

American Creek Resources Ltd.

Unaudited Interim Financial Statements

March 31, 2017

(expressed 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 American Creek Resources Ltd. (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.

American Creek Resources Ltd.

Interim Statement of Financial Position

As at

(expressed in Canadian dollars)

	March 31, 2017 \$	December 31, 2016 \$
Assets		
Current assets		
Cash	14,914	87,614
Prepaid expenses and deposits (note 3)	9,535	14,626
Receivables (note 4)	14,457	8,152
	<u>38,906</u>	<u>110,392</u>
Reclamation bonds (note 5)	66,000	66,000
Property and equipment (note 6)	30,541	32,857
Marketable securities (note 7)	811,250	893,750
Exploration and evaluation assets (note 8)	2,508,233	2,503,061
	<u>3,454,930</u>	<u>3,606,060</u>
Liabilities		
Current liabilities		
Accounts payable	2,027,505	1,977,628
Current portion of long-term debt (note 9)	1,730	1,730
	<u>2,029,235</u>	<u>1,979,358</u>
Long-term debt (note 9)	38,391	39,359
	<u>2,067,626</u>	<u>2,018,717</u>
Shareholders' Equity		
Share capital (note 10)	29,313,408	29,300,283
Reserves (note 10)	8,750,728	8,750,728
Accumulated other comprehensive loss (note 7)	(811,250)	(728,750)
Deficit	<u>(35,865,582)</u>	<u>(35,734,918)</u>
	<u>1,387,304</u>	<u>1,587,343</u>
	<u>3,454,930</u>	<u>3,606,060</u>
Commitments (note 17)		
Going concern (note 1)		

See accompanying notes to these financial statements.

Approved by the Board of Directors

"Darren R. Blaney"

Director

"Robert N. Edwards"

Director

American Creek Resources Ltd.
Statement of Loss and Comprehensive Loss
For the three months ended March 31, 2017

(expressed in Canadian dollars)

	2017	2016
	\$	\$
Expenses		
Advertising and promotion	10,719	26,782
Business development and property investigation	6,950	7,271
Corporate communications	1,005	2,882
Depreciation on equipment (note 6)	2,316	2,178
Interest on long term debt	232	1,083
Listing and transfer agent fees	6,100	5,400
Management fees (note 13)	60,754	66,318
Office and administration	40,223	32,005
Professional fees	2,365	3,368
Property impairment costs	-	9,944,246
Stock-based compensation (note 10)	-	339,347
	<u>(130,664)</u>	<u>(10,430,880)</u>
Other		
Reversal of flow-through share liability	-	(12,000)
	<u>(130,664)</u>	<u>(10,418,880)</u>
Net loss		
	<u>(130,664)</u>	<u>(10,418,880)</u>
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Unrealized loss on marketable securities (note 7)	82,500	-
Total other comprehensive loss	<u>(82,500)</u>	<u>-</u>
Total comprehensive loss	<u>(213,164)</u>	<u>(10,418,880)</u>
Basic and diluted loss per common share	<u>(0.00)</u>	<u>(0.05)</u>
Basic and diluted weighted average number of common shares outstanding	<u>221,257,911</u>	<u>195,141,055</u>

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Interim Statement of Changes in Equity

For the three month period ended March 31, 2017

(expressed in Canadian dollars)

	Share capital		Reserves				Equity \$
	Number of shares	Amount \$	Share-based payment reserve \$	Warrant reserve \$	Investment revaluation reserve \$	Deficit \$	
Balance as at January 1, 2017	229,314,742	29,300,283	5,319,955	3,430,773	(728,750)	(35,734,918)	1,587,343
Shares issued (note 10):							
Shares issued for debt	218,750	13,125	-	-	-	-	13,125
Unrealized loss on marketable securities	-	-	-	-	(82,500)	-	(82,500)
Loss for the year	-	-	-	-	-	(130,664)	(130,664)
Balance as at March 31, 2017	229,533,492	29,313,408	5,319,955	3,430,773	(811,250)	(35,865,582)	1,387,304

	Share capital		Reserves				Equity \$
	Number of shares	Amount \$	Share-based payment reserve \$	Warrant reserve \$	Investment revaluation reserve \$	Deficit \$	
Balance as at January 1, 2016	193,182,674	27,159,203	4,547,451	3,358,625	-	(23,040,316)	12,024,963
Shares issued (note 10):							
Private placements	7,042,000	352,100	-	-	-	-	352,100
Valuation of warrants issued		(154,591)	-	154,591	-	-	-
Share issuance costs		(6,533)	-	-	-	-	(6,533)
Valuation of options granted		-	292,755	-	-	-	292,755
Loss for the year	-	-	-	-	-	(11,186,479)	(11,186,479)
Balance as at March 31, 2016	200,224,674	27,350,179	4,840,206	3,513,216	-	(34,226,795)	1,476,806

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Statement of Cash Flows

For the three month period ended March 31, 2017 and year ended December 31, 2016

(expressed in Canadian dollars)

	2017 \$	2016 \$
Operating activities		
Net loss for the year	(130,664)	(12,694,602)
Items not affecting cash		
Depreciation on equipment	2,316	20,713
Deferred income taxes	-	(12,000)
Property impairment costs	-	11,379,835
Bad debt expense	-	29,855
Stock-based compensation	-	671,399
	<u>(128,348)</u>	<u>(604,800)</u>
Changes in non-cash working capital		
Prepaid expenses and deposits	5,091	(734)
Receivables	(6,305)	17,522
Accounts payable and accrued liabilities	63,002	(409,095)
	<u>(66,560)</u>	<u>(997,107)</u>
Cash used in operating activities		
	<u>(66,560)</u>	<u>(997,107)</u>
Financing activities		
Repayment of long-term debt	(968)	(1,182)
Proceeds from issuance of capital stock	-	776,000
Share issuance costs - cash	-	(21,542)
	<u>(968)</u>	<u>753,276</u>
Cash provided by financing activities		
	<u>(968)</u>	<u>753,276</u>
Investing activities		
Purchase of property and equipment	-	(12,787)
Net proceeds on disposal of exploration and evaluation assets	-	487,997
Expenditures of exploration and evaluation assets	(5,172)	(153,768)
	<u>(5,172)</u>	<u>(12,558)</u>
Cash provided by (used in) investing activities		
	<u>(5,172)</u>	<u>321,442</u>
Increase (decrease) in cash	(72,700)	77,611
Cash – beginning	<u>87,614</u>	<u>10,003</u>
Cash – ending	<u>14,914</u>	<u>87,614</u>
Supplemental disclosures with respect to cash flows (note 14)		

See accompanying notes to these financial statements.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

1 Nature of operations and going concern

American Creek Resources Ltd. (the “Company”) was incorporated under the *British Columbia Business Corporations Act* on February 12, 2004 and continued into Alberta on August 26, 2005. The Company is engaged in the exploration and development of mineral properties in Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 92 – 2nd Ave W, Cardston, AB, Canada, T0K 0K0. The Company’s registered address and records office is 700 – 9th Ave SW, Suite 3000, Calgary, Alberta, Canada, T2P 3V4.

The Company’s primary listing is on the TSX Venture Exchange under the ticker symbol “AMK”.

Going concern

These financial statements have been prepared using International Financial Reporting Standards (“IFRS”) as they apply to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. The Company is in the exploration stage and has not generated revenue from operations. The Company incurred a net loss of \$130,664 during the period ended March 31, 2017 (2016 – \$11,186,479), generated negative cash flows from operating activities of \$66,560 (2016 – \$997,107) and, as of that date the Company’s deficit was \$35,865,582 (2016 – \$34,226,795) and working capital deficiency was \$1,990,629 (2016 – \$1,868,966). 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. These circumstances cause material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In recognition of these circumstances, management is pursuing various financial alternatives to fund the Company’s exploration and development programs, including private placements, property dispositions and settling payables for shares, so it can continue as a going concern. There is no assurance that these initiatives will be successful.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities, or to the reported expenses that would be necessary if the Company were unable to realise its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

2 Significant accounting policies and basis of preparation

These financial statements were approved for issuance by the Company's board of directors ("Board") on May 29, 2017.

Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

These interim unaudited condensed financial statements do not include all of the information required for full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this unaudited condensed interim financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2016. The effects of the adoption of new and amended IFRS pronouncements have been disclosed below in these condensed interim financial statements.

The accounting policies and methods of application applied by the Company in these condensed interim financial statements are the same as those applied in the Company's most recent annual financial statements for the year ended December 31, 2016, except for those policies which have changed as a result of the adoption of new and amended IFRS pronouncements effective July 1, 2016.

Basis of presentation

These financial statements have been prepared on a historical cost basis except as disclosed in the following significant accounting policies. They are presented in Canadian dollars which is the Company's functional currency.

Standards, Amendments and Interpretations Not Yet Effective

New standards and interpretations issued but not yet adopted

The following are standards issued but not yet effective up to the date of issuance of these financial statements. The Company reasonably expects these standards to be applicable at a future time and intends to adopt these standards when they become effective. The Company is currently evaluating the impact that these standards will have on the Company's results of operations and financial position.

- IFRS 9, Financial Instruments, which replaces IAS 39 and IFRIC 9. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets and a substantially reformed approach to hedge accounting. The Company does not apply hedge accounting. The new standard is required to be applied for annual reporting periods beginning on or after January 1, 2018.
- IFRS 15, Revenue from Contracts with Customers. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount,

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual reporting periods starting from January 1, 2018 onwards.

- IFRS 16, Leases, which replaces IAS 17 Leases. The objective of the new standard requires entities to recognize lease assets and lease obligations on the balance sheet. For lessees, IFRS 16 removes the classification of leases as either operating or finance leases, effectively treating all leases as finance leases. Lessors will continue with a dual lease classification model. Classification will determine how and when a lessor will recognize lease revenue, and what assets would be recorded. This standard is effective for years beginning on or after January 1, 2019.

3 Prepaid expense and deposits

The prepaid expenses for the Company are comprised of the following:

	2017	2016
	\$	\$
Insurance	9,535	12,582
Vendor prepayments	-	2,044
	<hr/>	<hr/>
	9,535	14,626
	<hr/>	<hr/>

4 Receivables

The Company's receivables arise from a goods and service tax receivable which are due from Canadian government taxation authorities. Long-term receivables arise from a vendor prepayment arrangement in 2009. Reclamation Bonds

5 Reclamation bonds

The Company has posted bonds with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bonds were posted in relation to the following properties and amounts:

	2017	2016
	\$	\$
Electrum	16,000	16,000
Treaty Creek	40,000	40,000
Ironmist	10,000	10,000
	<hr/>	<hr/>
	66,000	66,000
	<hr/>	<hr/>

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

6 Property and equipment

	Leasehold Improvement \$	Plant and Equipment \$	Total \$
Net book value – December 31, 2015	15,336	25,447	40,783
Additions		12,787	
Depreciation for the year	(15,336)	(5,377)	(20,713)
Net book value – December 31, 2016	-	32,857	32,857
Additions	-	-	-
Depreciation for the period	-	(2,316)	(2,316)
Net book value – March 31, 2017	-	30,541	30,541

7 Marketable securities

As at March 31, 2017, the Company holds 1,375,000 (2016 – 1,375,000) common shares of Tudor Gold Corp (“Tudor Shares”).

At March 31, 2017, the 1,375,000 Tudor Shares fair value had decreased to \$0.59 per share and therefore the Company wrote the marketable securities down to \$811,250 with an unrealized loss on marketable securities of \$82,500 (2016 - \$728,750) realized in other comprehensive loss.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

8 Exploration and evaluation assets

As at March 31, 2017, the Company's exploration and evaluation assets are located in Northern British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – December 31, 2016	482,185	119,944	336,100	542,412	9,500	18,999	1,509,140
Additions	-	-	-	1,186	-	-	1,186
Acquisition costs – March 31, 2017	482,185	119,944	336,100	543,598	9,500	18,999	1,510,326
Exploration costs – December 31, 2016	637,815	260,701	66,763	-	8,021	20,621	993,921
Additions	1,633	-	458	-	-	1,895	3,986
Exploration costs – March 31, 2017	639,448	260,701	67,221	-	8,021	22,516	997,907
	1,121,633	380,645	403,321	543,598	17,521	41,515	2,508,233

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

As at December 31, 2016, the Company's exploration and evaluation assets are located in North British Columbia, Canada. Expenditures incurred on exploration and evaluation assets are as follows:

	Electrum, B.C., Canada \$	Treaty Creek, B.C., Canada \$	Gold Hill, B.C., Canada \$	Dunwell, B.C., Canada \$	Ample Goldmax, B.C., Canada \$	Other Properties, B.C. Canada \$	Total \$
Acquisition costs – December 31, 2015	2,211,402	66,750	336,100	-	-	281,400	2,895,652
Additions	-	1,047,500	-	542,412	9,500	19,000	1,618,000
Acquisition costs – December 31, 2016	2,211,402	1,114,250	336,100	542,412	9,500	300,400	4,513,652
Exploration costs – December 31, 2015	5,054,864	6,398,770	16,397	-	-	3,442	11,473,473
Additions	73,334	-	50,366	-	8,021	21,635	153,768
Exploration costs – December 31, 2016	5,128,198	6,398,770	66,763	-	8,021	25,077	11,627,241
Proceeds on sale of percentage of ownership - cash	(493,999)	-	-	-	-	-	(493,999)
Proceeds on sale of percentage of ownership -shares	(1,180,000)	(583,999)	-	-	-	-	(1,763,999)
Impairment	(4,545,601)	(6,548,376)	-	-	-	(285,857)	(11,379,834)
	(6,219,600)	(7,132,375)	-	-	-	(285,857)	(13,637,832)
	1,120,000	380,645	402,863	542,412	17,521	39,620	2,503,061

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Electrum Property, British Columbia, Canada

The Electrum property is located north of Stewart, British Columbia. The claims were acquired via an option agreement which all terms and conditions have been completed through total cash payments of \$210,000 and 2,500,000 common shares issued with fair value ranging from \$0.12 to \$0.75 per share. This property is subject to a 2% NSR. The Company may purchase the 2% NSR at any time for \$1,000,000. In 2016, the Company recorded an impairment on the value of the Electrum property in the amount of \$4,545,601. The Company then disposed of a 60% interest in the property for net cash proceeds of \$493,999 and 1,000,000 common shares of the purchaser with a fair value of \$1.18 under the terms of a joint venture agreement (note 19). The Company maintains a 40% interest in the property and for the period ended March 31, 2017 incurred \$1,633 (2015 - \$73,334) in exploration costs.

Treaty Creek Property, British Columbia, Canada

The Treaty Creek property is located northeast of Stewart, British Columbia. In 2009, the Company completed the requirements as set out in the option agreement to earn a 51% interest in the property by issuing 100,000 common shares with a fair value ranging from of \$0.23 to \$0.24 per share and by incurring the balance of aggregate exploration expenditures in excess of \$5,000,000. Each of the claims that make up the property is subject to either a 1% or 2% NSR royalty on the Company's ownership interest only. The Company has the option to purchase the royalty interests for \$1,500,000 with the exception of 0.5% which can not be purchased and will remain on the claims. In 2016, an impairment of \$6,548,376 on the value of the Treaty Creek property was recorded. The Company then disposed of 31% of its 51% interest in the property for 500,000 common shares of the purchaser with a fair value of \$1.18. The Company had to transfer 25% of the 500,000 common shares of the purchaser to the NSR holders (note 19). The Company maintains a 20% interest in the property and in 2016 incurred \$Nil (2015 - \$Nil) in exploration costs. The Company is not obligated to contribute towards costs until a production notice is given by the operator of the property. Cash disposition costs of \$6,001 were incurred as part of the disposition.

Gold Hill Property, British Columbia, Canada

The Gold Hill property is located near Fort Steele, British Columbia and was purchased on March 9, 2015 along with the D-1 McBride property. Consideration paid for the Gold Hill property consisted of 3,734,444 shares issued to the vendor and 373,444 shares issued as an arms-length finders fee with a fair value of \$0.09 per share. Exploration costs incurred for the period ended March 31, 2017 were \$458 (2016 - \$50,366).

Dunwell Property, British Columbia, Canada

The Dunwell property is a combination of three newly acquired properties and is located near Stewart, British Columbia. The first of the three properties, the Silvershot property was acquired through staking in the amount of \$412. The second property, the Dunwell property, was purchased through the acquisition of a private company which holds 100% interest in the property by issuing 7,000,000 shares for fair value of \$490,000 (note 12). The third property, the Bear River property, was purchased by issuing 800,000 shares with fair value of \$52,000 (note 12). No exploration costs were incurred during the periods presented however, claims were renewed for \$1,186.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Ample Goldmax Property, British Columbia, Canada

In 2016, the Company entered into an option agreement to acquire a 100% interest in the Ample Goldmax property located near Lillooet, British Columbia (note 19). The Ample Goldmax claims are subject to a 25% net profit royalty associated with any bulk sample as defined in the agreement. Acquisition costs included the issuance of 100,000 common shares with a fair value of \$9,500. Initial work was completed on the Ample Goldmax property in 2016 in the amount of \$8,021 as part of the earn-in agreement.

Other Properties, British Columbia, Canada

The Slippery Willow property is located adjacent to the Company's Electrum property. The property was purchased on February 9, 2007. The consideration paid consisted of \$25,000 in cash and the issuance of 120,000 of the Company's common shares with a fair value of \$1.72 per share. In 2016, the Company recorded an impairment on the property of \$234,842 and disposed of the property under the terms of the Electrum joint venture agreement (see above and note 19).

The D-1 McBride property is located near Dease Lake, British Columbia and was purchased in 2015 along with the Gold Hill property. Consideration paid for the D-1 McBride property consisted of 165,556 shares issued to the vendor and 16,556 shares issued as an arms-length finders-fee with a fair value of \$0.09 per share. The property was expanded in 2016 by staking additional claims for a cost of \$1,016. Future plans for this property are undetermined and subsequent to year end, three of the five D-1 McBride claims held lapsed. As such, the Company recorded an impairment on the property in 2016 of \$51,015.

In 2016, the Company entered into option agreements to acquire a 100% interest in the Silverside Property located near Clearwater, British Columbia, the Red Tusk Property located near Squamish, British Columbia and the Glitter King Property located on Pitt Island, British Columbia (note 19). Combined acquisition costs included the issuance of 200,000 common shares with a fair value of \$19,000. Each of the claims are subject to a 3% NSR royalty interest that can be purchased for \$500,000 for each 1% interest purchased. In 2016, further exploration costs in the amount of \$12,140 were incurred and capitalized.

The Austruck-Bonanza property is located near Kamloops, British Columbia. In 2010, the value of the property was considered impaired and all acquisition and exploration costs were written off. During the period ended March 31, 2017, further exploration costs in the amount of \$1,895 (2016 - \$8,479) were incurred and capitalized.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

9 Long-term debt

	2017 \$	2016 \$
Arms-Length loan for leasehold improvements, bearing interest at 8% per annum and repayable in monthly instalments, including principal and interest of \$400 until September 1, 2030.	40,121	41,089
Less: Current portion	<u>(1,730)</u>	<u>(1,730)</u>
	<u>38,391</u>	<u>39,359</u>

10 Share capital and reserves

Share capital

a) Authorized

Unlimited number of common shares
Unlimited number of preferred shares

b) Issued and outstanding

	Number of shares	Amount \$
Balance as at December 31, 2015	193,182,674	27,159,203
Issued for cash	11,885,000	776,000
Issued for finders fees	42,000	2,100
Issued to settle payables and services	1,105,068	89,375
Issued to acquire exploration and evaluation assets	23,100,000	1,470,500
Warrant value ((c) below)	-	(173,253)
Share issue costs	-	(23,642)
	<u>229,314,742</u>	<u>29,300,283</u>
Balance as at December 31, 2016		
Issued for settlement of debt	<u>218,750</u>	<u>13,125</u>
	<u>229,533,492</u>	<u>29,313,408</u>
Balance as at March 31, 2017		

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Share issuances

During the period ended March 31, 2017, the Company:

- i) Issued 218,750 common shares with a fair value of \$13,125 under a shares for services agreement related to advertising and promotion for the Company.

During the year ended December 31, 2016, the Company:

- i) Completed a non-brokered private placement offering of 5,000,000 units at a price of \$0.05 per unit for gross proceeds of \$250,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the Offering at a price of \$0.08 per share.
- ii) Completed a non-brokered private placement offering of 2,000,000 units at a price of \$0.05 per unit for gross proceeds of \$100,000. Each unit consisted of one common share of the Company and one non-transferrable common share purchase warrant. Each warrant may be exercised for one additional common share for a period of 24 months from the closing date of the offering at a price of \$0.08 per share. The warrants are subject to an acceleration provision which provides that in the event that the market closing price of the Company's shares exceeds \$0.12 for 20 consecutive trading days, the Company may within 5 days after such an event, provide notice to the warrant holders of early expiry and thereafter, the warrants will expire on the date which is 15 days after the date of the notice to the warrant holders. A finders fee of 42,000 common shares with a fair value of \$2,100 was paid to a non-arms length party related to this offering.
- iii) Issued 15,000,000 common shares with a fair value of \$900,000 under an amended agreement renegotiated with an arm's length third party that holds a Net Smelter Return royalty interest ("NSR Holders") related to the Company's interest in the Treaty Creek property located in NW British Columbia (See note 9 and 19).
- iv) Completed a non-brokered private placement offering of 3,125,000 common shares at a price of \$0.08 per common share for gross proceeds of \$250,000.
- v) Issued 480,068 common shares with a fair value of \$39,375 under a shares for services agreement related to advertising and promotion for the Company.
- vi) Completed a non-brokered private placement offering of 440,000 units at a price of \$0.40 per unit for gross proceeds of \$176,000. Each unit consisted of three flow-through common shares and one non flow-through common share of the Company along with four non-transferrable warrants. Each warrant may be exercised for one additional non flow-through common share for a period of 12 months from the closing date of the offering at a price of \$0.15.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

vii) Acquired exploration assets by issuing 300,000 common shares with a fair value of \$28,500, 7,000,000 common shares with a fair value of \$490,000 and 800,000 common shares with a fair value of \$52,000.

viii) Company settled a debt in the amount of \$50,000 by issuing an arms-length creditor 625,000 common shares. The fair value of the common shares was determined to be \$0.08 per share.

c) Stock options and warrants

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, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant.

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

	Number of options	Weighted average exercise price \$
Balance – December 31, 2015	17,835,000	0.10
Options expired	(6,855,000)	0.10
Options cancelled	(680,000)	0.10
Options granted	12,470,000	0.06
	<hr/>	
Balance – March 31, 2017 and December 31, 2016	22,770,000	0.08
	<hr/>	
Number of options currently exercisable	22,770,000	0.08

The following incentives stock options were outstanding and exercisable as at March 31, 2017 and December 31, 2016:

Expiry Date	Exercise Price \$	Number Outstanding
March 20, 2022	0.10	4,400,000
March 10, 2025	0.10	5,220,000
April, 24, 2025	0.10	680,000
March 2, 2026	0.05	7,700,000
May 19, 2026	0.08	2,870,000
November 2, 2026	0.07	1,900,000
		<hr/>
		22,770,000
		<hr/>
Weighted average remaining contractual life (years)		8.00

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

During the year ended December 31, 2016, the Company:

- i) Granted 7,700,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.05.

The fair value of the common share purchase warrants was determined to be \$339,347 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 146% volatility, a risk free interest rate of 1.37%, and a term of 10 years.

- ii) Granted 2,870,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.075.

The fair value of the common share purchase warrants was determined to be \$211,081 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 146% volatility, a risk free interest rate of 1.58%, and a term of 10 years.

- iii) Granted 1,900,000 options to purchase common shares to directors and consultants of the Company. Each option to purchase common shares may be exercised for a period of 10 years from the grant date of the options at a price of \$0.065.

The fair value of the common share purchase warrants was determined to be \$120,971 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 145% volatility, a risk free interest rate of 1.30%, and a term of 10 years.

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of warrants	Weighted average exercise price \$
Balance – December 31, 2015	20,532,000	0.10
Warrants granted	8,760,000	0.09
Warrants expired	<u>(9,332,000)</u>	<u>0.10</u>
Balance – March 31, 2017 and December 31, 2016	<u>19,960,000</u>	<u>0.10</u>

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

The following warrants to acquire common shares were outstanding at March 31, 2017 and December 31, 2016:

Expiry Date	Exercise Price \$	Number Outstanding
April 22, 2017	0.10	8,000,000
April 24, 2017	0.10	2,000,000
August 4, 2017	0.15	1,250,000
September 2, 2017	0.15	510,000
March 8, 2018	0.08	5,000,000
March 17, 2018	0.08	2,000,000
April 12, 2018	0.10	<u>1,200,000</u>
		<u>19,960,000</u>
Weighted average remaining contractual life (years)		<u>0.45</u>

The following warrants to acquire common shares were issued during the year ended December 31, 2016:

- i) The Company issued 5,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the private placement at a price of \$0.08.

The relative fair value of the common share purchase warrants was determined to be \$113,283 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 93% volatility, a risk free interest rate of 0.41% and a term of 24 months.

- ii) The Company issued 2,000,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 24 months from the closing date of the issuance at a price of \$0.08.

The relative fair value of the common share purchase warrants was determined to be \$32,065 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, 88% volatility, a risk free interest rate of 0.41% and a term of 24 months.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

- iii) The Company issued 1,760,000 warrants to purchase common shares as part of a private placement. Each common share purchase warrant may be exercised for a period of 12 months from the closing date of the private placement at a price of \$0.15.

The relative fair value of the common share purchase warrants was determined to be \$27,905 in total using the Black-Scholes option pricing model, assuming a 0% dividend yield, between 167% and 179% volatility, a risk free interest rate of 0.01% and a term of 12 months.

Reserves

Reserves are comprised of the following balances as at March 31, 2017 and December 31, 2016:

	2017	2016
	\$	\$
Warrants reserve	3,280,773	3,280,773
Share-based payments reserve	5,469,955	5,469,955
	<u>8,750,728</u>	<u>8,750,728</u>

11 Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss includes the investment revaluation reserve which records unrealized gains and losses arising on available-for-sale financial assets, except for impairment losses.

12 Supplemental disclosures with respect to cash flows

	2017	2016
	\$	\$
Cash paid during the year for interest	-	2,418
	<u>-</u>	<u>2,418</u>

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Supplementary disclosure of non-cash investing and financing activities during the period ended March 31, 2017 and year ended December 31, 2016:

	2017	2016
	\$	\$
Stock-based compensation (note 12)	-	671,399
Exploration and evaluation assets expenditures in accounts payable	-	40,000
Shares issued for acquisition of exploration and evaluation assets	-	1,470,500
Shares issued for settlement of debt	13,125	89,375
Fair value of marketable securities received for disposal of exploration and evaluation assets	-	1,763,999
	<u>13,125</u>	<u>4,035,273</u>

13 Related party transactions

Included in accounts payable and accrued liabilities is \$586,302 (2016 – \$520,033) due to companies controlled by officers of the Company. These amounts due to related parties are unsecured, bear interest at comparable market rates, and have no specific terms of repayment.

During the period ended March 31, 2017, the Company incurred the following related party transactions:

- a) Incurred fees in the amount of \$47,754 (2016 – \$46,818) to a company controlled by the Company's Chief Executive Officer.
- b) Incurred fees in the amount of \$13,000 (2016 – \$19,500) to a company controlled by the Company's Chief Financial Officer.

For the period ended March 31, 2017, the total remuneration of key management personnel was \$60,754 (2016 - \$66,318) of management fees, \$Nil (2016 - \$Nil) of capitalized exploration expenditures and \$Nil (2016 - \$545,508) of stock-based compensation.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

14 Financial Instruments

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 or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

As at March 31, 2017, the Company's financial instruments are comprised of cash, receivables, reclamation bonds, accounts payable and debt instruments. The carrying value of cash, receivables and accounts payable and reclamation bonds approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Risk management

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 statement of financial position and arises from the Company's cash, receivables and reclamation bonds.

The Company's cash is held through a Canadian chartered bank which is high-credit quality financial institution. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada which are all current. The Company believes credit risk to be insignificant.

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 a cash balance of \$14,914 and short-term receivables of \$14,457 to settle current liabilities of \$2,029,235 (note 1). The Company forecasts its cash needs on a regular basis and seeks additional financing based on those forecasts. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. Since inception, the Company has financed its cash requirements primarily through issuance of common shares. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. In certain circumstances extended credit arrangements have been negotiated with vendors. All arrangements negotiated are on terms less than one year. See note 1 for further discussion on going concern and its impact on liquidity. The Company believes liquidity risk to be high.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

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's current policy is to hold deposits in highly rated banking institutions. Interest on short and long-term debt arrangements are fixed and are specifically disclosed. Interest earned is negligible and therefore interest rate risk is low.

b) Foreign currency rate risk

The Company is domiciled in Canada and its capital is raised in Canadian dollars and does not conduct regular business in any foreign country. Therefore, foreign currency rate risk is considered low.

15 Capital management

The Company's working capital deficit as at March 31, 2017 was \$1,990,329 (2016 – \$1,868,966). The Company's capital management objectives, policies and processes have not been changed over the years presented. The Company is not subject to any externally imposed capital requirements.

The Company manages its cash and common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities or further discussed in note 1 going concern. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

16 Segmented information

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

17 Commitments

Amended NSR Agreement

During 2016, the Company issued 15,000,000 common shares at \$0.06 under an amended agreement with arms length third parties that hold a NSR related to the Company's interest in the Treaty Creek property located in NW British Columbia (notes 9 and 12). The amended agreement reduces the prior \$6 million payment obligation which was potentially triggered if the Company reduced its 51% interest in the property, or granted access for development and tunnel construction.

Additional terms of the amended agreement include:

- a) The NSR holders will hold a 2% NSR on certain Treaty Creek property mineral tenures ("Group I") and a 1% NSR on the remaining Treaty Creek mineral tenures ("Group II"). The NSR interests apply only to the Company's interest in the Treaty Creek property. Within 30 days of a Treaty Creek property feasibility study being completed, the NSR holders will be paid an aggregate sum of \$1,500,000 in order for the Company to collectively buy out 0.75% of the Group I NSR and 0.25% of the Group II NSR. At any time the Company may buy out a further 0.75% of the Group I and 0.25% of the Group II NSR for the aggregate sum of \$1,500,000. The NSR holders will retain a 0.5% NSR on the Group I and Group II mineral tenures.
- b) The NSR holders were entitled to 25% of any cash payments or securities the Company received related to the Company entering into an agreement with a third party to advance the Treaty Creek project such that it disposes directly or indirectly of any of its interest in the Treaty Creek property. During 2016, the Company disposed 31% of its 51% interest for 500,000 common shares of the purchaser, and as such had to transfer 125,000 of those common shares to NSR holders fulfilling this obligation under the agreement (notes 8 and 9).
- c) The Company will pay the NSR holders 25% of any consideration the Company may receive from any non-governmental party for access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose, or fees for the use of the Company's own infrastructure facilities.
- e) The Company will pay the NSR holders 25% of any compensation proceeds the Company may receive from any governmental or quasi-governmental agency for the loss of any rights resulting from the expropriation of access, easement or right of way over, on, under or through any part of the Treaty Creek property for a mining infrastructure purpose.

Mineral Property Acquisitions

During 2016, the Company entered into four option agreements to acquire a 100% interest in the Ample Goldmax Property, the Glitter King Property, the Silverside Property and the Red Tusk Property. The terms of each of the agreements are as follows:

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Ample Goldmax Property

\$7,000 cash payment within 5 business days of TSX-V approval (in default) and issuance of 100,000 common shares within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (notes 9 and 12);

Year 1 - \$10,000 cash payment, 200,000 common shares issued to the optionor and \$15,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$15,000 cash payment, 250,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 300,000 common shares issued to the optionor and \$75,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$100,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The Optionor will also retain a 25% bulk sample royalty on any net profits the Company receives from the extraction of a bulk sample as well as a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Glitter King Property

\$7,500 cash payment within 30 business days of TSX-V approval (in default) and issuance of 100,000 common shares to the option within 10 business days of TSX-V approval (issued with a fair value of \$9,500) (notes 9 and 12);

Year 1 - \$10,00 cash payment, 100,000 common shares issued to the optionor and a minimum of \$10,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$20,000 cash payment, 150,000 common shares issued to the optionor and \$20,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 200,000 common shares issued to the optionor and \$25,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$35,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The Optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Silverside Property

\$5,000 cash payment within 30 business days of TSX-V approval (in default) and issuance of 50,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$4,750) (notes 9 and 12);

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

Year 1 - \$10,000 cash payment, 75,000 common shares issued to the optionor and a minimum of \$5,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$20,000 cash payment, 100,000 common shares issued to the optionor and \$10,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 150,000 common shares issued to the optionor and \$30,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$50,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The Optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

Red Tusk Property

\$5,000 cash payment within 30 business days of TSX-V approval (in default) and issuance of 50,000 common shares to the optionor within 10 business days of TSX-V approval (issued with a fair value of \$4,750) (notes 9 and 12);

Year 1 - \$10,000 cash payment, 75,000 common shares issued to the optionor and a minimum of \$10,000 in exploration work conducted on the property prior to the one year anniversary of the agreement;

Year 2 - \$20,000 cash payment, 100,000 common shares issued to the optionor and \$20,000 in exploration work conducted on the property prior to the two year anniversary of the agreement;

Year 3 - \$30,000 cash payment, 150,000 common shares issued to the optionor and \$30,000 in exploration work conducted on the property prior to the three year anniversary of the agreement; and

Year 4 - \$50,000 in exploration work conducted on the property prior to the four year anniversary of the agreement.

The Optionor will also retain a 3% NSR Royalty which can be bought out anytime for \$500,000 for each 1% purchased.

All cash payments, share payments and work commitment amounts in each of the agreements may be accelerated at the Company's discretion.

American Creek Resources Ltd.

Notes to Financial Statements

For the three month period ended March 31, 2017 and December 31, 2016

(expressed in Canadian dollars)

18 Subsequent events

Warrant Extension

On April 19, 2017, the Company extended the term of 8,000,000 share purchase warrants that were purchased in conjunction with the private placement announced on March 24, 2015 by approximately two years. These share purchase warrants will now be exercisable until April 22, 2019 and the exercise price remains unchanged at \$0.10. All other terms remain unchanged.

Debt Settlement

On April 20, 2017, the Company entered a Debt Settlement Agreement with an arms-length creditor. The Company agreed to issue 5,000,000 common shares as payment and settlement of \$300,000 of debt owing to the creditor.

Private Placement

On April 21, 2017, the Company announced a private placement for proceeds of up to \$300,000. As of April 26, 2017, the Company had received subscriptions totalling \$153,000.