

**FIRST POINT MINERALS CORP.**

Condensed Consolidated Interim Financial Statements

March 31, 2017 & 2016

*(Unaudited)*

*(Stated in Canadian Dollars)*

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of First Point Minerals Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

**FIRST POINT MINERALS CORP.**  
Condensed Consolidated Interim Statements of Financial Position  
(Unaudited)  
(Stated in Canadian Dollars)

	Mar. 31 2017	Dec. 31 2016
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents (note 4)	778,031	468,105
Amounts receivable (note 5)	7,114	22,855
Prepaid expenses (note 6)	17,757	8,538
<b>Total Current Assets</b>	802,902	499,498
Equipment (note 7)	-	-
Reclamation deposits (note 8)	94,884	94,884
Marketable securities (note 9)	149,729	270,118
Exploration and evaluation assets (note 10)	8,214,131	8,185,609
<b>Total Assets</b>	9,261,646	9,050,109
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 11)	42,697	29,932
Severance payable (note 15)	126,672	174,171
Interest payable (note 12)	100,263	100,698
<b>Total Current Liabilities</b>	269,632	304,801
Loan payable (note 12)	7,119,944	7,093,777
<b>Total Liabilities</b>	7,389,576	7,398,578
<b>EQUITY</b>		
Share capital (note 13)	29,587,951	29,209,451
Other equity reserve (note 13)	5,580,713	5,328,061
Deficit	(33,238,103)	(32,794,920)
Accumulated other comprehensive loss	(58,491)	(91,061)
<b>Total Shareholders' Equity</b>	1,872,070	1,651,531
<b>Total Liabilities and Shareholders' Equity</b>	9,261,646	9,050,109

Nature and continuance of operations (note 1)

Commitments (note 16)

Events after the statement of financial position date (note 21)

Approved and authorized by the Board of Directors:

*/s/ Peter M. D. Bradshaw*

Peter M.D. Bradshaw, Director

*/s/ Robert A. Watts*

Robert A. Watts, Director

See notes to the condensed consolidated interim financial statements

**FIRST POINT MINERALS CORP.**

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the Three Months Ended March 31

*(Unaudited)**(Stated in Canadian dollars)*

	<u>2017</u>	<u>2016</u>
<b>EXPENSES</b>	<b>\$</b>	<b>\$</b>
Accounting, legal and audit	<b>1,542</b>	6,163
Amortization	-	301
Communications	<b>3,975</b>	7,513
Foreign exchange gain	<b>(31,498)</b>	(447,118)
General exploration	<b>3,194</b>	3,713
Insurance	<b>2,753</b>	2,610
Interest expense (note 12)	<b>106,764</b>	203,279
Management fees	<b>47,850</b>	40,800
Office and administration	<b>8,322</b>	11,437
Rent	<b>151</b>	21,280
Share-based compensation (note 13)	<b>252,652</b>	-
Travel and promotion	<b>4,012</b>	10,404
Trust and filing fees	<b>4,614</b>	17,586
	<hr/>	<hr/>
<b>Income (loss) before other items</b>	<b>(404,331)</b>	122,032
	<hr/>	<hr/>
<b>OTHER ITEMS</b>		
Loss on sale of marketable securities	<b>(39,664)</b>	-
Interest income	<b>812</b>	2,546
	<hr/>	<hr/>
	<b>(38,852)</b>	2,546
	<hr/>	<hr/>
<b>Net income (loss) for the period</b>	<b>(443,183)</b>	124,578
	<hr/>	<hr/>
<b>Other comprehensive loss</b>		
Items that may be reclassified to income:		
Unrealized loss on marketable securities	<b>(5,990)</b>	(33,765)
	<hr/>	<hr/>
<b>Comprehensive income (loss) for the period</b>	<b>(449,173)</b>	90,813
	<hr/>	<hr/>
<b>Basic and diluted loss per share</b> (note 14)	<b>\$0.00</b>	\$0.00
	<hr/>	<hr/>
<b>Weighted average number of common shares outstanding</b>	<b>121,134,339</b>	105,804,339

See notes to the condensed consolidated interim financial statements

**FIRST POINT MINERALS CORP.**  
Condensed Consolidated Interim Statements of Changes in Equity  
(Unaudited)  
(Stated in Canadian Dollars)

	Share Capital		Other Equity Reserve \$	Deficit \$	Accumulated Other Comprehensive Loss \$	Total \$
	Number of Shares #	Amount \$				
<b>Balance, December 31, 2015</b>	<b>105,804,339</b>	<b>28,606,814</b>	<b>5,157,495</b>	<b>(31,963,703)</b>	<b>(181,966)</b>	<b>1,618,640</b>
Income for the period	-	-	-	124,578	-	124,578
Other comprehensive income	-	-	-	-	(33,765)	(33,765)
<b>Balance, March 31, 2016</b>	<b>105,804,339</b>	<b>28,606,814</b>	<b>5,157,495</b>	<b>(31,839,125)</b>	<b>(215,731)</b>	<b>1,709,453</b>
Private placement	12,600,000	630,000	-	-	-	630,000
Share issue costs	-	(27,363)	-	-	-	(27,363)
Share-based compensation	-	-	170,566	-	-	170,566
Loss for the period	-	-	-	(955,795)	-	(955,795)
Other comprehensive gain	-	-	-	-	124,670	124,670
<b>Balance, December 31, 2016</b>	<b>118,404,339</b>	<b>29,209,451</b>	<b>5,328,061</b>	<b>(32,794,920)</b>	<b>(91,061)</b>	<b>1,651,531</b>
Private placement	3,900,000	390,000	-	-	-	390,000
Share issue costs	-	(11,500)	-	-	-	(11,500)
Share-based compensation	-	-	252,652	-	-	252,652
Adjustment on sale of marketable securities	-	-	-	-	38,560	38,560
Loss for the period	-	-	-	(443,183)	-	(443,183)
Other comprehensive loss	-	-	-	-	(5,990)	(5,990)
<b>Balance, March 31, 2017</b>	<b>122,304,339</b>	<b>29,587,951</b>	<b>5,580,713</b>	<b>(33,238,103)</b>	<b>(58,491)</b>	<b>1,872,070</b>

See notes to the condensed consolidated interim financial statements

**FIRST POINT MINERALS CORP.**  
Condensed Consolidated Interim Statements of Cash Flows  
For the Three Months Ended March 31  
(Unaudited)  
(Stated in Canadian Dollars)

	2017	2016
	\$	\$
<b>Cash provided by (used for):</b>		
<b>Operating activities</b>		
Net income (loss) for the period	(443,183)	124,578
Add items not involving cash:		
Amortization	-	301
Accrued interest included in loan payable	56,804	157,500
Unrealized foreign exchange gain on loan	(30,637)	(448,786)
Loss on sale of marketable securities	39,664	-
Share-based compensation	252,652	-
	(124,700)	(166,407)
Changes in non-cash working capital components:		
Amounts receivable	15,742	2,357
Prepaid expenses	(9,220)	(4,589)
Accounts payable and accrued liabilities	12,149	(57,955)
Severance payable	(47,499)	(140,414)
Interest payable	-	(5,283)
	(153,528)	(372,291)
<b>Financing activities *</b>		
Proceeds from shares issued	390,000	-
Share issue costs	(11,500)	-
Proceeds from sale of marketable securities	113,296	-
	491,796	-
<b>Investing activities *</b>		
Exploration and evaluation expenditures	(28,342)	(3,038)
	(28,342)	(3,038)
<b>Net cash and cash equivalents provided (used) during period</b>	<b>309,926</b>	<b>(375,329)</b>
<b>Cash and cash equivalents – beginning of period</b>	<b>468,105</b>	<b>890,435</b>
<b>Cash and cash equivalents - end of period</b>	<b>778,031</b>	<b>515,106</b>

*\* Supplemental disclosure of non-cash financing and investing activities:*

Interest received	780	1,417
Accounts payable related to mineral properties	180	-

See notes to the condensed consolidated interim financial statements

**FIRST POINT MINERALS CORP.**  
Notes to the Condensed Consolidated Interim Financial Statements  
March 31, 2017  
(Unaudited)  
(Stated in Canadian Dollars)

**1. NATURE AND CONTINUANCE OF OPERATIONS**

First Point Minerals Corp. (the “Company”) is incorporated under the *Business Corporations Act* (Alberta) and is involved in the acquisition and exploration of mineral property interests that are considered potential sites of economic mineralization. At the date of these consolidated financial statements, the Company has not identified a known body of commercial grade ore on any of its properties and the ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property.

On November 18, 2015, the Company closed a transaction with Cliffs Natural Resources Inc. (“Cliffs”) to purchase Cliffs’ 60% ownership of First Point’s flagship Decar nickel project, located in central British Columbia, for an acquisition price of US \$4.75 million (CDN \$6.27 million) (“the Transaction”). Completion of the Transaction has resulted in First Point owning 100% of the Decar project. To finance the Transaction, First Point entered into an arm’s-length loan agreement with an individual shareholder of First Point (“the Lender”), through which the Lender lent US \$5.0 million (CDN \$6.68 million) to the Company for a five-year period at a 6.5% headline interest rate. Of this, 1.5% will be paid currently, on a semi-annual basis, and the remaining 5% interest will be accrued and paid at the end of the loan term. In addition, the Lender received a drawdown fee equal to 4% of the loan amount and received a 1% net smelter return (“NSR”) royalty over the Decar project.

The Company has not generated revenue from operations. The Company incurred a net loss of \$443,183 (2016 – net income of \$124,578) during the three months ended March 31, 2017 and as of that date the Company’s deficit was \$33,238,103 (December 31, 2016 - \$32,794,920). 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.

While the Company’s working capital position at March 31, 2017 was \$533,270 (December 31, 2016 - \$194,697), 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. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

These condensed consolidated interim financial statements include the financial statements of the Company and its subsidiaries. They are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

The head office and principal address of the Company is Suite 725 – 1155 West Pender Street, Vancouver, British Columbia V6E 2P4. The Company’s registered and records office is 4500 Bankers Hall East, 855 Second Street SW, Calgary, Alberta T2P 4K7.

# FIRST POINT MINERALS CORP.

## Notes to the Condensed Consolidated Interim Financial Statements

March 31, 2017

(Unaudited)

(Stated in Canadian Dollars)

### 2. BASIS OF PREPARATION

#### (a) *Statement of compliance*

The condensed consolidated interim financial statements for the three months ended March 31, 2017, including comparatives for the prior period, were prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”) on a basis consistent with those followed in the most recent annual consolidated financial statements.

These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Board of Directors on May 25, 2017.

#### (b) *Basis of measurement*

These condensed consolidated interim financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss or available-for-sale, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting.

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported expenses during the period. Although management uses historical experience and its best knowledge of the amounts, events or actions to form the basis for judgments and estimates, actual results could differ from these estimates.

### 4. CASH AND CASH EQUIVALENTS

	March 31, 2017	December 31, 2016
Cash on deposit	\$ 328,964	\$ 133,114
Liquid short-term investments	449,067	334,991
Cash and cash equivalents	\$ 778,031	\$ 468,105

### 5. AMOUNTS RECEIVABLE

The Company’s receivables arise mainly from GST receivable due from Canadian government taxation authorities.

### 6. PREPAID EXPENSES

The Company’s prepaid expenses consist of the following:

	March 31, 2017	December 31, 2016
Insurance	\$ 8,396	\$ 2,399
Vendor prepayments	9,361	6,139
Total	\$ 17,757	\$ 8,538



**FIRST POINT MINERALS CORP.**  
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**7. EQUIPMENT**

	Computer hardware and software	Office furniture and equipment	Field equipment	Total
Cost at December 31, 2015	\$ 81,285	\$ 80,058	\$ 92,050	\$ 253,393
Additions	-	-	-	-
Cost at December 31, 2016	81,285	80,058	92,050	253,393
Accumulated amortization at December 31, 2015	81,083	76,872	91,885	249,840
Amortization/depletion	202	3,186	165	3,553
Accumulated amortization at December 31, 2016	81,285	80,058	92,050	253,393
Net book value December 31, 2016 and March 31, 2017	\$ -	\$ -	\$ -	\$ -

**8. RECLAMATION DEPOSITS**

The Company has provided deposits as security against potential future reclamation work relating to two of its mineral properties. As at March 31, 2017, a total of \$94,884 (December 31, 2016 - \$94,884) has been provided in the form of cash and Guaranteed Investment Certificates posted with the Minister of Finance for the Province of British Columbia for the benefit of the provincial Ministry of Energy and Mines.

**9. MARKETABLE SECURITIES**

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Marketable securities are designated as available-for-sale. Unrealized gains and losses due to period end revaluations to fair value are included in other comprehensive loss for the period. At March 31, 2017, the Company owned 598,916 (December 31, 2016 - 1,038,916) shares of Aquila Resources Inc., the shares of which are traded on the Toronto Stock Exchange.

	March 31, 2017	December 31, 2016
Marketable securities – fair value	\$ 149,729	\$ 270,118
Marketable securities – cost	208,205	361,165

**FIRST POINT MINERALS CORP.**  
Notes to the Condensed Consolidated Interim Financial Statements  
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(Unaudited)  
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**10. EXPLORATION AND EVALUATION ASSETS**

As at March 31, 2017, the Company holds a 100% interest in five nickel properties, four of which are located in British Columbia, and one of which is located in the Yukon Territory. With the exception of the Decar property located in central British Columbia, the Company's nickel properties are all in the early stage of exploration. The Company also holds one concession in Honduras that is presently on "care and maintenance" but which has been explored for gold in the past.

***Canada***

*Nickel Properties, British Columbia and Yukon Territory*

Under the terms of an option agreement entered into in November 2009, Cliffs held the right to earn an initial 51% interest in the Decar property by spending US\$4,500,000 on the property over four years. In mid-September, 2011, Cliffs committed to completing a National Instrument 43-101 compliant preliminary economic assessment ("PEA") on the Decar property. Pursuant to an amended agreement dated September 12, 2011, by agreeing to complete the scoping study within 18 months, Cliffs was deemed to have earned an initial 51% interest in the Decar property and the Company was deemed to have earned a 1% NSR royalty in the Decar property. On delivery of the PEA in April 2013, Cliffs earned an additional 9% interest in the Decar property, bringing its aggregate interest to 60%. In August 2015, the structure of ownership of the Decar project converted to a contractual joint venture, with initial ownership interests fixed at 60% for Cliffs and 40% for First Point.

On November 18, 2015, the Company closed the Transaction with Cliffs to purchase Cliffs' 60% ownership of the Decar project for an acquisition price of US \$4.75 million (CDN \$6.27 million). Completion of the Transaction has resulted in First Point owning 100% of the Decar project. To finance the Transaction, First Point entered into an arm's-length loan agreement with an individual shareholder of First Point, through which the Lender lent US \$5.0 million (CDN \$6.68 million) to the Company for a five-year period at a 6.5% headline interest rate. Of this, 1.5% will be paid currently, on a semi-annual basis, and the remaining 5% interest will be accrued and paid at the end of the loan term. In addition, the Lender received a drawdown fee equal to 4% of the loan amount and received a 1% NSR royalty over the Decar project (Note 12).

During the year ended December 31, 2014, deferred acquisition and exploration costs incurred on three of the Company's British Columbia nickel properties (Wale, Orca and Klow) totaling \$2,441,636 were written off as the Company has no plans at this time to perform significant work on those properties. The Company retains the underlying mineral claims for the Wale, Orca, and Klow nickel properties in good standing. As of March 31, 2017, the Wale, Orca and Klow properties are carried at a nominal value of \$1 per property.

***Honduras***

*Camporo Property*

The Company acquired a 60% interest in the Camporo property in southern Honduras, subject to a 0.6% NSR royalty interest, from Minera Battle Mountain Gold Company ("BMG") by incurring exploration expenditures of US\$1,000,000 and issuing 700,000 common shares. The Company has an option to earn the remaining 40% interest in this property from a Honduran subsidiary of Breakwater Resources Ltd. The consideration to be paid to acquire Breakwater's interest in the property will consist of: (i) 500,000 First Point common shares ("Common Shares") if the value of a Common Share is \$0.20 or higher to a maximum of \$1.00 per Common Share provided that the number of Common Shares to be issued will have a maximum fair market value of not more than \$500,000, or (ii) if the fair market value of a Common Share is less than \$0.20, a combination of 500,000 Common Shares and a cash payment in an amount equal to \$100,000 less the value of the 500,000 Common Shares, which value shall be determined using the weighted average price per Common Share calculated over the five trading days preceding the relevant date.

**FIRST POINT MINERALS CORP.**  
Notes to the Condensed Consolidated Interim Financial Statements  
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(Unaudited)  
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**10. EXPLORATION AND EVALUATION ASSETS** (continued)

*Honduras (continued)*

*Camporo Property (continued)*

Breakwater will retain a sliding scale royalty of 0.4% of the gross gold sale proceeds starting at US\$325 per ounce and rising to a maximum of 1.2% of the gross gold sale proceeds at US\$400 per ounce and of 0.4% of the gross silver sale proceeds starting at US\$5.25 per ounce and rising to a maximum of 1.2% of the gross silver sale proceeds at US\$7.00 per ounce. The property is carried at a nominal value of \$1.

**Consolidated Schedule of Costs – Exploration and Evaluation Assets**

	Balance Dec. 31, 2015 \$	Acquisition Costs \$	Exploration Costs \$	Recoveries \$	Costs Written Off \$	Balance Dec. 31, 2016 \$
<b>CANADA</b>						
Decar	7,332,705	-	18,618	-	-	7,351,323
Wale	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	834,282	-	-	-	-	834,282
<b>Subtotal, Canada</b>	<b>8,166,990</b>	<b>-</b>	<b>18,618</b>	<b>-</b>	<b>-</b>	<b>8,185,608</b>
<b>HONDURAS</b>						
Camporo	1	-	-	-	-	1
<b>Subtotal, Honduras</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total Costs – Exploration &amp; Evaluation Assets</b>	<b>8,166,991</b>	<b>-</b>	<b>18,618</b>	<b>-</b>	<b>-</b>	<b>8,185,609</b>

**FIRST POINT MINERALS CORP.**  
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(Unaudited)  
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**10. EXPLORATION AND EVALUATION ASSETS** (continued)

<b>Consolidated Schedule of Costs – Exploration and Evaluation Assets</b>						
	<b>Balance Dec. 31, 2016</b>	<b>Acquisition Costs</b>	<b>Exploration Costs</b>	<b>Recoveries</b>	<b>Costs Written Off</b>	<b>Balance Mar. 31, 2017</b>
	\$	\$	\$	\$	\$	\$
<b>CANADA</b>						
Decar	7,351,323	-	28,522	-	-	7,379,845
Wale	1	-	-	-	-	1
Orca	1	-	-	-	-	1
Klow	1	-	-	-	-	1
Mich	834,282	-	-	-	-	834,282
<b>Subtotal, Canada</b>	<u>8,185,608</u>	<u>-</u>	<u>28,522</u>	<u>-</u>	<u>-</u>	<u>8,214,130</u>
<b>HONDURAS</b>						
Campero	1	-	-	-	-	1
<b>Subtotal, Honduras</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<b>Total Costs – Exploration &amp; Evaluation Assets</b>	<u>8,185,609</u>	<u>-</u>	<u>28,522</u>	<u>-</u>	<u>-</u>	<u>8,214,131</u>

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31, 2017	December 31, 2016
Trade payables	\$ 22,697	\$ 9,932
Accrued liabilities	<u>20,000</u>	<u>20,000</u>
<b>Total</b>	<u>\$ 42,697</u>	<u>\$ 29,932</u>

**12. LOAN PAYABLE**

On September 4, 2015, First Point entered into an arm's-length loan agreement with an individual shareholder of the Company, through which the Lender lent US \$5.0 million (CDN \$6.68 million) to the Company for a five-year period at a 6.5% headline interest rate. Of this, 1.5% will be paid currently, on a semi-annual basis, and the remaining 5% interest will be accrued and paid at the end of the loan term. At March 31, 2017, the fair value of the loan payable was approximately \$5,894,000 (December 31, 2016 – \$5,873,000). Fair value was determined using an income approach. An income approach is a present value technique that takes into account the future cash flows that would be expected to be received from holding the loan payable as an asset. Present value was calculated using the following attributes – future lump sum of \$7,119,944, 41 months to maturity, an exchange rate of CDN \$1 = US \$0.75, and a discount rate of 6.5% discounted annually. In addition, the Lender received a drawdown fee equal to 4% of the loan amount and received a 1% NSR royalty over the Decar project.

**FIRST POINT MINERALS CORP.**  
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(Unaudited)  
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**12. LOAN PAYABLE** *(continued)*

The loan matures on September 4, 2020 and is carried at amortized cost. There are no covenant provisions associated with the loan, which is secured against the Decar project. The loan may be repaid, in whole or in part, prior to maturity and without penalty, at the option of First Point. As of March 31, 2017, interest payable on the loan in the next twelve months in the amount of \$100,263 (December 31, 2016 – \$100,698) has been classified as a current liability. As at March 31, 2017, the loan payable balance includes accrued interest of \$437,081 (December 31, 2016 – \$380,277).

**13. SHARE CAPITAL**

(a) Authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of first and second preferred shares. None of the preferred shares have been issued.

(b) Issued and outstanding

On May 2, 2016, the Company closed a private placement of 12,600,000 shares at a price of \$0.05 per share, for gross proceeds of \$630,000. Finders' fees of \$14,100 were paid on a portion of the proceeds.

On January 29, 2017, the Company closed a private placement of 3,900,000 shares at a price of \$0.10 per share, for gross proceeds of \$390,000. Finders' fees of \$1,500 were paid on a portion of the proceeds.

(c) Stock options

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, employees and consultants of the Company at exercise prices determined by their market value on the date of the grant. The options vest immediately on the date of the grant or as otherwise determined at the discretion of the Board.

On March 30, 2017, the Company granted directors, officers, and consultants an aggregate of 2,550,000 options to purchase shares at an exercise price of \$0.15 per share, all of which vested immediately. The options will expire on March 30, 2022.

Stock option transactions during the periods ended March 31, 2017 and December 31, 2016, and the number of stock options outstanding and exercisable at March 31, 2017 are summarized as follows:

	Number of Options	Weighted- Average Exercise Price (\$)	Weighted-Average Contractual Remaining Life (Years)
<b>Balance, December 31, 2015</b>	<b>6,967,000</b>	<b>0.59</b>	<b>1.58</b>
Granted	2,950,000	0.10	
Expired	(2,092,000)	0.85	
<b>Balance, December 31, 2016</b>	<b>7,825,000</b>	<b>0.35</b>	<b>2.34</b>
Granted	2,550,000	0.15	
Expired	(2,225,000)	0.75	
<b>Balance, March 31, 2017</b>	<b>8,150,000</b>	<b>0.17</b>	<b>3.42</b>
<b>Exercisable at March 31, 2017</b>	<b>8,150,000</b>		

**FIRST POINT MINERALS CORP.**  
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(Unaudited)  
(Stated in Canadian Dollars)

**13. SHARE CAPITAL** (continued)

Summary of stock options outstanding at March 31, 2017:

Number Outstanding	Exercise Price (\$)	Expiry Date
200,000	0.50	September 1, 2017
825,000	0.50	February 8, 2018
250,000	0.20	August 19, 2018
1,375,000	0.15	September 5, 2019
2,950,000	0.10	May 12, 2021
2,250,000	0.15	March 30, 2022
<b>8,150,000</b>		

(d) Share-based compensation

The weighted average fair value of stock options granted during the periods ended March 31, 2017 and December 31, 2016 and was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2017	2016
Expected dividend yield	0%	0%
Risk-free interest rate	1.1%	0.7%
Expected stock price volatility	137%	129%
Expected life of options	5 years	5 years
Weighted average fair value per stock option	\$0.0991	\$0.0578

Share-based compensation expense of \$252,652 was recorded during the three months ended March 31, 2017 (2016 - nil). The offsetting credit was to other equity reserve.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

(e) Other equity reserve

The following is a summary of the components of other equity reserve at March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
Share options	\$ 5,223,066	\$ 4,970,414
Finders' warrants	357,647	357,647
Total other equity reserve	\$ 5,580,713	\$ 5,328,061

**14. LOSS PER SHARE**

Loss per share has been calculated using the weighted-average number of common shares outstanding during the period. Diluted loss per share has not been calculated as it is anti-dilutive.

# FIRST POINT MINERALS CORP.

## Notes to the Condensed Consolidated Interim Financial Statements

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### 15. RELATED PARTY TRANSACTIONS

At March 31, 2017, liabilities included \$96,624 (December 31, 2016 – \$179,932) due to related parties. Amounts due to related parties are unsecured and non-interest bearing.

At March 31, 2017, amounts receivable included nil (December 31, 2016 – 20,000) due from a related party for office rent.

During the three months ended March 31, 2017, the Company entered into the following related party transactions:

- paid or accrued \$30,000 (2016 - \$15,000) in fees to Martin Turenne Consulting Ltd., a private company controlled by Martin Turenne, the Company's President and Chief Executive Officer, for management and administrative services.
- paid or accrued \$11,100 (2016 - \$7,800) in fees to Adera Company Management Inc., a private company controlled by J. Christopher Mitchell, the Company's Chief Financial Officer and Corporate Secretary, for management and administrative services.
- paid or accrued nil (2016 - \$16,000) in salary and fees to Trevor Rabb and Rad Minerals Corp., a private company controlled by Trevor Rabb, the Company's former Vice President - Exploration, for management and administrative services.

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

The Company considers its Officers to be key management personnel. Amounts paid to the key management personnel during the three months ended March 31, 2017 and 2016 are shown in the following table:

	2017		2016	
Salaries or fees	\$	41,100	\$	34,800
Share-based payments		109,010		-
Total key management personnel	\$	150,110	\$	34,800

### 16. COMMITMENTS

As of March 31, 2017, the Company's aggregate commitments are as follows:

	< 1 year	1 – 3 years	4 -5 years	Total
Accounts payable and accrued liabilities	\$ 42,697	\$ -	\$ -	\$ 42,697
Office lease	35,223	-	-	35,223
Severance payable	126,672	-	-	126,672
Interest payable and loan payable	100,263	199,840	8,376,632	8,676,735
Totals	\$ 304,855	\$ 199,840	\$8,376,632	\$8,881,327

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**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

*Fair value*

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments measured at fair value on the consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

	March 31, 2017	December 31, 2016
	Level 1	Level 1
Cash and cash equivalents	\$ 778,031	\$ 468,105
Marketable securities	149,729	270,118

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

*Risk Management*

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by management under the direction and guidance of the Board of Directors. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is limited to the carrying amount on the statements of financial position and arises from the Company's cash and cash equivalents, marketable securities, receivables, excluding GST receivable, and reclamation deposits.

The Company's cash and cash equivalents and marketable securities are held in accounts with Canadian chartered banks and a brokerage firm. Cash in excess of the amounts needed to fund the Company's day-to-day operating expenses is invested in securities guaranteed by the federal or British Columbia government. The reclamation deposits are in the form of Guaranteed Investment Certificates pledged to the Minister of Finance for the Province of British Columbia to cover the estimated cost of reclaiming the Company's exploration projects.



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**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (continued)

*Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2017, the Company had cash balances of \$778,031 to settle current liabilities of \$269,632. All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Since inception, the Company has financed its cash requirements primarily by issuing securities. On September 4, 2015, First Point entered into an arm's-length loan agreement with an individual shareholder of the Company, through which the Lender lent US \$5.0 million to the Company for a five-year period at a 6.5% headline interest rate. Of this, 1.5% will be paid currently, on a semi-annual basis, and the remaining 5% interest will be accrued and paid at the end of the loan term. The timing of cash outflows relating to financial liabilities are outlined in Note 15 – Commitments. At March 31, 2017, the Company had met all the obligations associated with its financial liabilities.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash and cash equivalents balances and periodically monitors the investments it makes and is satisfied with the credit ratings of the financial institutions it deals with and the securities in which its funds are invested. The interest rate on the Company's loan payable, which matures on September 4, 2020, is 6.5%, and the loan is repayable before maturity at any time at the Company's option without penalty.

(b) Foreign currency rate risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. In addition, the Company's loan payable, which matures on September 4, 2020 is denominated in United States dollars. The Company funds certain operations, exploration and administrative expenses in the United States and other foreign countries by converting funds from its Canadian dollar bank accounts and wiring US funds to the foreign counterparty. Management does not currently hedge its foreign exchange risk.

*Sensitivity Analysis*

The Company works toward its capital management objectives to the extent possible while facing the challenges of market conditions and the public's assessment of the Company's risk profile. Its capital management objectives have not changed over the period presented.

The carrying value of cash and cash equivalents, marketable securities, receivables, reclamation bond, accounts payable and current liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

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**17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** *(continued)*

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company is not subject to any financial covenants. The Company monitors its financing requirements through cash forecasting, consideration of current economic conditions and reviews of economic and political commentaries in respect of future developments. Financing decisions are based on the timing and extent of expected operating and capital cash outlays. Factors considered when determining whether to issue equity include the amount of cash sought, the availability of these sources and their terms.

**18. CAPITAL MANAGEMENT**

At March 31, 2017, the Company had working capital of \$533,270 (December 31, 2016 - \$194,697). The Company manages its cash, cash equivalents and common shares as capital. The Company's objectives in managing its capital are to:

- Maintain sufficient cash and cash equivalents to last a minimum of one year;
- Have the flexibility to achieve its on-going business objectives, including but not limited to funding work programs on its exploration and evaluation assets and pursuing new business opportunities as they arise, and
- Minimize dilution to existing shareholders.

The Directors have not specified a quantitative return on capital criteria for management, but rather rely on the expertise of management to sustain future development of the business.

The Company's exploration and evaluation assets are in the development stage and the Company does not generate a positive cash flow. As a consequence, the Company relies on accessing the capital markets to obtain the funds needed to carry on its business. It is the Company's intention to utilize its existing working capital and to raise additional funds as needed. The additional funds will be raised primarily through the issuance of its securities in private placements.

**20. SEGMENTED INFORMATION**

The Company operates in one reportable operating segment being the exploration of mineral properties. A geographic summary of mineral properties and net loss by country, as at and for the periods ended March 31, 2017 and December 31, 2016, is as follows:

**March 31, 2017**

	<u>Canada</u>	<u>Honduras</u>	<u>Consolidated</u>
Net loss for the period	\$ 443,183	\$ -	\$ 443,183
Mineral properties	8,214,131	1	8,214,131

**December 31, 2016**

	<u>Canada</u>	<u>Honduras</u>	<u>Consolidated</u>
Net loss for the year	\$ 838,217	\$ -	\$ 838,217
Mineral properties	8,185,608	1	8,185,609

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**21. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

On April 6, 2017, the Company sold 20,000 shares of Aquila Resources Inc. at \$0.31 per share for gross proceeds of \$6,200. Following the sale, the Company held 578,916 shares of Aquila.

On May 15, 2017, First Point Minerals Corp. announced a private placement of 8,300,000 shares at a price of \$0.10 per share. The private placement is expected to close in late May 2017.