after January 1, 2018

New Standard IFRS 7 Financial Instruments: Disclosures
The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments.

New Standard IFRS 9 Financial Instruments.
Replacement of IAS 39 Financial Instruments: Recognition and Measurement.

New Standard IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information.

(iii) Effective for annual periods beginning on or after January 1, 2019

New Standard IFRS 16 Leases
Replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met.

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in net and/or comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

a) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

(i) *Depreciation rates for property, plant and equipment*
Depreciation is recognized on a straight-line basis over the estimated useful life of the assets.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(ii) *Value of deferred payment*
The fair value of deferred payment at the time of issue is calculated using a 20% effective interest rate.

The interest rate is reviewed at each financial year end and adjusted if appropriate.

b) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

(i) *Title to exploration and evaluation assets*
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(ii) *Determination of functional currency*
In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currency of the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The functional currency of the Company’s wholly-owned subsidiaries Thor BVI and SGL is the United States Dollar (“USD”). The functional currency of the Company’s wholly-owned subsidiary African Star is the UK Pound Sterling (“GBP”). The functional currency of African Star SARL, Argento BF SARL and AFC Constelor SARL is the West African CFA Franc (“CFA”). The functional currency of SROL is the Nigerian Naira (“NGN”).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

b) Critical accounting judgments (continued)

(iii) *Impairment of exploration and evaluation assets*
In accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*, management is required to assess impairment in respect of the intangible exploration and evaluation assets. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

Management has determined that there were no impairment indicators present in respect of the exploration and evaluation assets and as such, no impairment test was performed.

(iv) *Income taxes*
The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 17.

In Canadian dollars, except where noted

5. ASSET ACQUISITION

a) Acquisition of Segilola Gold Project

On August 18, 2016, pursuant to the terms of the share purchase agreements, the Company purchased the "Segilola Gold Project" through the acquisition of SROL and SGL.

The total consideration paid was comprised of the following:

Cash payment of US$3,100,000	$ 3,957,770
Thor shares issued 120,751,301[(1)]	13,886,400
Deferred payment of US$2,000,000 at the earliest of: a) Thor completing financing for the development of full scale mining of the Segilola Gold Project; and b) August 18, 2018[(3)]	1,773,194
Transaction costs	132,946
Total consideration	**$ 19,750,310**

(1) The fair value per common share of Thor of CDN $0.115 was the closing price on the Toronto Stock Exchange Venture on August 18, 2016.
(2) The fair value of the deferred payment is based on a discount rate of 20% being management's best estimate of the rate that a non-convertible loan without warrants and with similar terms would bear. The foreign exchange rate of 1.2767 was the closing CAD to USD exchange rate published by the Bank of Canada on August 18, 2016.

The Company concluded that the acquired assets and liabilities did not constitute a business and accordingly the acquisition was accounted for as an asset acquisition. The purchase price was allocated to the assets acquired with $19,747,473 allocated to exploration and evaluation assets and the remaining $2,837 allocated to cash.

In addition, the Company is required, pursuant to the terms of the share purchase agreements, to make the following future payments:

a) 3.0% net smelter return royalty with a maximum royalty payable of US$7,500,000; and
b) US$245,000 within five business days of the Company making a decision to put the Segilola Gold Project into commercial production.

These future payments have not been accrued as the payments are dependent upon future events and will only be accrued for as and if the future events occur.

In Canadian dollars, except where noted

5. ASSET ACQUISITION (continued)

b) Additional interest acquired on AFC Constelor SARL

On May 21, 2013, the Company acquired 85% of the shares of AFC Constelor SARL pursuant to an option agreement ("Constelor Option Agreement") entered March 7, 2012 with AFC Constelor SARL and Constelor Panafrican Resources Holdings Ltd. ("Constelor Holdings").

On April 8, 2015, the Company entered into an earn-in agreement ("Acacia Option Agreement") with Acacia Mining PLC ("Acacia") to explore and invest in the Central Houndé Project (the "Project") in Burkina Faso. As a condition to closing, the Company was required to acquire the remaining 15% interest in AFC Constelor SARL from Constelor Holdings. The additional 15% of shares acquired in AFC Constelor SARL was acquired on April 17, 2015 through the issuance to Constelor Holdings of 373,517 common shares of the Company at $0.085 per share (Note 13). Acacia provided funds of US$12,500 to the Company for completion of the acquisition. This transaction increased the Company's ownership in AFC Constelor SARL from 85% to 100%.

The total consideration paid was comprised of the following:

Purchase price		
Acquisition of 15% of AFC Constelor SARL		
Cash (US$12,500)	$	(15,213)
Shares (373,517 common shares of Thor Explorations Ltd.)		31,749
Total consideration	**$**	**16,536**

6. AMOUNTS RECEIVABLE

		December 31, 2016		December 31, 2015
GST	**$**	**2,743**	$	4,225
Employee advances for expenditures		**758**		6,045
	$	**3,501**	$	10,270

7. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		December 31, 2016		December 31, 2015
Current:				
Prepaid insurance	**$**	**4,792**	$	4,792
Other deposits		**27,489**		7,409
Other prepaids		**60,445**		-
	$	**92,726**	$	12,201
Non-current:				
Other prepaids	**$**	**29,402**	$	-
	$	**29,402**	$	-

In Canadian dollars, except where noted

8. INVESTMENT

	December 31, 2016	December 31, 2015
Sterling West Management Ltd.	**$ 2**	$ 2

The Company has entered into a service relationship with a group of companies for the provision of administrative, office support and management services. The Company subscribed for one share at $2 per share in a management services entity. This entity is funded and owned by several participating companies and is managed by a board elected by the shareholders. The Company holds a 33% interest (year ended December 31, 2015 – 25% interest) in the entity and does not exert significant influence. This investment is recorded on a cost basis. Upon execution of the agreement, each participant was required to provide a deposit to the entity. The Company's share of the deposit was determined to be $18,000. During the year ended December 31, 2015, the Company used the deposit of $18,000 to offset against outstanding amounts payable to Sterling West Management Ltd. As of December 31, 2016, deposit balance is $nil.

9. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	**Plant and machinery**	**Software**	**Office furniture**	**Total**
Costs					
Balance, December 31, 2014	$ 120,667	$ 353,813	$ 20,221	$ 48,989	$ 543,690
Additions	-	-	-	-	-
Foreign exchange movement	8,598	31,528	2,614	4,047	46,787
Balance, December 31, 2015	$ 129,265	$ 385,341	$ 22,835	$ 53,036	$ 590,477
Additions	190,409	-	-	11,188	201,597
Foreign exchange movement	(5,022)	(40,406)	(4,300)	(4,552)	(54,280)
Balance, December 31, 2016	**$ 314,652**	**$ 344,935**	**$ 18,535**	**$ 59,672**	**$ 737,794**
Accumulated depreciation and impairment losses					
Balance, December 31, 2014	$ 87,268	$ 228,469	$ 16,430	$ 25,744	$ 357,911
Depreciation	22,044	65,757	3,393	9,206	100,400
Foreign exchange movement	8,489	33,637	3,012	3,729	48,867
Balance, December 31, 2015	**$ 117,801**	**$ 327,863**	**$ 22,835**	**$ 38,679**	**$ 507,178**
Depreciation	12,843	44,274	-	7,720	64,837
Foreign exchange movement	(7,501)	(33,192)	(4,300)	(3,132)	(48,125)
Balance, December 31, 2016	**$ 123,143**	**$ 338,945**	**$ 18,535**	**$ 43,267**	**$ 523,890**
Carrying amounts					
Carrying value at December 31, 2014	$ 33,399	$ 125,344	$ 3,791	$ 23,245	$ 185,779
Carrying value at December 31, 2015	$ 11,464	$ 57,478	$ -	$ 14,357	$ 83,299
Carrying value at December, 2016	**$ 191,509**	**$ 5,990**	**$ -**	**$ 16,405**	**$ 213,904**

During the year ended December 31, 2016, depreciation of $63,131 (year ended December 31, 2015 - $98,251) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to December 31, 2016 amounts to $499,166 (December 31, 2015 - $436,035).

In Canadian dollars, except where noted

10. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Total
Costs				
Balance, December 31, 2014	$ 11,271,811	$ 1,470,402	$ -	$ 12,742,213
Acquisition costs	-	13,365	-	13,365
Exploration costs	230,924	22,868	-	253,792
Foreign exchange movement	894,576	85,813	-	980,389
Balance, December 31, 2015	$ 12,397,311	$ 1,592,448	$ -	$ 13,989,759
Acquisition costs	-	-	19,747,473	19,747,473
Exploration costs	106,978	(14,120)	57,250	150,108
Foreign exchange movement	(1,316,110)	(98,585)	2,041	(1,412,654)
Balance, December 31, 2016	**$ 11,188,179**	**$ 1,479,743**	**$ 19,806,764**	**$ 32,474,686**

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuator commissioned by African Star or fund its 30% share of the exploration and operating expenses.

No works were undertaken on the license during 2016 as the Company focused on fundraising and completing the acquisition of the Segilola Gold Project in Nigeria.

10. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

Effective March 7, 2012, the Company entered into the Constelor Option Agreement with AFC Constelor SARL and Constelor Holdings, to acquire an 85% interest in the Bongui and Legue gold permits located in Houndé greenstone belt, southwest Burkina Faso. The two contiguous Bongui and Legue gold permits covering an area of 233 km^2, form part of the Company's Central Houndé Project, located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

On May 21, 2013, the Company acquired 85% of AFC Constelor SARL pursuant to the Constelor Option Agreement. As consideration, the Company issued Constelor Holdings 1,666,667 common shares at $0.16 per share for the value of $266,667 (US$250,000).

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia, formerly known as African Barrick Gold Plc, whereby Acacia will have the exclusive option to earn up to a 51% interest in the Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in Central Hounde Project, upon declaration of a Pre-Feasibility Study.

Acacia Option Agreement details include:

- Acacia will spend a minimum of US$500,000 within a 12-month option period prior to deciding to Earn-in.
- Acacia will spend a minimum of US$1,000,000 in the following 24 months to earn a 51% interest in the Project ("Phase 1 Earn-in"). Should Acacia elect not to continue with Phase I Earn-In or withdraw from the agreement, Acacia will retain no equity in the Project and will pay Thor a termination fee of US$100,000.
- Acacia will spend a minimum of an additional US$2,000,000 in the 24 months following the Phase 1 Earn-in.
- Acacia will fund all costs up to and including the completion of a Pre-Feasibility study on the Project to earn an additional 29%.

On March 8, 2016, Acacia provided notice to the Company of its intention to proceed with Phase 1 Earn-in under the Acacia Option Agreement.

Simultaneously with the Acacia Option Agreement, the Company was required to acquire the remaining 15% minority interest in AFC Constelor SARL. On April 17, 2015, the Company acquired the remaining 15% interest. The additional 15% of shares acquired in AFC Constelor SARL was acquired through the issuance to Constelor Holdings of 373,517 common shares of the Company at $0.085 per share (Note 13). Acacia provided funds of US$12,500 to the Company on the acquisition. This transaction increased the Company's ownership in AFC Constelor SARL from 85% to 100%.

As at December 31, 2016, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project.

In Canadian dollars, except where noted

10. EXPLORATION AND EVALUATION ASSETS (continued)

b) Central Houndé Project, Burkina Faso (continued)

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

On May 21, 2013, the Company acquired all of the shares in Argento BF SARL for an aggregate purchase price of $388,890, consisting of $363,890 in cash advances made by the Company to Argento BF SARL prior to the closing of the acquisition, and a payment of $25,000 to a minority shareholder.

Argento BF SARL holds a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2, and forms part of the Company's Central Houndé Project, located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

In late 2016, Acacia commenced and completed drill testing of the prospect with positive initial results from the small section of the anomaly tested. On the basis of the encouraging results received Acacia plans to undertake a 10,000 meter reverse circulation and diamond core programme in 2017 to further assess several parts of the anomaly.

c) Segilola Project, Osun Nigeria

The Segilola Gold Project is located in Osun State of Nigeria, approximately 120km northeast of Lagos. The property comprises mining and exploration licenses that covers an area of 17.2km^2.

On November 7, 2016 the Company announced that its mining license ML41 on the Segilola Gold Project was successfully renewed for a period of 25 years.

See also Note 5(a)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2016	December 31, 2015
Trade payables	**$ 133,649**	$ 249,879
Accrued liabilities	**286,018**	420,082
	$ 419,667	$ 669,961

12. DEFERRED PAYMENT

	December 31, 2016	December 31, 2015
Deferred payment	$ 1,773,194	$ -
Accretion	136,097	
Foreign exchange movement	93,519	-
Total deferred payment	**$ 2,002,810**	**$ -**

See also Note 5(a)

13. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

Private Placement – December 2016
On December 5, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 12,995,776 common shares at a price of $0.145 per common share to raise gross proceeds of $1,884,388. In connection with the Private Placement, the Company paid finders' fees of $84,794 in cash to third party finders.

Private Placement – August 2016
On August 18, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 40,416,204 common shares at a price of $0.115 per common share to raise gross proceeds of $4,647,863. In connection with the Private Placement, the Company paid finders' fees comprised of $118,486 in cash and 428,386 common shares of the Company to third party finders.

Acquisition of Segilola Gold Project – August 2016
On August 18, 2016, pursuant to the terms of the share purchase agreements, the Company purchased the Segilola Gold Project. As part of the consideration, the Company issued 120,751,301 common shares at $0.115 per share.

See also Note 5(a)

Private Placement – February 2016
On February 17, 2016, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 3,540,101 common shares at a price of $0.115 per common share to raise gross proceeds of $407,112. In connection with the Private Placement, the Company paid finder's fee of $8,174 in cash to third party finders.

Acquisition of Minority Interest – April 2015
On April 17, 2015, the Company acquired the remaining 15% interest of AFC Constelor SARL pursuant to the terms of the Acacia Option Agreement between the Company and AFC Constelor SARL and Constelor Holdings. As part of the consideration of the minority interest acquired, the Company issued 373,517 common shares at $0.085 per share to Constelor Holdings.

See also Note 5(b)

Private Placement – March 2015
On March 16, 2015, the Company closed a non-brokered private placement pursuant to which it has issued an aggregate of 5,020,853 common shares at a price of $0.085 per common share to raise gross proceeds of $426,773.

13. CAPITAL AND RESERVES (continued)

c) Share-based compensation

The Company has granted employees, consultants, directors and officers share purchase options. These options were granted pursuant to the Company's stock option plan.

Under the 2013 Share Option Plan, 9,110,811 common shares of the Company are reserved for issuance upon exercise of options.

No options were granted during years ended December 31, 2016 and 2015.

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2016 to December 31, 2016 and the outstanding and exercisable options at December 31, 2016:

			Contractual Lives	January 1, 2016	During the period			December 31, 2016	December 31, 2016 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
1-Apr-2011	11-Jan-2016	$0.16	-	5,000	-	-	(5,000)	-	-	
1-Apr-2011	1-Apr-2016	$0.16	-	117,000	-	-	(117,000)	-	-	-
29-Aug-2011	29-Aug-2016	$0.15	-	300,000	-	-	(300,000)	-	-	-
17-Nov-2011	17-Nov-2016	$0.16	-	575,000	-	-	(575,000)	-	-	-
Totals				**997,000**	**-**	**-**	**(997,000)**	**-**	**-**	-
Weighted Average Exercise Price				**$0.16**	**-**	**-**	**$0.16**			-

The following is a summary of changes in options from January 1, 2015 to December 31, 2015 and the outstanding and exercisable options at December 31, 2015:

			Contractual Lives	January 1, 2015	During the year			December 31, 2015	December 31, 2015 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
1-Apr-2011	11-Jan-2016	$0.16	0.03	5,000	-	-	-	5,000	5,000	-
1-Apr-2011	1-Apr-2016	$0.16	0.25	120,500	-	-	(3,500)	117,000	117,000	-
29-Aug-2011	29-Aug-2016	$0.15	0.66	600,000	-	-	(300,000)	300,000	300,000	-
17-Nov-2011	17-Nov-2016	$0.16	0.88	575,000	-	-	-	575,000	575,000	-
Totals			**0.74**	**1,300,500**	**-**	**-**	**(303,500)**	**997,000**	**997,000**	-
Weighted Average Exercise Price				**$0.16**	**-**	**-**	**$0.15**	**$0.16**	**$0.16**	-

In Canadian dollars, except where noted

13. CAPITAL AND RESERVES (continued)

d) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Reserves' is used to recognize the value of stock option grants and share purchase warrants prior to exercise.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

14. NON-CONTROLLING INTEREST

On April 17, 2015, the Company completed the purchase of the remaining 15% minority interest in AFC Constelor SARL pursuant to the terms of the Acacia Option Agreement. During December 31, 2014, 15% of AFC Constelor SARL's equity and total comprehensive income was allocated to the non-controlling interest using the indirect method. During December 31, 2015, this was reversed and the Company's ownership went from 85% to 100%.

The non-controlling interest is comprised of the following:

	December 31, 2016	December 31, 2015
Balance, beginning of the period	**$ -**	$ 58,096
Non-controlling interest's share of loss in AFC Constelor	**-**	-
Reverse non-controlling interest in AFC Constelor	**-**	(54,292)
Foreign exchange translation	**-**	(3,804)
Balance, end of the period	**$ -**	$ -

In Canadian dollars, except where noted

15. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	Nature of transactions
Isis Resource Partners Ltd.	Management
Alcester Project Limited	Management
Helm Financial Management Ltd.	Management
Goldstream Capital Corporation	Director Fees

The Company incurred the following advances in the normal course of operations in connection with companies controlled by key management and directors.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the years ended December 31, 2016 and 2015 were as follows:

	Year ended December 2016	Year ended December 2015
Consulting fees		
current directors and officers	**$ 76,679**	$ 60,000
former directors and officers	**11,500**	12,000
Director fees	**2,649**	2,557
	$ 90,828	$ 74,557

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2016 and 2015.

(ii) The Company paid consulting and director fees to private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at December 31, 2016 include $33,495 (December 31, 2015 - $145,719) due to private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted

16. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	December 31, 2016	December 31, 2015
Amounts receivable	**$ 6,528**	$ 364
Prepaid expenses and deposits - current	**(79,748)**	33,456
Accounts payable and accrued liabilities	**(243,124)**	201,692
Change in non-cash working capital accounts	**$ (316,344)**	$ 235,512
Relating to:		
Operating activities	**$ (302,808)**	$ 207,709
Investing activities	**(13,536)**	27,803
	$ (316,344)	$ 235,512

Accounts payable and accrued liabilities includes $227,998 (December 31, 2015 - $241,534) related to exploration and acquisition costs.

b) The Company has $1,113 of income tax outlays for the year ended December 31, 2016 (December 31, 2015 - $1,072).

c) Other non-cash transactions from the cash flow statement that occurred during the year ended December 31, 2016 and 2015 are:

	Year ended December 31, 2016	Year ended December 2015
Acqusition of exploration and evaluation assets (Note 5(a))	**$ 13,886,400**	$ -
Issue of common shares as finders fee (Note 13(b))	**$ 49,264**	$ -
Issue of common shares on acquisition of remaining 15% interest of AFC Constelor SARL (Note 5(b))	$ -	$ 31,749

In Canadian dollars, except where noted

17. INCOME TAX

The difference between tax expense for the year and the expected income taxes based on the Canadian statutory income tax rate is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Loss before income taxes	$ **850,656**	$ 496,825
Potential expected income tax recovery at a statutory rate of 26% (2015 - 26%)	**(221,171)**	(129,175)
Higher statutory tax rate on earnings of foreign subsidiaries	**7,318**	14,419
Permanent and other differences	**(9,548)**	(1,181)
Changes in unrecognized deferred tax assets	**220,055**	80,320
Current income taxes	**(1,113)**	(1,082)
Deferred income tax recovery	$ **(4,459)**	$ (36,699)

During the years ended December 31, 2016 and 2015 the Canadian federal corporate income tax rate remained unchanged at 15%. The British Columbia provincial corporate income tax remained unchanged at 11%.

The Senegalese and Burkina Faso corporate income tax rates remained unchanged at 30% and 27.5% respectively.

The Nigerian corporate income tax rate is 30%.

Deferred Income Tax Assets and Liabilities

Significant components of the Company's deferred income tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Eligible capital	$ **24,507**	$ 24,507
Share issue costs	**73,363**	21,452
Other timing differences	**80,809**	49,141
Resource related deductions	**(7,819)**	(45,907)
Non-capital losses carry forward	**1,114,413**	951,642
	1,285,273	1,000,835
Unrecognized deferred tax asset	**(1,315,547)**	(1,037,864)
Deferred income tax liabilities	$ **(30,274)**	$ (37,029)

The Company will only recognize deferred income tax assets to the extent to which it is probable that sufficient taxable income will be realized, or taxable temporary differences will reverse, during the carry forward periods to utilize the deferred tax assets.

In Canadian dollars, except where noted

17. INCOME TAX (continued)

Deferred Income Tax Assets and Liabilities (continued)

The Company has available non-capital losses in Canada of approximately $4,273,000 (2015 - $ 3,660,000). The Canadian non-capital losses may be utilized to offset future taxable income and have carry forward periods of up to 20 years. The losses, if not utilized, expire through 2036. A summary of these tax losses is provided below.

Year of Expiry	Taxable Losses
2025	267,000
2026	245,000
2027	295,000
2028	243,000
2029	45,000
2030	105,000
2031	468,000
2032	642,000
2033	535,000
2034	391,000
2035	427,000
2036	610,000
	$ 4,273,000

The other deductible temporary differences do not expire and may be utilized to reduce future taxable income. The potential benefits of these carry-forward non-capital losses and deductible temporary differences has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

18. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, investment, and accounts payable and accrued liabilities and deferred payment.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, amounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The fair value of deferred payment approximates its fair value. The investment is carried at cost as it is not traded on an active market.

18. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company did not have any financial instruments in Level 1, 2 and 3.

Financial risk management objectives and policies
The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit risk
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, Nigerian, Senegalese and Burkina Faso Chartered banks that are believed to be creditworthy.

Amounts receivable is comprised primarily of amounts due from the Government of Canada related to General Sales Tax. The Company does not believe it is exposed to significant credit risk and counterparty risks.

In Canadian dollars, except where noted

18. FINANCIAL INSTRUMENTS (continued)

Liquidity and funding risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at December 31, 2016 and 2015.

Contractual maturity analysis as at December 31, 2016

	Less than 3 months	3 - 12 months	1 - 5 years	Longer than 5 years	Total
Accounts payable	$ 133,649	$ -	$ -	$ -	$ 133,649
Accrued liabilities	$ 256,018	$ 30,000	$ -	$ -	$ 286,018
Deferred payment	$ -	$ -	$ 2,002,810	$ -	$ 2,002,810
	$ 389,667	**$ 30,000**	**$ 2,002,810**	**$ -**	**$ 2,422,477**

Contractual maturity analysis as at December 31, 2015

	Less than 3 months	3 - 12 months	1 - 5 years	Longer than 5 years	Total
Accounts payable	$ 249,879		$ -	$ -	$ 249,879
Accrued liabilities	$ 390,082	$ 30,000	$ -	$ -	$ 420,082
	$ 639,961	**$ 30,000**	**$ -**	**$ -**	**$ 669,961**

18. FINANCIAL INSTRUMENTS (continued)

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Interest rate risk

The Company has minimal exposure to interest rate fluctuations on its cash balances due to current low market interest rates.

b) Foreign currency risk

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, UK Pounds Sterling, Nigerian Naira, West African CFA Francs and Australian Dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars, UK Pounds Sterling, West African CFA Francs, Nigerian Naira and Australian Dollars. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

The Company is exposed to currency risk through the following financial assets and liabilities denominated in currencies other than the Canadian dollar at December 31, 2016 and 2015:

	December 31, 2016				
	US Dollars	UK Pounds	CFA Francs	Nigerian Naira	Australian Dollars
Cash	$ 1,325,407	$ -	$ 34,286	$ 11,127	$ -
Amounts Receivable	-	-	758	-	-
Deposits	-	24,983	2,506	-	-
Accounts payable and accrued liabilities	(12,130)	(67,279)	(257,857)	(6,511)	(11,163)
Deferred payment	(2,002,810)	-	-	-	-
	$ (689,533)	$ (42,296)	$ (220,307)	$ 4,616	$ (11,163)

	December 31, 2015		
	US Dollars	UK Pounds Sterling	CFA Francs
Cash	$ 165,020	$ 58	$ (611)
Amounts Receivable	-	-	6,045
Deposits	-	3,918	3,491
Accounts payable and accrued liabilities	(20,587)	(36,064)	(274,498)
	$ 144,433	$ (32,088)	$ (265,573)

In Canadian dollars, except where noted

18. FINANCIAL INSTRUMENTS (continued)

Market risk (continued)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar, UK Pounds Sterling, West African CFA Franc, Nigerian Naira and Australian Dollar denominated financial assets and liabilities above. The sensitivity analysis measures the effect from recalculation of these items as at the balance sheet date by using adjusted foreign exchange rates.

December 31, 2016	Canadian Dollar appreciation by 5%	Canadian Dollar depreciation by 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 47,934	$ (47,934)
December 31, 2015		
Comprehensive income (loss)		
Financial assets and liabilities	$ 7,661	$ (7,661)

19. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its 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 its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of a year or less from the date of acquisition. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended December 31, 2016.

In Canadian dollars, except where noted

20. SEGMENTED DISCLOSURES

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

December 31, 2016	Senegal	Burkina Faso	British Virgir Islands	Nigeria	Canada	Total
Current assets	$ 34,256	$ 3,293	$ 10,452	$ 52,028	$ 1,465,213	$ 1,565,242
Investment	-	-	-		2	2
Prepaid expenses and deposit	-	-	-	12,728	16,674	29,402
Property, plant and equipment	8,033	2,909	-	202,962	-	213,904
Exploration and evaluation assets	11,188,179	1,479,743	-	19,806,764	-	32,474,686
Total assets	$ 11,230,468	$ 1,485,945	$ 10,452	$ 20,074,482	$ 1,481,889	$ 34,283,236

December 31, 2015	Senegal	Burkina Faso	British Virgin Islands	Canada	Total
Current assets	$ 1,526	$ 7,400	$ 3,981	$ 176,545	$ 189,452
Investment	-	-	-	2	2
Property, plant and equipment	79,353	3,946	-	-	83,299
Exploration and evaluation assets	12,397,311	1,592,448	-	-	13,989,759
Total assets	$ 12,478,190	$ 1,603,794	$ 3,981	$ 176,547	$ 14,262,512

21. SUBSEQUENT EVENTS

On January 16, 2017 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years.