A.I.S. RESOURCES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

(Unaudited)

(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 interim financial statements have not been reviewed by an independent auditor. These condensed interim financial statements for the three and nine months ended September 30, 2017 and 2016 have been prepared by and are the responsibility of the Company's management. They have not been reviewed by the Company's independent auditor

A.I.S. RESOURCES LIMITED

Statements of Financial Position

As at September 30, 2017

(Expressed in Canadian dollars)

	Note	Unaudited September 30, 2017 $	Audited December 31, 2016 $
ASSETS			
Current assets			
Cash	*3*	128,157	360,039
Notes receivable	*4*	15,623	14,875
Prepaid expenses	*5*	10,203	26,863
Total current assets		153,983	401,777
Non-current assets			
Equipment	*7*	3,507	3,398
Other investment	*8*	512,402	535,952
Exploration and evaluation assets	*9*	1,008,209	477,734
		1,678,101	**1,418,861**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		208,732	177,466
Due to related parties	*10*	311,300	1,470
Interest payable on promissory note	*11*	2,844	-
Promissory notes payable	*11*	125,000	-
Total current liabilities		647,876	178,936
SHAREHOLDERS' EQUITY			
Common shares	*12*	6,066,508	5,660,031
Reserves	*13*	758,084	572,201
Subscriptions received		120,000	35,000
Deficit		(5,914,367)	(5,027,307)
		1,030,225	1,239,925
		1,678,101	**1,418,861**

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

Note 14: Supplemental information with respect to cash flows

Note 18: Commitments

Note 19: Subsequent Events

Martyn Element, Director

Kiki Smith, Director

A.I.S. RESOURCES LIMITED

Statements of Loss and Comprehensive Loss (Unaudited)

For the three and nine months ended September 30, 2017

(Expressed in Canadian dollars)

		Three months ended September 30,		Nine months ended September 30,	
		2017	**2016**	**2017**	**2016**
	Note	$	$	$	$
REVENUE:					
Investment income (loss)	*4*	252	693	748	2,557
		252	693	748	2,557
EXPENSES:					
Consulting		-	35,000	16,751	43,500
Consulting – stock based	*12*	13,696	32,956	129,577	42,099
General and administrative		12,117	9,821	55,934	12,746
Management fees		39,478	30,250	119,326	75,250
Management fees – stock based	*12*	27,797	88,935	94,652	91,747
Professional fees		37,388	15,470	106,417	39,103
Interest expense	*11*	2,575	-	27,844	-
Transfer agent and filing		8,962	5,559	39,682	15,434
Travel and promotion		21,281	17,290	99,461	20,813
Loss on disposal of exploration and evaluation asset		193,382	-	193,382	-
Unrealized loss on marketable securities		-	-	-	794
Unrealized foreign exchange loss (gain)		(1,287)	1,029	4,782	(4,018)
		355,389	236,310	887,808	337,468
Net loss for the period		(355,137)	(235,617)	(887,060)	(334,911)
Other comprehensive income:					
Unrealized gain (loss) on available-for-sale securities	*8*	(5,588)	(4,311)	(23,550)	(28,859)
Loss and comprehensive loss for the period		(360,725)	(239,928)	(910,610)	(363,770)
Loss per share - $ per share					
Basic and diluted		**(0.01)**	**(0.02)**	**(0.04)**	**(0.03)**
Weighted average number of shares outstanding		**24,550,704**	**15,127,096**	**23,813,007**	**13,488,211**

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

A.I.S. RESOURCES LIMITED

Statements of Changes in Equity (Unaudited)

For the nine months ended September 30, 2017
(Expressed in Canadian dollars)

	Common shares			Reserves						
	No. of shares	Share capital	Share subscription received	Stock Options	Expired Options	Other Comprehensive Income	Warrants	Warrants Expired	Deficit	Total
Equity December 31, 2015	12,659,763	$ 4,180,022	-	$ 189,463	$ 19,557	$ 52,679	$50,113	-	$(4,270,089)	$ 221,745
Shares issued	4,333,333	500,000	-	-	-	-	-	-	-	500,000
Share issue cost	-	(13,699)	-	-	-	-	10,699	-	-	(3,000)
Warrants exercised	100,000	14,000	-	-	-	-	-	-	-	14,000
Shares issued exploration & evaluation asset	1,400,000	140,000	-	-	-	-	-	-	-	140,000
Shares issued for debt settlement	562,000	84,300	-	-	-	-	-	-	-	84,300
Stock option expense	-	-	-	133,846	-	-	-	-	-	133,846
Stock options cancelled	-	-	-	(46,845)	46,845	-	-	-	-	-
Loss for the period	-	-	-	-	-	(28,859)	-	-	(334,911)	(363,770)
Equity September 30, 2016	19,055,096	$ 4,904,623	-	$ 276,463	$ 66,403	$ 23,820	$60,812	-	$(4,605,000)	$ 727,121
Equity December 31, 2016	22,728,676	$ 5,660,031	$ 35,000	$ 411,575	$ 66,402	$ 36,194	$ 58,030	-	$(5,027,307)	$ 1,239,925
Warrant exercised	2,390,830	354,851	(35,000)	-	-	-	(3,170)	-	-	316,681
Bonus shares	63,291	25,000	-	-	-	-	-	-	-	25,000
Options exercised	100,000	26,626	-	(11,626)	-	-	-	-	-	15,000
Share subscription received	-	-	120,000	-	-	-	-	-	-	120,000
Warrants expired	-	-	-	-	-	-	(519)	519	-	-
Stock option expense	-	-	-	224,229	-	-	-	-	-	224,229
Stock options expired	-	-	-	(11,949)	11,949	-	-	-	-	-
Loss for the period	-	-	-	-	-	(23,550)	-	-	(887,060)	(910,610)
Equity September 30, 2017	**25,282,797**	**$ 6,066,508**	**$ 120,000**	**$ 612,229**	**$ 78,351**	**$ 12,644**	**$ 54,341**	**$ 519**	**$(5,914,367)**	**$ 1,030,225**

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

A.I.S. RESOURCES LIMITED

Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2017
(Expressed in Canadian dollars)

	Nine months ended September 30,	
	2017	2016
	$	$
CASH PROVIDED BY (USED IN) OPERATIONS		
Loss for the period	(887,060)	(334,911)
Adjustments for items not involving cash:		
Stock based compensation	224,229	133,846
Depreciation expense	1,593	-
Accrued management fees	31,500	-
Accrued interest	(748)	(837)
Accreted interest	-	(1,720)
Interest expense	27,844	-
Unrealized loss on marketable securities	-	794
Loss on disposal of exploration and evaluation asset	193,382	-
Unrealized foreign exchange loss (gain)	4,782	-
	(404,478)	(202,828)
Changes in non-cash working capital:		
Prepaid expenses	16,660	(2,269)
Accounts payable	26,484	14,042
	(365,234)	(191,055)
CASH FLOWS FROM INVESTING		
Purchase of equipment	(1,702)	-
Exploration and evaluation assets	(453,857)	(53,382)
	(455,559)	(53,382)
CASH FLOWS FROM FINANCING		
Bank overdraft	-	(617)
Promissory notes issued	125,000	-
Shares issued	331,681	511,000
Subscriptions received	120,000	-
Advances from (repayments to) related parties	8,330	51,471
	585,011	561,854
Net change in cash balances	**(231,882)**	**314,417**
Cash at beginning of period	360,039	-
Cash at end of period	**128,157**	**314,417**

Note 14: Supplemental information with respect to cashflows

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

1. General:

A.I.S. Resources Limited (the "Company" or "A.I.S.") is incorporated under the laws of Bahamas Islands. The registered office of the Company is located at 308 East Bay Street, Nassau, Bahamas. The business of A.I.S. is to hold various investments in marketable securities and direct investments in exploration and evaluation assets.

Going Concern

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue its operations and will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon the continued financial support from related parties, the ability of the Company to raise equity financing to continue investment activities and upon future profitable operations or proceeds from disposition of investments. Given the operating losses accumulated in the last number of years, the Company's ability to realize its assets and discharge its liabilities depends on continued support from its directors, the ability to raise further funds to provide working capital and ultimately on generating future profitable operations. These uncertainties cast a significant doubt on the ability of the Company to continue operations as a going concern. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern. At September 30, 2017, the Company had working capital deficit of $493,893 (December 31, 2016 – $222,841 working capital) and accumulated losses of $5,914,367 (December 31, 2016 - $5,027,307).

2. Basis of preparation and significant accounting policies:

a) Statement of compliance

The condensed interim financial statements for the three and nine months period ended September 30, 2017 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting using the accounting policies adopted by the Company in its most recent annual financial statements.

The condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2016, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

2. Basis of preparation and significant accounting policies (continued):

The financial statements were approved by the Board of Directors and authorized for issue on November 29, 2017.

b) Basis of measurement

The financial statements were prepared on a historical cost basis except for certain financial instruments which are valued at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in Canadian dollars which is the functional currency of the Company.

c) Future accounting changes:

The IASB and the International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards that have not been applied in preparing these financial statements as their effective date falls within annual periods beginning subsequent to the current reporting period. Adopting these standards is expected to have minimal or no impact on the financial statements.

IFRS 7 – Financial Instruments: Disclosure
IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. The standard is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018. The company is currently evaluating the impact this standard is expected to have on its financial instruments.

IFRS 9 - Financial Instruments
The IASB intends to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 Financial Instruments (“IFRS 9”) which is intended to reduce the complexity in the classification and measurement of financial instruments. The IASB has determined that the revised effective date for IFRS 9 will be January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15"), which supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC 31 Revenue - Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

IFRS 16 – Leases
IFRS 16 was issued on January 13, 2016, and will be effective for accounting periods beginning on or after January 1, 2019. Early adoption is permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting. The Company is currently evaluating the impact the final standard is expected to have on its financial instruments.

(Expressed in Canadian dollars)

3. Cash deposits:

The Company had cash deposits of $128,157 at September 30, 2017 and $360,039 at December 31, 2016.

4. Note receivable:

During the year ended December 31, 2014 the Company purchased a convertible note receivable in the amount of $10,000 maturing on August 25, 2015. The note bears interest at 10% per annum. The fair value of the debt component of the Note was estimated at $7,478. The fair value of the convertible component of the Note of $2,522 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.01% and an expected volatility of 66.31%. During the year ended December 31, 2015 the note was extended until August 25, 2016.

During the year ended December 31, 2016 the note was extended until August 25, 2017 and the Company recorded interest income of $166 in relation to the convertible note.

During nine months ended September 30, 2017, the company recorded interest income of $748 in relation to the convertible note.

5. Prepaid expenses:

Prepaid expenses include:

	September 30, 2017 $	December 31, 2016 $
For exploration and evaluation	-	22,489
Other	10,203	4,374
Total	10,203	26,863

6. Marketable securities:

The Company did not hold any marketable securities as at September 30, 2017 and December 31, 2016.

During the year ended December 31, 2016, the Company wrote off its $794 investment in 90,000 warrants of Margaret Lake Diamonds Inc. after their expiry on April 22, 2016.

Year ended December 31, 2016	Share Warrants Disposed	Carrying Value	Proceeds	Gain (Loss)
Margaret Lake Diamonds Inc. warrants	90,000	794	-	(794)
	90,000	$ 794	-	$ (794)

(Expressed in Canadian dollars)

7. Equipment:

	Computer hardware	Total
	$	$
Costs:		
Balance, December 31, 2015	-	-
Additions	6,796	6,796
Balance, December 31, 2016	6,796	6,796
Additions	1,702	1,702
Balance, September 30, 2017	**8,498**	**8,498**
Accumulated depreciation:		
Balance, December 31, 2015	-	-
Depreciation	3,398	3,398
Balance, December 31, 2016	3,398	3,398
Depreciation	1,593	1,062
Balance, September 30, 2017	**4,991**	**4,460**
Net Book Value:		
December 31, 2016	3,398	3,398
September 30, 2017	**3,507**	**4,038**

8. Other Investment:

During the year ended December 31, 2015 the Company subscribed for 1,330,665 shares of Buda Juice LLC, a private company, at $0.30 USD per share for a cost of $ 499,757 ($399,200 USD). The investment is classified as available for sale. The Company recognized an unrealized foreign exchange loss of $5,588 and $23,550 in relation to the investment in the three and nine months ended September 30, 2017 (2016 – $4,311 gain and $28,859 loss), recorded in the other comprehensive income.

9. Exploration and Evaluation assets:

Exploration and evaluation assets are comprised of:

	December 31, 2016	Expenditures	Impairment	September 30, 2017
	$	$	$	$
Fiedmont, Lac Manitou and Lac Volant				
Acquisition	190,000	-	(190,000)	-
Deferred exploration costs	3,382	-	(3,382)	-
	193,382	-	(193,382)	-
Guayatayoc and Laguna Vilama				
Acquisition	200,835	201,115	-	401,950
Deferred exploration costs	83,517	522,742	-	602,359
	284,352	723,857	-	1,008,209
Total	**477,734**	**723,857**	(193,382)	**1,008,209**

(Expressed in Canadian dollars)

9. Exploration and Evaluation assets (continued):

Deferred exploration costs were as follows:

	Fiedmont, Lac Manitou and Lac Volant (a)	Guayatayoc and Laguna Vilama (b)	Total
	$	$	$
Balance, December 31, 2015	-	-	-
Exploration:			
Geology and geophysics	3,382	1,830	5,212
Due diligence fees	-	7,209	7,209
Exploration	-	44,468	44,468
Pilot plant conditioning	-	29,599	29,599
Freight & delivery	-	411	411
	3,382	83,517	86,899
Balance, December 31, 2016	3,382	83,517	86,899
Exploration:			
Geology and geophysics	-	347,347	347,347
ECPM charges	-	42,254	42,254
Exploration	-	1,687	1,687
Pilot plant conditioning	-	97,323	97,323
Travel	-	8,119	8,119
Administrative	-	3,962	3,962
Legal fees	-	2,000	2,000
License Fee, permits, and claim fees	-	9,056	9,056
Assay & laboratory	-	7,094	7,094
	-	518,842	518,842
Balance, September 30, 2017	**3,382**	**602,359**	**605,741**

a) Fiedmont, Lac Manitou and Lac Volant

On July 4, 2016, the Company entered into an Option Agreement to acquire a 100% interest in the Fiedmont Lithium Property near Val d'Or, Quebec, and the Lac Manitou and Lac Volant cobalt properties located north of Sept-Îles, Quebec.

Under the terms of the agreement, the Company has the exclusive right to acquire an undivided 100% interest in the properties, subject to a 3.0% Gross Overriding Royalty (GORR) with respect to any and all mineral and/or metal production from the properties. The Company will maintain the right to repurchase 1% of the GORR for $2.5 million per property for a period of 5 years from the date of execution of the Agreement. The Agreement includes the rights to all metals and minerals occurring on the Properties with the exception of limestone, dolomite, and building stone.

9. Exploration and Evaluation assets (continued):

In order to maintain the Option Agreement in good standing and acquire an undivided 100% interest in the property, the Company must, during the option period, complete the following:

• (a) On signing of this Agreement, pay the sum of $25,000 (the "*First Option Payment"- PAID*);

• (b) On the Exchange Approval Date, pay the sum of $25,000 (PAID) and issue 1,400,000 Shares (the "*Second Option Payment" – ISSUED August 19, 2016*);

• (c) On the first anniversary of the Exchange Approval Date, pay the sum of $75,000 and issue 1,200,000 Shares (the "*Third Option Payment"*);

• (d) On the second anniversary of the Exchange Approval Date, pay the sum of $75,000 (the "*Fourth Option Payment"*);

• (e) The Company shall incur in aggregate at least $500,000 of Expenditures on the Property(s) of which $250,000 will be expended by September 30, 2017 and $250,000 by September 30, 2018.

On October 26, 2017 the Company terminated the option agreement. At September 30, 2017 The Company recorded a loss on disposal of exploration and evaluation property in the amount of $193,382.

b) Guayatayoc and Laguna Vilama

On September 16, 2016, the Company entered into an Option Agreement to acquire a 100% interest in two lithium properties in Argentina, Guayatayoc and Laguna Vilama, for a onetime option payment of $4.5 million USD. The Company paid $150,000 USD for a 6-month option entitling it to conduct exploration, sampling, chemistry and drilling to determine the commercial viability of the projects.

On April 12, 2017, the Company entered into an agreement to extend the option period for an additional 3 months by paying $50,000 USD per month commencing May 04, 2017. Subsequently, the Company paid $150,000 USD for the extension in the option period until the expiry of option agreement on August 04, 2017.

On October 11, 2017, the Company entered into an Option Agreement to acquire 100% interest in the two lithium properties and paid $720,000 USD for a 6-month option period. The agreement allows for further extension of 6-months by paying $280,000 USD. At any time during the option period, the Company can acquire the properties by a payment of $4.5 million USD.

The properties are subject to 4.5% royalty on revenue from the sale of lithium carbonate, payable to the provincial and federal governments, and 8.5% carried free participation required by the provincial government.

(Expressed in Canadian dollars)

10. Related party transactions:

For the three and nine months ended September 30, 2017, the Company recorded the following transactions with related parties:

a) $23,625 and $70,875 in management fees to the CEO of the Company (2016 - $nil and $nil).

b) $15,750 and $47,250 in management fees to the former CEO of the Company (2016 - $22,500 and $45,000).

c) $27,252 and $90,051 in accounting fees to a company controlled by the CFO of the Company (2016 - $12,600 and $20,475).

d) $90,000 and $270,000 in consulting fees to a company controlled by the COO of the Company (2016 - $nil and $nil) included in exploration expenditures. See note 9.

e) The Company granted 325,000 stock options to the COO of the Company. The Company recorded stock based compensation of $94,652. See note 12.

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
	$	$	$	$
Short-term benefits	156,627	43,375	478,176	108,850
Stock-based compensation	27,797	-	94,652	-
Total	184,424	43,375	572,828	108,850

Amounts owing to related parties was as follows:

	September 30, 2017	December 31, 2016
	$	$
COO for accrued consulting fees	270,000	-
Director for management fees	31,500	-
Director for expenses	9,800	-
CEO for accrued management fees & advances to the Company	-	44,799
CFO for accounting fees	21,063	-
Balance, end of period	332,363	44,799

11. Promissory notes

During the period ended September 30, 2017, the Company issued promissory notes totaling $125,000 to third parties. As consideration for the note, the Company issued bonus shares equivalent to 20% of the aggregate sum of the loan. The note is unsecured, bears interest at a rate of 8% per annum, and is payable on demand. During the three and nine months ended September 30, 2017, the Company recorded $2,575 and $27,844 as interest expense on the short-term debt, and issued 63,291 bonus shares. Subsequent to September 30, 2017 the promissory notes were repaid.

12. Share capital:

(a) Authorized:

The authorized shares of the Company can be issued in any combination of common and preferred shares up to $15,000,000 USD with no par value.

(b) Issued:

25,282,797 common shares with a value of $6,066,508 were outstanding at September 30, 2017 (December 31, 2016 – 22,728,676 common shares with a value of $5,660,031).

On August 17, 2016, the company issued 562,000 common shares in satisfaction of $84,300 of indebtedness owed to two directors of the Company for unpaid fees and expenses.

On August 19, 2016, the company issued 1,400,000 common shares for acquisition of exploration and evaluation property.

On August 19, 2016, the Company completed a private placement of 3,000,000 units for gross proceeds of $300,000. Each unit was issued at a price of $0.10 and is comprised of one common share of the Company and one half common share purchase warrant, with each whole Warrant entitling the holder thereof to acquire one common share at a price of $0.20 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than $0.30 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The full amount of the proceeds was attributed to the shares hence the value of the warrants was estimated at $nil. The Company paid cash finder's fees totaling $3,000 and issued 12,500 broker warrants. The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants $1,076 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 0.55% and an expected volatility of 148%.

On September 19, 2016, the Company completed a private placement of 1,333,333 units for gross proceeds of $200,000. Each unit was issued at a price of $0.15 and is comprised of one common share of the Company and one half common share purchase warrant, with each whole Warrant entitling the holder thereof to acquire one common share at a price of $0.25 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than $0.35 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The full amount of the proceeds was attributed to the shares hence the value of the warrants was estimated at $nil.

(Expressed in Canadian dollars)

12. Share capital (continued):

On November 07, 2016, the Company completed a private placement of 2,000,000 units for gross proceeds of $500,000. Each unit was issued at a price of $0.25 and is comprised of one common share of the Company and one half common share purchase warrant, with each whole Warrant entitling the holder thereof to acquire one common share at a price of $0.40 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than $0.50 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The full amount of the proceeds was attributed to the shares hence the value of the warrants was estimated at nil. The Company paid cash finder's fees totaling $24,480 and issued 48,960 broker warrants.

The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants $6,841 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 0.53% and an expected volatility of 145%.

Subsequent events Note 19.

(c) Warrants:

The following warrants were outstanding as at:

	September 30, 2017			December 31, 2016		
Expiry Date	Number of shares	Weighted average exercise price	Weighted average life in years	Number of shares	Weighted average exercise price	Weighted average life in years
August 19, 2017	-	-	-	3,305,080	$ 0.14	0.63
August 19, 2017	-	-	-	1,512,500	$ 0.20	0.63
September 19, 2017	-	-	-	666,667	$ 0.25	0.72
November 7, 2017	1,048,960	$ 0.40	0.10	1,048,960	$ 0.40	0.85
December 15, 2017	1,187,500	$ 0.14	0.21	1,187,500	$ 0.14	0.96
	2,236,460	$ 0.26	0.16	7,720,707	$ 0.20	0.72

The changes in warrants were as follows:

	Nine months ended September 30, 2017			Year ended December 31, 2016		
	Number of Shares	Weighted average exercise price	Weighted average life in years	Number of Shares	Weighted average exercise price	Weighted average life in years
Balance, beginning of period	7,720,707	$ 0.20	0.72	6,166,160	$ 0.14	1.70
Granted in period	-	-	-	3,228,127	$ 0.27	0.72
Exercised in period	(2,390,830)	$ 0.15	-	(1,673,580)	$ 0.14	-
Expired in period	(3,093,417)	$ 0.19	-			
Balance, end of period	2,236,460	$ 0.26	0.16	7,720,707	$ 0.20	0.72

12. Share capital (continued):

(d) Stock options:

On August 12, 2016, the Company granted 865,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of $0.15 and life of 5 years. The options vested immediately upon grant. The fair value of the options $139,466 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.60% and an expected volatility of 108%.

On September 26, 2016, the Company granted 162,500 stock options to a consultant of the Company. The options have an exercise price of $0.25 and life of 1 years. The options vested immediately upon grant. The fair value of the options $11,949 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 0.53% and an expected volatility of 143%.

On October 7, 2016, the Company granted 400,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of $0.25 and life of 5 years. The Options vested immediately upon grant. The fair value of the options $78,784 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.73% and an expected volatility of 111%.

On November 8, 2016, the Company granted 200,000 stock options to the COO of the Company. The options have an exercise price of $0.30 and life of 5 years. The Options vest immediately upon grant. The fair value of the options $53,609 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 0.87% and an expected volatility of 143%.

On February 14, 2017, the Company granted 410,000 stock options to the COO and consultants of the Company. The options have an exercise price of $0.68 and life of 5 years. The options vested immediately upon grant. The fair value of the options $182,736 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.15% and an expected volatility of 87%.

During the year ended December 31, 2016, 66,666 options exercisable at $0.60 and 50,000 options exercisable at $0.28 were cancelled.

On August 25, 2017, the Company granted 175,000 stock options to the COO of the Company. The options have an exercise price of $0.20 and life of 5 years. The options vested immediately upon grant. The fair value of the options $27,797 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.55% and an expected volatility of 111%.

On August 25, 2017, the Company repriced 260,000 options issued to consultants on February 14, 2017 from $0.68 to $0.20. The fair value of the options $8,675 was estimated using the Black-Scholes option-pricing model assuming an expected life of 4.48 years, a risk-free interest rate of 1.55% and an expected volatility of 111%.

On August 25, 2017, the Company repriced 100,000 options issued to a consultant on May 20, 2014 from $0.60 to $0.20. The fair value attributable to the change in price $5,021 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1.74 years, a risk-free interest rate of 1.25% and an expected volatility of 111%.

(Expressed in Canadian dollars)

12. Share capital (continued):

During the three and nine months ended September 30, 2017, the Company recognized stock based consulting fees of $13,696 and $129,577 (2016 - $ 32,956 and $42,099) and stock based management fees of $27,797 and $94,652 (2016 - $88,935 and $91,747).

Subsequent events Note 19.

The following share options were outstanding as at:

	September 30, 2017				December 31, 2016			
Expiry Date	Vested and exercisable	Number of shares	Weighted average exercise price	Weighted average life in years	Vested and exercisable	Number of shares	Weighted average exercise price	Weighted average life in years
April 27, 2019	400,000	400,000	$ 0.28	1.57	400,000	400,000	$ 0.28	2.32
May 20, 2019	100,000	100,000	$ 0.60	1.64	100,000	100,000	$ 0.60	2.39
August 12, 2021	765,000	765,000	$ 0.15	3.87	865,000	865,000	$ 0.15	4.62
September 26, 2017	-	-	-	-	162,250	162,250	$ 0.25	0.74
October 07, 2021	400,000	400,000	$ 0.25	4.02	400,000	400,000	$ 0.25	4.77
November 08, 2021	100,000	100,000	$ 0.30	4.11	100,000	100,000	$ 0.30	4.86
February 14, 2022	260,000	260,000	$ 0.20	4.38	-	-	-	-
February 14, 2022	150,000	150,000	$ 0.68	4.38	-	-	-	-
August 25, 2022	175,000	175,000	$ 0.20	4.90	-	-	-	-
	2,350,000	2,350,000	$ 0.24	3.59	2,027,250	2,027,250	$ 0.23	3.79

The changes in options were as follows:

	Nine months ended September 30, 2017			Year ended December 31, 2016		
	Number of Shares	Weighted average exercise price	Weighted average life in years	Number of Shares	Weighted average exercise price	Weighted average life in years
Balance, beginning of period	2,027,250	$ 0.23	3.79	616,666	$ 0.37	3.34
Granted in period	585,000	$ 0.32	4.54	1,627,250	$ 0.20	4.30
Exercised during the period	(100,000)	$ 0.15	-	(100,000)	$ 0.30	-
Expired during the period	(162,250)	$ 0.25	-	-	-	-
Forfeited in period	-	-	-	(116,666)	$ 0.46	-
Balance, end of period	2,350,000	$ 0.24	3.59	2,027,250	$ 0.23	3.79

(Expressed in Canadian dollars)

13. Reserves:

	Nine months ended September 30, 2017	Year ended December 31, 2016
Balance, beginning of period	$ 572,201	$ 311,812
Change in fair value of available for sale investment	(23,550)	(16,485)
Warrants	(3,170)	7,917
Stock-based compensation expense (Note 10)	224,229	295,762
Options exercised	(11,626)	(26,805)
Balance, end of period	$ 758,084	$ 572,201

14. Supplemental information with respect to cash flows:

Cash paid for Interest $nil
Cash paid for income taxes $nil

15. Segmented Information:

The Company operated in the following segments:

	Investments	Exploration and Evaluation Assets	Total
Total Assets as at:			
September 30, 2017	512,402	1,197,691	1,710,093
December 31, 2016	550,827	477,734	1,028,561

16. Financial instruments and financial risk management:

(a) Fair Value:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments.

The fair value of marketable securities is disclosed in note 6 of the financial statements and is based on quoted market prices – Level 1.

The fair value of the debt component of the convertible note is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2.

15. Financial instruments and financial risk management (continued):

The fair value of the convertible component of the convertible note is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The fair value of Other Investment, designated as available for sale, is based on Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly – Level 2

The Company's financial instruments other than marketable securities as at September 30, 2017 and December 31, 2016 include cash, bank overdraft, note receivable, accounts payable and accrued liabilities. The fair value of these financial instruments, approximate their carrying amounts due to their short terms to maturity.

(b) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Cash and cash equivalent deposits are placed with financial institutions that have a high credit rating and the Company considers the credit risk on bank deposits to be insignificant. The Company considers the credit risk on loans receivable to be low. The carrying amounts of cash, cash equivalent deposits, accounts receivable and notes receivable represents the maximum exposure to credit risk.

The Company avoids complex investment vehicles with higher risk such as asset-backed commercial paper and derivatives contracts and acquires equity investments.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The companies, in which A.I.S. holds shares, have varying degrees of liquidity and there is no assurance that the investment can be sold at the quoted market price.

(d) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices and interest rates will affect the Company's net earnings or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns.

(e) Equity price risk:

Equity price risk arises from the fluctuations in the trading price of equity securities. The Company monitors the mix of marketable securities in its investment portfolio based on market expectations. The investments are recorded at fair value which is affected by changes in the market price of the equity securities. The nature of the equity investments exposes the Company to significant equity price risks.

(f) Interest rate risk:

The Company is not exposed to significant interest rate risk.

16. Management of capital structure:

The Company considers the amount of capital it requires in proportion to the associated risks. Generally, it is the Company policy to operate with an under leveraged financial position but as conditions warrant, it may from time to time depart from this policy and use debt. Liquidity and cash management is the highest priority. Therefore, adjustments may be made to the capital structure in light of changes in economic conditions and the risk characteristics of the investment portfolio. The capital structure can be adjusted in a variety of ways as circumstances may change, including: purchasing shares for cancellation (Normal Course Issuer Bid); issuing new common and preferred shares; and increasing or repaying long-term debt. The Company's objectives when managing capital are the safeguarding of assets.

The Company's share capital is not subject to external restrictions.

The Company has not paid or declared any dividends since date of incorporation, nor are any contemplated in the foreseeable future.

17. Commitments:

The Company is committed to rental payments for office premises of $1,943 per month.

18. Subsequent Events:

On October 05, 2017, the Company completed the first tranche of a private placement comprising of 5,830,000 units for gross proceeds of $1,166,000. Each unit was issued at a price of $0.20 and is comprised of one common share of the Company and one common share purchase warrant, with each Warrant entitling the holder thereof to acquire one common share at a price of $0.30 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than $0.45 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The full amount of the proceeds was attributed to the shares hence the value of the warrants was estimated at $nil. The Company paid cash finder's fees totaling $28,770 and issued 143,850 broker warrants. The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants $15,145 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.43% and an expected volatility of 113.18%.

On November 01, 2017, the Company completed the second tranche of a private placement comprising of 14,170,000 units for gross proceeds of $2,834,000. Each unit was issued at a price of $0.20 and is comprised of one common share of the Company and one common share purchase warrant, with each Warrant entitling the holder thereof to acquire one common share at a price of $0.30 for a period of one year from the date of closing of the placement provided that if the closing price of the common shares of the Company on any stock exchange or quotation system on which the common shares are then listed or quoted is equal to or greater than $0.45 for a period of fifteen (15) consecutive trading days, the Company will have the right to accelerate the expiry of the warrants by giving notice to the holders of the warrants that the warrants will expire at 4:30 p.m. (Vancouver time) on a date that is not less than ten (10) business days from the date notice is given. The full amount of the proceeds was attributed to the shares hence the value of the warrants was estimated at $nil. The Company paid finder's fees totaling $46,650 in cash and 415,975 shares, and issued 646,975 broker warrants. The broker warrants have the same terms as the private placement warrants. The fair value of the brokers warrants $304,237 was estimated using the Black-Scholes option-pricing model assuming an expected life of 1 year, a risk-free interest rate of 1.30% and an expected volatility of 118.17%.

18. Subsequent Events (continued):

Subsequent to the nine months ended September 30, 2017, 300,000 options were exercised for cash proceeds of $57,500 and $1,068,626 warrants were exercised for cash proceeds of 492,143.

On November 10, 2017, the Company entered into an option agreement to acquire 100% interest in four properties located in the Quinos Salar in Salta Province, Argentina for $1.4 million USD. The Company has paid $200,000 USD as part of the purchase price and can exercise the option to purchase by May 15, 2018 by paying remaining portion of the purchase price.

On November 24, 2017, the Company granted 2,200,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of $0.91 and a life of 5 years. The Options vested immediately upon grant. The fair value of the options $1,681,744 was estimated using the Black-Scholes option-pricing model assuming an expected life of 5 years, a risk-free interest rate of 1.61% and an expected volatility of 126.86%.

Subsequent to September 30, 2017 the promissory notes in the amount of $125,000 were repaid.