



PACIFIC NORTH WEST CAPITAL CORP.

Condensed Consolidated Interim Financial Statements **Nine months ended 31 January 2017 and 2016** **(An Exploration Stage Company)** (Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 condensed consolidated interim financial statements of Pacific North West Capital Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management. The unaudited condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management’s best estimates and judgment based on information currently available.

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

Pacific North West Capital Corp.
Condensed Consolidated Interim Statements of Financial Position
As at 31 January 2017 and 30 April 2016
(Unaudited)
(Expressed in Canadian dollars)

	Notes	As at 31 January 2017	As at 30 April 2016 (Audited)
ASSETS		\$	\$
Current assets			
Cash and cash equivalents	5	253,998	440,800
Amounts receivable	6	80,174	95,118
Short term investments	7	317,874	197,161
Prepaid expenses		73,259	71,073
		725,305	804,152
Exploration and evaluation properties	8	612,371	43,692
Property and equipment	9	6,800	8,000
Total assets		1,344,476	855,844
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	101,029	42,293
Due to related parties	16	-	33,478
		101,029	75,771
Lease provision	19	1,729,380	1,729,380
Total liabilities		1,830,409	1,805,151
Equity (deficiency)			
Share capital	11	35,259,649	35,237,910
Reserves	11	9,306,057	8,301,164
Deficit		(44,051,639)	(44,488,381)
Total equity (deficiency)		(485,933)	(949,307)
Total equity (deficiency) and liabilities		1,344,476	855,844

APPROVED BY THE BOARD:

"Harry Barr"

Director

"John Londry"

Director

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

Pacific North West Capital Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the nine months ended 31 January 2017 and 2016

(Unaudited)

(Expressed in Canadian dollars)

	Notes	Three months ended 31 January 2017	Three months ended 31 January 2016	Nine months ended 31 January 2017	Nine months ended 31 January 2016
Expenses		\$	\$	\$	\$
Accounting and audit		-	-	34,328	-
Bank charges and interest		2,040	835	5,565	1,967
Consulting fees	16	33,950	20,333	126,070	51,833
Depreciation	9	400	500	1,200	1,500
Legal		-	-	6,166	-
Management fees	16	45,888	12,192	53,579	17,746
Marketing and communications		45,505	13,017	193,633	13,850
Office and miscellaneous		17,766	10,907	69,894	12,856
Rent(recovery)		(560)	513	10,815	1,436
Share-based payments	12, 16	-	-	223,065	-
Telephone and utilities		1,266	191	7,020	543
Transfer agent and regulatory fees		21,345	5,058	39,429	13,373
Travel, lodging and food		19,293	6,923	52,774	7,063
Loss before other items		(186,894)	(70,469)	(823,538)	(122,167)
Other items					
Foreign exchange gain (loss)		(87)	(426)	116	(254)
Gain (loss) on sale of short term investments		22,250	-	(176,605)	-
Recovery of written down exploration and evaluation properties	7	-	133,476	-	133,476
Net loss for the period		(164,731)	62,581	(1,000,027)	11,055
Other comprehensive loss					
Unrealized gain on short term investments	7	(81,389)	78,708	436,769	78,708
Net comprehensive loss		(246,120)	141,289	(563,258)	87,763
Loss per share					
Basic	14	(0.001)	0.001	(0.011)	0.000
Diluted	14	(0.002)	0.002	(0.006)	0.002

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Pacific North West Capital Corp.
Condensed Consolidated Interim Statements of Cash Flows
For the nine months ended 31 January 2017 and 2016
(Unaudited)
(Expressed in Canadian dollars)

		Nine months ended	
	Notes	31 January 2017	31 January 2016
		\$	\$
OPERATING ACTIVITIES			
Income (loss) before tax		(1,000,027)	11,055
Adjustments for:			
Depreciation	9	1,200	1,500
Share-based payments	12	223,065	-
Gain (loss) on sale of short-term investment	7	176,605	(33,475)
Operating cash flows before movements in working capital			
(Increase) decrease in amounts receivable		14,944	43,909
(Increase) decrease in prepaid expenses		(2,186)	833
Increase (decrease) in current liabilities		25,258	(29,340)
Cash used in operating activities		(561,141)	(5,518)
INVESTING ACTIVITIES			
Cash spent on exploration and evaluation properties	8	(566,905)	(52,470)
Cost recovery on exploration and evaluation properties	7	-	133,476
Proceeds from sale of short term investments	7	181,535	-
Cash from (used) in investing activities		(385,370)	81,006
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		779,043	83,500
Share issued costs		(19,334)	(700)
Cash from financing activities		759,709	82,800
Increase (decrease) in cash and cash equivalents		341,503	158,288
Cash and cash equivalents – beginning of period		440,800	18,890
Cash and cash equivalents – end of period		253,998	177,178

Supplemental cash flow information (Note 17)

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Pacific North West Capital Corp.
Condensed Consolidated Interim Statements of Changes in Equity
For the nine months ended 31 January 2017 and 2016
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	Number of shares	Share capital	Subscription received in advanced	Share- based payments reserve	Warrant reserve	Investment revaluation reserve	Deficit	Total
		\$	\$	\$	\$	\$	\$	\$
Balances, 30 April 2015	48,515,738	34,997,236	-	3,499,225	4,047,021	(1,135,729)	(42,850,557)	(1,442,804)
Shares issued for								
Cash	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	-	(51,526)	(51,526)
Balances, 31 January 2016	60,582,404	35,060,215	-	3,499,225	4,166,843	(1,057,021)	(42,839,502)	(1,170,240)
Shares issued for								
Cash	33,340,329	100,000	145,905	-	-	-	-	657,510
Finder's fee	740,000	11,100	-	-	-	-	-	11,100
Value assigned to warrants	-	(410,051)	-	-	410,51	-	-	-
Loss on issuance of units	-	-	-	-	324,205	-	-	324,205
Share-based payments	-	-	-	16,576	-	-	-	16,576
Share issue costs	-	(17,885)	-	-	4,086	-	-	(13,799)
Unrealized loss on available-for-sale	-	-	-	-	-	1,135,729	(1,135,729)	-
Net loss for the period	-	-	-	-	-	-	(465,551)	(465,551))
Balances, 30 April 2016	82,696,067	35,092,005	145,905	3,515,801	4,785,363	-	(44,488,381)	(949,307)
Shares issued for								
Cash	15,852,530	881,256	(145,905)	-	-	-	-	735,351
Finder's fee	250,000	9,500	-	-	-	-	-	9,500
Mineral properties	1,300,000	-	-	-	78,049	-	-	78,049
Value assigned to warrants	-	(703,779)	-	-	703,779	-	-	-
Share-based payments	-	-	-	223,065	-	-	-	223,065
Share issue costs	-	(19,334)	-	-	-	-	-	(19,334)
Net loss for the period	-	-	-	-	-	-	(563,258)	(563,258)
Balances, 31 January 2017	100,098,597	35,259,650	-	3,738,866	5,567,191	-	(45,051,639)	(485,933)

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Pacific North West Capital Corp.
Notes to the Consolidated Financial Statements
For the nine months ended 31 January 2017 and 2016
(Unaudited)
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1. CORPORATE INFORMATION

The Company was incorporated under the Business Corporations Act (Alberta) on 29 May 1996 and on 13 July 2004, the Company continued out of the Province of Alberta and into the Province of British Columbia. The Company is in the process of acquiring, exploring and developing platinum group metals ("PGMs"), precious and base metals mineral properties and green metals lithium. The Company will attempt to bring the properties to production, structure joint ventures with others, option or lease properties to third parties, or sell the properties outright. The Company has not yet determined whether these properties contain ore reserves which are economically recoverable and the Company is considered to be in the exploration stage.

On 14 April 2016, the Company formed a wholly owned subsidiary called Lithium Canada Development Inc.

The Company's head office, principal address and records office are located at Suite 101 - 2148 West 38th Avenue, Vancouver, British Columbia, V6M 1R9.

1.1 Going concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 January 2017, the Company had cash and cash equivalents of \$253,998. Existing funds on hand at 31 January 2017 is not sufficient to support the Company's needs for cash to conduct exploration and to continue operations during the current year. The Company will require additional funding to be able to meet ongoing requirements for general operations and to advance and retain mineral exploration and evaluation property interests. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations.

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These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control is obtained to the date control ceases. All inter-company transactions, balances, income and expenses are eliminated in full upon consolidation.

An associate is an entity in which the Company or any of its subsidiaries has significant influence, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not exercise control or joint control over those policies and is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investments in associates are accounted for by using the equity method.

The subsidiaries and associate of the Company as at 31 January 2017 and 30 April 2016 are described below:

Name	Country of incorporation	% equity interest as at	
		31 January 2017	30 April 2016
Subsidiaries			
Pacific North West Capital Corp. USA ⁽¹⁾	United States	100%	100%
Pacific North West Capital de México, S.A. de C.V. ⁽¹⁾	Mexico	100%	100%
Lithium Canada Development Inc.	Canada	100%	100%

(1) Inactive entities.

2.2 Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 15, and are presented in Canadian dollars, except where otherwise indicated.

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2.3 Statement of compliance

The condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘*Interim Financial Reporting*’ using accounting policies consistent 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”).

2.4 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised IAS, IFRS, amendments and related IFRIC, which are effective for the Company financial year beginning on 1 May 2016. The Company has adopted all the following new standards relevant to the Company for the period ended 31 January 2017.

- IAS 24 ‘*Related Party Disclosures*’ is an amendment to clarify that a management entity, or any member of a group of which it is a part, that provides key management services to a reporting entity, or its parent, is a related party of the reporting entity. The amendments also require an entity to disclose amounts incurred for key management personnel services provided by a separate management entity. This replaces the more detailed disclosure by category required for other key management personnel compensation. The amendment is applicable to annual periods beginning on or after 1 July 2014.
- IAS 8 ‘*Operating Segments*’ is an amendment to clarify aggregation criteria. The amendment is applicable to annual periods beginning on or after 1 July 2014.

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended 31 January 2017:

- IFRS 7 ‘*Financial Instruments: disclosures*’, clarifies the definition for continuing involvement in a transferred financial asset. The amendments are effective for annual periods beginning on or after 1 January 2016.
- IFRS 9, ‘*Financial Instruments*’: The IASB has undertaken a three-phase project to replace IAS 39 ‘*Financial Instruments: Recognition and Measurement*’ with IFRS 9 ‘*Financial Instruments*’. In November 2009, the IASB issued the first phase of IFRS 9, which details the classification and measurement requirements for financial assets. Requirements for financial liabilities were added to the standard in October 2010. In July 2014, the IASB issued the final elements of IFRS 9. IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:
 - Financial assets meeting both a “business model” test and a “cash flow characteristics” test are measured at amortized cost (the use of fair value is optional in some limited circumstances)

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- Investments in equity instruments can be designated as “fair value through other comprehensive income” with only dividends being recognized in profit or loss
- All other instruments (including all derivatives) are measured at fair value with changes recognized in profit or loss
- The concept of “embedded derivatives” does not apply to financial assets within the scope of the standard and the entire instrument must be classified and measured in accordance with the “business model” test and “cash flow characteristics” test.
- The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

The amendments are effective for annual periods beginning on or after 1 January 2018.

- IFRS 10 ‘*Consolidated financial statements*’, clarifies the conditions for a parent to present consolidated financial statements and for investment entities, and treatment for loss of control of a subsidiary that does not contain a business. The amendments are effective for annual periods beginning on or after 1 January 2016.
- IAS 1 ‘*Presentation of Financial Statements*’ is an amendment to clarify certain aspects focused on the areas of clarification of concept of materiality and aggregation of items in the financial statements, the use and presentation of subtotals in the statement of loss and comprehensive loss, and providing of additional flexibility in the structure and disclosures of the financial statements to enhance understandability. The amendment is applicable to annual periods beginning on or after 1 January 2016.
- IFRS 11 ‘*Joint Arrangements*’ is an amendment to clarify accounting for acquisition of interest in a joint operation. The amendment is applicable to annual periods beginning on or after 1 January 2016.
- IAS 16 ‘*Property, plant and equipment*’ is an amendment to clarify acceptable methods of depreciation and amortization whereby a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. The amendment is applicable to annual periods beginning on or after 1 January 2016.
- IAS 28 ‘*Investments in associates and joint ventures*’ is an amendment that clarifies that an entity need not apply the equity method to its investment in an associate or joint venture if the parent is the ultimate parent of the entity in which subsidiaries are consolidated or are measured at fair value through profit or loss. The amendment is effective for annual periods beginning on or after 1 January 2016.
- IAS 7 ‘*Statement of Cash Flows*’ is an amendment to clarify and improve information provided to users of financial statements about an entity’s financing activities. The amendment is applicable for annual periods beginning on or after 1 January 2017.

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- IAS 12 '*Income Taxes*' is an amendment to clarify criteria used to assess whether future taxable profits can be utilized against deductible temporary differences. The amendment is applicable to annual periods beginning on or after 1 January 2017.

The Company has not early adopted these standards, amendments and interpretations and anticipates that the application of these standards, amendments and interpretations will not have a material impact on the financial position and financial performance of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management

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judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next period.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the binomial valuation model to determine the fair value of warrants issued.

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3.3 Investment in associate

The Company's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's losses that are in excess of its investment in the associate are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of earnings and losses of associates are recognized in profit or loss during the period.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on the Company's investment in its associates. The Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If there is objective evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in profit or loss. When a group entity transacts with an associate of the Company, profit and losses are eliminated to the extent of the Company's interest in the relevant associate.

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The Company discontinues the use of the equity method from the date when its investment ceases to be an associate. If the retained interest in the former associate or joint venture is a financial asset, the Company measures the retained interest at fair value and recognize in profit or loss any difference between the fair value of any retained interest and the carrying amount of the investment at the date equity method was discontinued.

3.4 Foreign currencies

The Company's reporting currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.5 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property and equipment, less their estimated residual value, using the declining balance method using the following rates:

- | | |
|--------------------|------|
| • Automotive | 30% |
| • Office equipment | 20% |
| • Software | 100% |

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3.6 Exploration and evaluation properties

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Option payments received are treated as a reduction of the carrying value of the related exploration and evaluation properties and deferred costs until the receipts are in excess of costs incurred, at which time, they are credited to income. Option payments are at the discretion of the optionee, and accordingly, are recorded on a cash basis.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

3.7 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

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Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation properties.

3.8 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payments reserve.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.9 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash and cash equivalents and share purchase warrants held in other companies are included in this category of financial assets.

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Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial asset classified in this category are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Amounts receivable are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset. Available-for-sale assets include short term investments in equities of other entities.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.10 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

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Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade payables and due to related parties are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.11 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost have been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.12 De-recognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and

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receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.13 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.14 Flow-through shares

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability and included in trade payables and accrued liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through share premium liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

3.15 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related

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parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3.16 Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

4. SEGMENTED INFORMATION

The Company conducts its business as a single operating segment being the mining business in Canada. All resource properties and equipment are situated in Canada.

5. CASH AND CASH EQUIVALENTS

The Company's cash and cash equivalents are denominated in the following currencies:

	As at 31 January 2017	As at 30 April 2016
	\$	\$
Denominated in Canadian dollars	250,988	437,790
Denominated in U.S. dollars	3,010	3,010
Total cash and cash equivalents	253,998	440,800

During the nine months ended 31 January 2017, the Company issued a total of 1,111,846 flow-through shares (30 April 2016 - 2,000,000) for a total of \$72,270 (30 April 2016 - \$40,000) (Notes 11). As at 31 January 2017, the Company has \$Nil (30 April 2016 - \$Nil) remaining to be

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spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 18).

6. AMOUNTS RECEIVABLE

The Company's amounts receivable are as follows:

	As at 31 January 2017	As at 30 April 2016
	\$	\$
GST/HST receivable	53,612	11,583
Shared office costs receivable (Note 16)	26,562	83,535
Total amounts receivable	80,174	95,118

Included in amounts receivable of the Company are amounts due from related parties which are disclosed in Note 16. The amounts are unsecured, interest-free and repayable upon written notice given from the Company.

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7. SHORT-TERM INVESTMENTS

The Company's available-for-sale investments and share purchase warrants are as follows:

	As at 31 January 2017		As at 30 April 2016	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
El Nino Ventures Inc. 4,335,601 shares (30 April 2016 - 4,852,925 shares)	712,186	130,068	938,916	72,793
Namaste Technologies Inc. 850,000 shares (30 April 2016 - 1,189,315 shares)	55,303	178,500	77,359	107,038
Benton Capital Corp. Nil shares (30 April 2016 - 150,000 shares).	-	-	67,270	9,000
Calais Resources Inc. 2,083,000 shares (30 April 2016 - 2,083,000 shares).	125,000	-	125,000	-
Goldtrain Resources Inc. 48,800 shares (30 April 2016 - 48,800 shares).	29,280	2,928	29,280	4,880
Others	49,535	6,378	49,535	3,450
Total short term investments	971,304	317,874	1,287,360	197,161

8. EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation properties expenditures for the period ended 31 January 2017 are as follows:

	River Valley	Lithium One	Lithium Brine	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2016	-	38,543	5,149	43,692
Additions	118,713	70,381	69,537	258,631
Recoveries	-	-	-	-
Balance, 31 January 2017	118,713	108,924	74,686	302,323
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2016	-	-	-	-
Assaying	26,181	3,231	-	29,415
Drilling	104,225	-	-	104,225
Engineering and consulting	70,010	48,600	16,367	134,977
Field expenses	35,511	4,220	-	39,731
Geophysics	1,000	-	-	1,000
Recoveries	-	-	-	-
Balance, 31 January 2017	237,630	56,051	16,367	310,048
Total costs	356,343	164,975	91,053	612,371

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The Company's exploration and evaluation properties expenditures for the year ended 30 April 2016 are as follows:

	River Valley	Lithium One	Lithium Brine	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, 30 April 2015	-	-	-	-
Additions	40,837	38,543	5,149	84,529
Recoveries	(40,837)	-	-	(40,837)
Balance, 30 April 2016	-	38,543	5,149	43,692
EXPLORATION AND EVALUATION COSTS				
Balance, 30 April 2015	-	-	-	-
Drilling	-	-	-	-
Engineering and consulting	23,798	-	-	23,798
Field expenses	5,603	-	-	5,603
Metallurgical study	4,935	-	-	4,935
Recoveries	(34,336)	-	-	(34,336)
Balance, 30 April 2016	-	-	-	-
Total costs	-	38,543	5,149	43,692

Project Overview:

River Valley, Ontario

By agreement dated 14 July 1999, the Company granted to Kaymin Resources Limited ("Kaymin"), a wholly-owned subsidiary of Anglo Platinum Limited, an option to earn up to a 65% interest in the Company's portion of certain properties, including the River Valley property, the Goldwright property, the Frontier property (these claims were allowed to lapse on 12 December 2006), the Washagami property (these claims were allowed to lapse on 10 December 2008), the Razor property and the Western Front property, in the Sudbury Region of Ontario. During a prior year, Kaymin elected to vest its option obtaining a 50% interest in the properties, upon having paid the Company \$300,000 (received in a prior year) and advanced and spent in excess of \$4,000,000 for exploration on the properties.

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By way of a Mineral Interest Assignment Agreement dated for reference 13 December 2010, as amended on 6 April 2011 (the "Assignment Agreement"), the Company completed the purchase of Kaymin's 50% interest in the River Valley claims, providing the Company with an undivided 100% interest in the River Valley Platinum Group Metals (PGM) Project. Under the terms of the Assignment Agreement, Kaymin exchanged its 50% interest in the joint venture, for a 12% interest in the Company, based on the issued and outstanding common shares of the Company as of 30 November 2010 (22,514,336 common shares). The aggregate purchase price for the 50% interest in the River Valley PGM project was:

- 2,705,720 fully paid and non-assessable common shares of the Company (issued); and
- Three-year warrants exercisable to purchase 1,000,000 common shares of the Company at a price of \$0.90 per common share (issued).

Included in the River Valley PGM Project are the following:

(i) River Valley Property, Ontario

By agreement dated 15 January 1999 and amended 11 March 1999, the Company acquired a 100% interest in 226 claim units, known as the River Valley Property, located in the Dana and Pardo Townships, Sudbury Mining District, Ontario. As consideration, the Company paid \$265,000 and issued 200,000 common shares to the optionors. In addition, minimum annual exploration expenditures of \$100,000 were completed. The property is subject to a 3% Net Smelter Return ("NSR"). The Company, at its option, can purchase up to 2% of the NSR from the vendors for \$2,000,000.

(ii) Goldwright Property, Ontario

By agreement dated 30 June 1998 and subsequently amended, the Company earned a 25% interest in certain mineral claims known as the Janes property, located in the Janes Township, Sudbury Mining District, Ontario.

On 30 October 2015, the Company signed a Net Smelter Returns Royalty Agreement ("NSR") whereby a Production Royalty equal to 1% will be paid based on minerals produced, saved and sold from the properties on the terms and subject to the conditions specified in the NSR Agreement.

(iii) Razor Property, Ontario

The Company acquired a 100% interest in certain mineral claims located in the Dana Township, Sudbury Mining District, Ontario for consideration of \$30,000.

The property is subject to a 2% NSR.

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(iv) Western Front Property, Ontario

By agreement dated 16 November 2001, the Company earned a 70% interest in certain mineral claims known as the Western Front property from a company (the “Optionor”) with certain directors in common, for consideration of \$55,000 and issuance of 6,667 shares. In addition, an exploration expenditure of \$50,000 was incurred.

The Company has the right to purchase an additional 30% interest in the property by paying \$750,000 to the Optionor.

The property is subject to a 3% NSR, the first 1% of which the Company can purchase for \$1,000,000; the second 1% can be purchased for \$2,000,000. The Company and the Optionor will share the NSR buyout privileges in proportion to their respective interests.

During the year ended 30 April 2016, the Company received a refund from the Government of Ontario in the amount of \$132,904 relating to funds previously held by the Government for the River Valley Advanced Exploration Closure Plan.

Lithium One Project, Manitoba

By agreement dated 18 April 2016, the Company entered into an option agreement with Cliff Allbutt (“Allbutt”) who is the recorded and beneficial holder of certain unpatented mining claims which are filed with the Manitoba Energy and Mines.

As consideration, the Company, will issue 400,000 common shares in accordance with following schedule (Note 18):

- (i) 200,000 common shares within ten (10) days of receiving regulatory approval of the terms of this Agreement (the “Initial Grant”);
- (ii) 200,00 additional common and shares on the first anniversary date of the Initial Grant; and

The Company will expend a minimum of \$29,000 on or before 20 April 2016 (paid).

The Company has the right to issue any additional shares to Allbutt at their discretion and complete the 100% purchase of the property at any time.

The property is subject to a 1% NSR.

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Lithium Brine Project, Clayton Valley, Nevada

By agreement dated 18 April 2016, the Company entered into an option agreement with Thomas L. Evans (60%) and Robert Weicker (40%) ("Evans and Weicker"), who are the recorded and beneficial holders of certain unpatented mining claims which are staked and are to be filed with the pertinent Nevada State Government agencies and/ or any related federal agency. The claims are situated in Clayton Valley, Esmeralda County, Nevada, with an official name of CV West Li claims 100 thru 172.

As consideration, the Company, will issue 800,000 common shares in accordance with following schedule:

- (i) 400,000 common shares within ten (10) days of receiving regulatory approval of the terms of this Agreement;
- (ii) 400,00 additional common shares within 10 business days of the first anniversary date of the Initial Grant;

The Company has the right to issue any additional shares to Evans and Weicker at the Company's discretion and complete the 100% purchase of the property at any time ahead of the schedule of this agreement.

The Company will also expend a maximum of \$25,000 on or before 18 May 2016 and make cash payments as follows:

- (i) \$15,000 USD within 5 days of receiving regulatory approval; and
- (ii) \$15,000 USD within 90 days of receiving regulatory approval.

The property is subject to a 2% NSR.

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9. PROPERTY AND EQUIPMENT

The changes in the Company's property and equipment for the period ended 31 January 2017 are as follows:

	Automotive	Office equipment	Software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
COST					
As at 30 April 2016	-	246,070	-	-	246,070
Derecognition	-	-	-	-	-
As at 31 January 2017	-	246,070	-	-	246,070
DEPRECIATION					
As at 30 April 2016	-	238,070	-	-	238,070
Depreciation	-	1,200	-	-	1,200
Derecognition	-	-	-	-	-
As at 31 January 2017	-	239,269	-	-	239,269
NET BOOK VALUE					
As at 30 April 2016	-	8,000	-	-	8,000
As at 31 January 2017	-	6,800	-	-	6,800

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The changes in the Company's property and equipment for the year ended 30 April 2016 are as follows:

	Automotive	Office equipment	Software	Leasehold improvements	Total
	\$	\$	\$	\$	\$
COST					
As at 30 April 2015	122,947	289,522	82,013	76,871	571,353
Derecognition	(122,947)	-	-	(76,871)	(199,818)
As at 30 April 2016	-	289,522	82,013	-	371,535
DEPRECIATION					
As at 30 April 2015	122,947	279,522	82,013	76,871	561,353
Depreciation	-	2,000	-	-	2,000
Derecognition	(122,947)	-	-	(76,871)	(199,818)
As at 30 April 2016	-	281,522	82,013	-	363,535
NET BOOK VALUE					
As at 30 April 2015	-	10,000	-	-	10,000
As at 30 April 2016	-	8,000	-	-	8,000

10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade and other payables are broken down as follows:

	As at 31 October 2016	As at 30 April 2016
	\$	\$
Trade payables	37,700	17,293
Accrued liabilities	63,329	25,000
Total trade payables and accrued liabilities	101,029	42,293

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11. SHARE CAPITAL

11.1 Authorized share capital

The Company is authorized to issue unlimited common shares without par value. As at 31 January 2017, there were 100,098,597 common shares issued and outstanding (30 April 2016 – 82,696,067).

11.2 Share issuances

During the nine months ended 31 January 2017 and year 30 April 2016, the Company issued common shares as follows:

On 4 October 2016, the Company issued 153,846 flow-through units at \$0.065 per unit for a gross proceeds of \$10,000 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share during the first year and \$0.20 per share during the second year, for a period of two years.

On 29 June 2016, the Company issued 7,450,289 non flow-through units at \$0.055 per unit for gross proceeds of \$409,766 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share during the first year and \$0.20 per share during the second year, for a period of two years. The Company paid a share issuance cost of \$2,195 in cash and 39,900 warrants.

On 3 May 2016, the Company issued 7,258,545 non flow-through units at \$0.055 per unit for gross proceeds of \$399,220 and 958,000 flow-through units at \$0.065 per unit for a gross proceeds of \$62,270 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share during the first year and \$0.20 per share during the second year, for a period of two years. The Company paid a share issuance cost of \$12,639 in cash, 219,520 warrants and 31,850 units.

On 28 March 2016, the Company issued 19,873,663 non flow-through units at \$0.015 per unit for gross proceeds of \$298,105 and 1,500,000 flow-through units at \$0.02 per unit for a gross proceeds of \$30,000 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferrable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferrable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.05 per share for a period of 2 years. The Company paid a share issuance cost of \$2,000 in cash, 133,333 warrants and 740,000 units. Each unit consists of

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one common share and one non-transferable share purchase warrant that entitles the holder to purchase one common share of the Company at a price of \$0.05 per share for a period of 2 years.

On 11 December 2015, the Company issued 11,566,666 non flow-through units at \$0.015 per unit for gross proceeds of \$173,500 and 500,000 flow-through units at \$0.02 per unit for a gross proceeds of \$10,000 through non-brokered private placement. Each non flow-through unit consists of one common share and one non-transferable share purchase warrant. Each flow-through unit consists of one flow-through common share and one non-transferable non-flow-through share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of \$0.05 per share for a period of 2 years. The Company paid a share issuance cost of \$700 in cash and 35,000 warrants.

11.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the nine months ended 31 January 2017 and year ended 30 April 2016.

	31 January 2017		30 April 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Outstanding, beginning	40,348,662	0.07	6,000,000	0.19
Granted	16,111,950	0.15	34,348,662	0.05
Exercised	-	-	-	-
Expired	1,000,000	0.15	-	-
Outstanding, end of period	55,460,612	0.10	40,348,662	0.07

The following table summarizes information regarding share purchase warrants outstanding as at 31 January 2017:

Number of warrants	Exercise price	Expiry date
5,000,000	\$0.10/\$0.20/\$0.30	25 March 2017
12,101,666	\$0.05	11 December 2017
22,246,996	\$0.05	28 March 2018
8,467,915	\$0.10/\$0.20	03 May 2018
7,490,189	\$0.10/\$0.20	29 June 2018
153,846	\$0.10/\$0.20	4 October 2018
55,460,612		

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During the nine months ended 31 January 2017, in conjunction with the non-brokered private placement, the Company issued a total of 14,822,780 (30 April 2016 – 33,490,329) share purchase warrants and 1,249,170 (30 April 2016 – 908,333) agent compensation warrants.

The weighted average fair value of the 16,111,950 warrants granted during the nine months ended 31 January 2017 was estimated at \$742,529 (30 April 2016 - \$738,342 for 34,348,662 warrants) at the grant date using the Black-Scholes Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2017	30 April 2016
Risk free interest rate	0.53%	0.53%
Expected life	2 years	2 years
Expected volatility	283.30%	283.30%
Expected dividend per share	-	-

11.4 Stock options

The Company has adopted a stock option plan whereby the Company may grant stock options to employees, directors and/or consultants of the Company. The exercise price of any options granted under the plan will be determined by the Board of Directors, at its sole discretion, but is subject to the Discounted Market Price policies of the TSXV. The aggregate number of common shares issuable pursuant to options granted under the plan cannot be more than 10% of the Company's issued common shares under the plan. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued common shares of the Company.

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The following is a summary of the changes in the Company's stock option plan for nine months ended 31 January 2017 and the year ended 30 April 2016:

	31 January 2017		30 April 2016	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
		\$		\$
Outstanding, beginning	2,466,667	0.18	2,203,334	0.47
Granted	4,500,000	0.07	1,000,000	0.05
Exercised	-	-	-	-
Expired	-	-	(648,333)	0.88
Forfeited	-	-	(88,334)	0.75
Outstanding, end of period	6,966,667	0.11	2,466,667	0.18

The weighted average fair value of the options granted during the nine months ended 31 January 2017 was estimated at \$223,065 (30 April 2016 - \$19,260) at the grant date using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2017	30 April 2016
Risk free interest rate	0.76%	0.76%
Expected life	5 years	5 years
Expected volatility	201.68%	201.68%
Expected dividend per share	-	-

The weighted average fair value of the options related to services was estimated at \$0.0674 (2016 - \$0.0345) per option at the date services were provided using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	31 January 2017	30 April 2016
Risk free interest rate	1.18%	1.18%
Expected life	4.38 years	4.38 years
Expected volatility	157.71%	157.71%
Expected dividend per share	-	-

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

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The following table summarizes information regarding stock options outstanding and exercisable as at 31 January 2017:

Exercise price	Number of options outstanding	Weighted- average remaining contractual life (years)	Weighted- average exercise price
Options outstanding			
\$0.05 - \$0.09	5,500,000	4.39	\$0.05
\$0.10 - \$0.75	1,266,667	2.71	\$0.18
\$0.76 - \$0.90	200,000	0.36	\$0.81
Total options outstanding	6,966,667	3.20	\$0.11

Exercise price	Number of options exercisable	Weighted- average remaining contractual life (years)	Weighted- average exercise price
Options exercisable			
\$0.05 - \$0.09	1,000,000	4.39	\$0.05
\$0.10 - \$0.75	1,266,667	2.71	\$0.18
\$0.76 - \$0.90	200,000	0.36	\$0.81
Total options exercisable	2,466,667	3.13	\$0.19

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12. SHARE-BASED PAYMENTS

Share-based payments for the following options granted by the Company will be amortized over the vesting period, of which \$223,065 was recognized in the period ended 31 January 2017 (2015 - \$Nil):

Grant date of stock options	Fair value of options granted	Amount vested for period ended 31 January 2017	Amount vested for period ended 31 January 2016
15 July 2016	\$ 223,065	\$ 223,065	\$ -
Total		223,065	115,523

13. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 January 2017	Three months ended 31 January 2016	Nine months ended 31 January 2017	Nine months ended 31 January 2016
Net loss for the period	\$ (164,731)	\$ 62,581	\$ (1,000,027)	\$ 11,055
Weighted average number of shares – basic and diluted	110,678,667	48,515,738	92,023,601	48,515,738
Loss per share, basic and diluted	\$ (0.0021)	\$ 0.001	\$ (0.011)	\$ 0.000

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the periods ended 31 January 2017 and 2016.

14. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements, continue the development and exploration of its exploration and evaluation properties.

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The Company is dependent upon external financing to fund its activities. In order to carry out the planned exploration and to pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

15. FINANCIAL INSTRUMENTS

15.1 Categories of financial instruments

	As at 31 January 2017	As at 30 April 2016
FINANCIAL ASSETS	\$	\$
FVTPL, at fair value		
Cash and cash equivalents	253,998	440,800
Short term investments – warrants	-	-
Loans and receivables, at amortized cost		
Amounts receivable	26,562	83,535
Available-for-sale, at fair value		
Short term investments – shares	317,874	197,161
Total financial assets	598,434	721,496
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	37,700	17,293
Due to related parties	-	33,478
Total financial liabilities	37,700	50,771

15.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

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The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As 31 January 2017, the Company does not have any Level 3 financial instruments.

As at 31 January 2017	Level 1	Level 2	Total
	\$	\$	\$
Financial assets at fair value			
Cash and cash equivalents	253,998	-	253,998
Short term investments – Shares	317,874	-	317,874
Short term investments – Warrants	-	-	-
Total financial assets at fair value	571,872	-	571,872

There were no transfers between Level 1 and 2 in the nine months ended 31 January 2017 and year ended 30 April 2016.

As at 30 April 2016	Level 1	Level 2	Total
	\$	\$	\$
Financial assets at fair value			
Cash and cash equivalents	440,800	-	440,800
Short term investments – Shares	197,161	-	197,161
Short term investments – Warrants	-	-	-
Total financial assets at fair value	637,961	-	637,961

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

15.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing with only with highly-rated financial institutions. As at 31 January 2017, amounts receivable was mainly comprised of Goods and Services Tax/Harmonized Sales Tax receivable and amounts receivable from related entities for shared office and administrative costs (Notes 6 and 15).

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. The Company has been successful in raising equity financing in the past; however, there is no assurance that it will be able to do so in the future. As at 31 January 2017, the Company had working capital of \$624,276 (30 April 2016 - \$728,381).

Currency risk

For the nine months ended 31 January 2017, the Company's operations were mainly in Canada (Note 4). The Company considers its currency risk to be insignificant.

Other risks

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate risk and commodity price risk arising from financial instruments.

16. RELATED PARTY TRANSACTIONS

For the nine months ended 31 January 2017 and the year ended 30 April 2016, the Company had related party transactions with the following companies related by way of directors or shareholders in common:

- El Nino, a company with management and certain directors in common with the Company. El Nino pays shared office costs to the Company on a month-to-month basis.
- Canadian Gravity Recovery Inc. (“CGR”), a company owned by the Chief Executive Officer of the Company. CGR provides management services on a month-to-month basis.
- Onestar Consulting Inc. (“Oonestar”), a company owned by the Senior Vice President of Business and Corporate Development. Onestar provides consulting services on a month-to-month basis.
- Nevada Energy Metals (“NEM”, formerly Southern Sun Minerals Inc.), a company with management and certain directors in common with the Company. NEM pays shared office costs to the Company on a month-to-month basis.

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16.1 Related party expenses

Related party expenses are summarized as follows:

	31 January 2017	31 January 2016
	\$	\$
Next Gen ⁽¹⁾	-	12,978
El Niño	25,594	169,269
Nevada ⁽²⁾	-	2,120
CEO	4,199	22,886
Total amount due from related parties (Note 6)	29,793	207,253
CGR	-	16,406
OneStar	-	7,875
CFO	-	22,400
Corporate Secretary	-	17,325
Former CEO	-	417
Company controlled by the former COO	-	2,825
Total amount due to related parties	-	67,248

⁽¹⁾ Ceased to be a related party effective 31 December 2014

⁽²⁾ Ceased to be a related party as at 30 April 2016

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16.2 Due from/to related parties

The assets and liabilities of the Company include the following amounts due from/to related parties:

	31 January 2017	30 April 2016
	\$	\$
El Nino	25,594	83,535
Total amount due from related parties (Note 6)	25,594	83,535
CEO	-	33,478
Total amount due to related parties	-	33,478

During the previous year ended 30 April 2016, the Company recorded a write-down of amounts receivable of \$105,223 from a related party and a former related party (Notes 6 and 16).

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16.3 Key management personnel compensation

The remuneration of directors and other members of key management for the nine months ended 31 January 2017 and 2016 were as follows:

	31 January 2017	31 January 2016
	\$	\$
Short-term benefits – management and consulting fees	123,806	11,875
Share-based payments	85,508	24,813
Total key management personnel compensation	209,314	36,688

17. SUPPLEMENTAL CASH FLOW INFORMATION

17.1 Cash payments for interest and taxes

The Company made the following cash payments for interest and income taxes:

	31 January 2017	31 January 2016
	\$	\$
Interest paid	-	-
Taxes paid	-	-
Total cash payments	-	-

17.2 Non-cash financing and investing activities

The Company incurred the following non-cash investing and financing transactions:

During the nine months ended 31 January 2017, the Company 1,300,000 common shares in relation to the acquisition of mineral properties and 250,000 common shares as finder's fees.

During the previous year ended 30 April 2016, the Company recorded a write-down of amounts receivable of \$105,223 (2015 - \$21,006) from a related party and a former related party.

18. COMMITMENTS

As at 31 January 2017, the Company has \$Nil (30 April 2016 - \$Nil) remaining to be spent on qualifying Canadian exploration expenditures under the terms of the flow-through share agreements (Note 5).

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The Company has certain obligations related to its exploration and evaluation properties (Note 9).

By agreement effective 1 December 2005, the Company entered into a five-year management agreement with a company controlled by a director and Chairman of the Company. Compensation is \$7,350 per month for the first year, with a 5% increase on each anniversary date plus benefits. The director and Chairman is also entitled to receive up to 20% of all stock options granted during the period that the agreement is in place. This agreement is automatically renewable for two-year periods. The Company may terminate the agreement at any time but will be responsible to pay the greater of the remaining amount under the contract or two years' compensation.

By amended agreement effective 1 December 2008, the Company amended the 1 December 2005 agreement. The compensation under the original agreement was amended from \$7,350 per month to \$14,104 per month. The 5% increase under the original agreement was waived until 1 December 2009. All terms of the original agreement remained the same.

By amended agreement effective 1 April 2011, the Company amended the 1 December 2005 agreement as amended on 1 December 2008. The compensation under the amended agreement was further amended from \$15,550 per month to \$20,833 per month. The term of the amended agreement is for five years terminating on 31 March 2016. All other terms of the original agreement remained the same.

Effective 1 April 2012, Mr. Barr agreed to a 50% reduction in compensation per month until such time the Company is in more positive financial position and another 50% reduction effective 1 December 2013. Management is reviewing the compensation and in the process of negotiation and updating the terms of the agreement.

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19. CONTINGENCIES

As at 31 January 2017, the Company had the following contingent liabilities:

- a) The Company had a lease agreement dated 1 April 2012 for leasing an office premise. On 12 February 2015, the Company was served with a notice of termination by the landlord due to default on rental payments for the months of January and February 2015.

Upon the notice of termination, all rent payable under the lease agreement became due and the prepaid rent deposit in the amount of \$158,356 was forfeited to the landlord. The lease agreement and the termination notice reserves the right of the landlord to proceed against the Company for all outstanding amounts, costs and damages, as well as all prospective losses and damages, arising from the unexpired portion of the lease term, and other losses arising from the landlord's failure to carry on business. The Company is also liable to the landlord for expenses of the landlord in connection with the terminating, re-entering, re-letting or collection of sums due or payable by the Company on demand. Unpaid amounts bear interest from the due date to the date of payment at the rate of the greater of 18% per annum or the prime rate, plus 5% per annum calculated on a daily basis and compounded monthly.

The Company has recorded a provision of \$Nil (30 April 2016 - \$1,729,380) related to the termination of the lease agreement. The Company is in the process of negotiating the terms of the obligation with the landlord.

	\$
Beginning balance, 30 April 2016	1,729,380
Additions	-
Ending balance, 31 January 2017	1,729,380

- b) During the period ended 31 January 2017, the Company did not obtain a director's and officer's insurance policy. The Company currently self-insures and has established no reserves for insurance-related contingencies. Rather, the Company assesses each contingency, if any, as it arises to determine estimates of the degree of probability and range of possible settlement. Those contingencies which are deemed to be probable and where the amount of such settlement is reasonably estimable, are then accrued in the Company's financial statements. If only a range of loss can be determined, the best estimate within that range is accrued.

The assessment of contingencies is a highly subjective process that requires judgment regarding future events. Insurance contingencies are reviewed at least annually to determine the adequacy of the accruals and whether related financial statement disclosure is required. The ultimate settlement of insurance contingencies may differ materially from amounts accrued in the financial statements.

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- c) The Company has indemnified the subscribers of flow-through shares of the Company issued in prior years against any tax related amounts that may become payable as a result of the Company not making eligible expenditures.
- d) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the government. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- e) As at 31 January 2017, the Company owns various exploration and evaluation properties (Note 9). Management does not consider that any amounts related to decommissioning liabilities are payable although there is no assurance that a formal claim will not be made against the Company for some or all of these obligations in the future.

20. SUBSEQUENT EVENTS

1 February 2017, the Company further to its news release dated 25 January 2017 received approval to implement its proposed three (3) old for one (1) new share consolidation and name change to New Age Metals Inc. Effective at the opening of the market on 1 February 2017 the common shares of Pacific North West Capital Corp. will be delisted and the post-consolidated shares of New Age Metals Inc. will begin trading on the TSX Venture Exchange under its new trading symbol "NAM".

Letters of transmittal will be sent to the registered shareholders providing instructions to surrender the share certificates evidencing their pre-consolidated common shares for replacement certificates of New Age Metals Inc. representing the number of post-consolidated common shares they are entitled to as a result of the consolidation. Until surrendered, each certificate representing the pre-consolidated common shares will be deemed to represent the number of post-consolidated common shares of New Age Metals Inc. that the holder thereof is entitled to as a result of the consolidation. The Company will not be issuing fractional shares as a result of the consolidation. Instead, all fractional shares equal or greater to one-half will be rounded to the next whole share.

1 March 2017, the Company announced that Trevor Richardson, formerly VP Business Development, has been promoted to President and Chief Operating Officer. Trevor is a Co-founder and Director of Caracle Creek International Consulting (CCIC), an International geological consulting firm, with offices in South Africa and Canada. Trevor has extensive exploration experience, in Africa and Canada, in precious metals, more specifically Gold and Platinum Group Metals as well as base metals. Registered as a Professional Natural Scientist, under the South African Council of Natural Scientific Professions, Trevor has managed many multi-million dollar projects from conception through to exploration and production. Trevor was also the co-founder, CEO, President and Vice President/Director of various junior exploration companies on TSXV.

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At this time the Company also announces the resignation of Colin Bird as President and Chief Operating Officer of the Company but will remain as a director. NAM looks forward to working with Colin in his ongoing capacity as director.

21. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the period ended 31 January 2017 were approved and authorized for issue by the Board of Directors on the 20th day of March 2017.