RIZAL RESOURCES CORPORATION

Condensed Consolidated Interim Financial Statements
Three month periods ended March 31, 2017 and 2016
(Expressed in Canadian Dollars)

RIZAL RESOURCES CORPORATION
Condensed Consolidated Interim Financial Statements

March 31, 2017

(Unaudited – See “Notice to Reader” below)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the condensed consolidated interim financial statements for the period ended March 31, 2017.

NOTICE TO READER OF THE FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of Rizal Resources Corporation (the "Company"), comprised of the condensed consolidated interim statement of financial position as at March 31, 2017, and the audited statement of financial position as at December 31, 2016, and the condensed consolidated interim statements of comprehensive income (loss), cash flows and changes in equity for the three months ended March 31, 2017, and 2016, are the responsibility of the Company’s management. The condensed consolidated interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Smythe Ratcliffe Chartered Accountants.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed consolidated interim financial statements in accordance with International Financial Reporting Standards.

“Peter Main”	*“Derick Sinclair”*
…………………………	…………………………
Peter Main, Chief Executive Officer	Derick Sinclair, Chief Financial Officer
May 27, 2017	May 27, 2017

RIZAL RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Financial Position
Unaudited
(Expressed in Canadian dollars)

	Notes	March 31, 2017	December 31, 2016
Assets			
Current			
Cash		$ (126,757)	$ 418,163
Amounts and advances receivable		265,543	259,279
Prepaid expenses		1,016,710	915,752
Current portion of deferred financing fees	14	94,540	94,540
		1,250,036	1,687,734
Deferred financing fees	14	85,310	108,600
Exploration and evaluation assets	5	-	-
Property, plant and equipment	8	8,706,611	7,666,369
		$ 10,041,957	$ 9,462,703
Liabilities			
Current			
Accounts payable and accrued liabilities	12	$ 7,490,105	$ 6,209,390
Loans payable	14	3,296,525	3,142,681
Convertible notes	9, 12	4,838,507	4,740,666
Due to related parties	10, 12	5,847,307	5,561,501
		21,472,444	19,654,238
Liability for site reclamation	8	1,290,389	1,286,718
Retirement benefit obligation	13	152,060	155,664
Deferred income tax liability		638,171	653,297
		23,553,064	21,749,917
Shareholders' deficiency			
Share capital	11	66,038,987	66,038,987
Reserves	11	3,177,481	3,177,481
Deficit		(52,941,890)	(51,997,355)
Equity attributable to owners of the Company		16,274,578	17,219,113
Non-controlling interest		(29,785,685)	(29,506,327)
		(13,511,107)	(12,287,214)
		$ 10,041,957	$ 9,462,703

Approved on behalf of the Board:

"Neil Grimes" ……………………………………………………… Neil Grimes, Director

"Peter Main" ……………………………………………………… Peter Main, Director

See notes to the condensed consolidated interim financial statements.

RIZAL RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Comprehensive Income (Loss)
Unaudited
(Expressed in Canadian dollars)

	Notes	Three months ended March 31 2017	2016
Expenses			
Bank charges and interest	**9, 14**	$ 249,604	$ 500,416
Consulting fees		261,477	248,703
Exploration and evaluation expenses	**5**	2,727	(10,830)
Legal and professional		95,869	14,081
Travel and accommodation		(470)	31,089
Office and miscellaneous		168,155	264,478
Regulatory and shareholder costs		11,625	27,889
Rent		1,050	6,675
Repairs and maintenance		211,536	-
Share based payments	**11**	-	1,013,206
Loss before other items		(1,001,573)	(2,095,707)
Other items			
Accretion of site reclamation liability		(3,671)	-
Incidental revenues	**8**	26,322	-
Share of income in equity accounted investment	**6**	-	21,109
Foreign exchange gain (loss)		(245,936)	710,223
Impairment of Agusan loan	**6**	-	(21,109)
Net loss before income taxes		(1,224,858)	(1,385,484)
Deferred income tax expense		(965)	-
Net loss and comprehensive loss		$ (1,223,893)	$ (1,385,484)
Net loss attributed to:			
Owners of the Company		$ (944,535)	$ (1,341,982)
Non-Controlling Interest		(279,358)	(43,502)
		$ (1,223,893)	$ (1,385,484)
Loss Per Share – basic and diluted		$ (0.005)	$ (0.009)
Weighted Average Number of Common Shares Outstanding		188,217,712	149,970,359

See notes to the condensed consolidated interim financial statements.

RIZAL RESOURCES CORPORATION
Condensed Consolidated Interim Statements of Changes in Equity
Unaudited
(Expressed in Canadian dollars)

	Number of shares issued	Share capital	Share-based payments reserve	Deficit	Equity attributable to owners of the Company	Non-Controlling Interest	Shareholders' Deficency
Balance at December 31, 2015	**146,443,212**	**$ 63,985,212**	**$ 2,085,310**	**$ (48,421,506)**	**$ 17,649,016**	**$ (29,403,070)**	**$ (11,754,054)**
Common shares issued for service ($0.05 per share) (note 11)	3,000,000	150,000	-	-	150,000	-	150,000
Share based payments (note 11)	-	-	863,206	-	863,206	-	863,206
Net loss for quarter ended March 31	-	-	-	(1,341,982)	(1,341,982)	(43,502)	(1,385,484)
Balance at March 31, 2016	**149,443,212**	**$ 64,135,212**	**$ 2,948,516**	**$ (49,763,488)**	**$ 17,320,240**	**$ (29,446,572)**	**$ (12,126,332)**
Balance at December 31, 2016	**188,217,712**	**$ 66,038,987**	**$ 3,177,481**	**$ (51,997,355)**	**$ 17,219,113**	**$ (29,506,327)**	**$ (12,287,214)**
Net loss for quarter ended March 31	-	-	-	(944,535)	(944,535)	(279,358)	(1,223,893)
Balance at March 31, 2017	**188,217,712**	**$ 66,038,987**	**$ 3,177,481**	**$ (52,941,890)**	**$ 16,274,578**	**$ (29,785,685)**	**$ (13,511,107)**

See notes to the condensed consolidated interim financial statements.

RIZAL RESOURCES CORPORATION

Condensed Consolidated Interim Statements of Cash Flows
Unaudited
(Expressed in Canadian dollars)

	Three months ended March 31, 2017	2016
Cash flows from operating activities		
Net loss for the period	$ (1,223,893)	$ (1,385,484)
Items not involving cash		
Amortization	112,807	117,168
Accretion of site reclamation liability	3,671	-
Deferred income tax expense	(15,126)	(71,461)
Retirement benefit obligation	(3,604)	(5,268)
Share of gain in equity accounted investment	-	(21,109)
Unrealized loss on foreign exchange	128,181	(377,169)
Impairment of Agusan loan	-	21,109
Share based payments	-	1,013,206
Accrued expenses	-	40,000
Amortization of deferred financing	23,290	-
Accretion and interest on debt	218,571	272,542
	(756,103)	(396,466)
Changes in non-cash working capital		
Amounts and advances receivable	(6,264)	(17,643)
Prepaid expenses	(100,958)	(48,818)
Accounts payable and accrued liabilities	1,280,715	(73,065)
Cash used in operating activities	417,390	(535,992)
Cash flows from investing activities		
Purchase of property and equipment	(1,153,049)	(376,811)
Cash used in Investing activities	(1,153,049)	(376,811)
Cash flows from financing activities		
Proceeds from loans payable	140,739	1,125,568
Proceeds from convertible notes	50,000	-
Cash provided by financing activities	190,739	1,125,568
Inflow (Outflow) of Cash	(544,920)	212,765
Cash, Beginning of the period	418,163	185,581
Cash, End of the period	$ (126,757)	$ 398,346

See notes to the condensed consolidated interim financial statements.

1. GOING CONCERN AND NATURE OF OPERATIONS

Rizal Resources Corporation (formerly Cadan Resources Corporation) (the "Company" or "Rizal") was incorporated on November 14, 1977 and continued under the laws of British Columbia on August 28, 2007. The Company is a development stage company, and its principal business activity is natural resource exploration, focusing on resources located in the Philippines. The head office, principal and registered address, and records office of the Company is Suite 600 – 666 Burrard Street, Vancouver, British Columbia, Canada V6C 3P6.

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates that the Company will realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not give effect to any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company had overdrawn cash of $126,757 at March 31, 2017 (December 31, 2016 – cash of $418,163), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive, or raise additional debt and/or equity capital. For the three months ended March 31, 2017, the Company had a net loss of $1,223,893 (three months ended March 31, 2016 - $1,385,484). At March 31, 2017, the Company had an accumulated deficit of $52,941,890 (December 31, 2016 - $51,997,355). The Company has not yet demonstrated an ability to produce a sustained source of revenue to satisfy its requirements to conduct its planned exploration, progress the development of the T'Boli mine and processing plant, meet repayment obligations of its debts and meet its administrative overhead and maintain its resource interests. The Company has relied principally upon the issuance of securities and debt to finance operations. If the Company is unable to raise additional capital in the future, management expects that the Company will need to curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures. Management is aware, in making its assessment, of these noted material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Mining and exploration involves a high degree of risk and there can be no assurance that current mining and exploration programs will result in profitable mining operations.

The recoverability of the Company's investment in, and expenditures on, exploration and evaluation assets, and property, plant and equipment is dependent on several factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of resource interests.

2. BASIS OF PRESENTATION

(a) Statement of Compliance

These condensed consolidated interim financial statements are prepared in accordance with the same accounting policies as compared with most recent annual financial statements and IAS 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements. The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2016, which were prepared in accordance with IFRS in effect at that date, as issued by the IASB.

(b) Approval of the consolidated financial statements

The condensed consolidated interim financial statements of the Company for the quarter ended March 31, 2017, were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 27, 2017.

(c) New accounting pronouncements and interpretations not yet adopted

At the date of authorization of these condensed consolidated interim financial statements, the IASB has issued a number of new and revised standards and interpretations, which are not yet effective for the relevant reporting periods.

The Company has not early-adopted these standards, amendments and interpretations. The Company is currently assessing what impact the application of these standards or amendments will have on the condensed consolidated interim financial statements of the Company. The new accounting standards and interpretations that will be adopted in future years are as follows:

IFRS 9 *Financial Instruments*

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a “fair value through other comprehensive income” category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an “expected credit loss” model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

This new standard establishes a comprehensive framework for the recognition, measurement and disclosure of revenue replacing IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, 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.

The main features introduced by this new standard compared with predecessor IFRS are as follows:

- Revenue is recognized based on a five-step model:
  1. Identify the contract with customer;
  2. Identify the performance obligations;
  3. Determine the transaction price;
  4. Allocate the transaction price to the performance obligations; and
  5. Recognize revenue when (or as) the performance obligations are satisfied.
- New disclosure requirements on information about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

Applicable to annual periods beginning on or after January 1, 2018.

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 *Leases.*

Applicable to annual periods beginning on or after January 1, 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these condensed consolidated interim financial statements.

(a) Principles of consolidation

These condensed consolidated interim financial statements include the accounts of the Company (the ultimate parent company), its wholly owned subsidiaries, Esperanza Capital Corp. and its 20% interest in Exploradora La Esperanza S.A. (a Colombian company); Sabena Limited and its subsidiaries (Australian companies); Tribal Holdings Inc., Batoto Holdings Inc. and Philco Holdings Inc. (Canadian companies); and Tribal Processing Corporation ("Tribal Processing") (Philippine company); and the accounts of its partially owned (40%) Philippine affiliates, Batoto Resources Corporation ("Batoto") and TMC Tribal Mining Corporation ("TMC"), referred to throughout the condensed consolidated interim financial statements as the "Philippine companies". The Company owns 40% of each of the Philippine companies, which have been consolidated, as they meet the criteria under IFRS 10 *Consolidated Financial Statements*. The Company's ownership percentage in the Philippine companies is a result of Philippine laws restricting foreign ownership, but the Company is acting as operator of the Philippine companies. The remaining 60% ownership of each of the Philippine companies is owned by the two respective presidents of those companies. Each president has signed an option agreement allowing the Company to acquire control in certain circumstances. All significant intercompany balances and transactions have been eliminated on consolidation.

The Company has a 20% interest in Agusan Metals Corporation ("Agusan") (notes 6 and 7) and is able to exert significant influence over Agusan. As a result, Agusan is considered to be an associate as at March 31, 2017 and 2016 and for the periods then ended.

Non-controlling interest in the net assets of consolidated partially owned Philippine companies are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

(b) Use of judgments and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. In particular, significant judgments made by management in the application of IFRS during the preparation of the consolidated interim financial statements and estimates with a risk of material adjustment are:

(i) Realization of assets

The Company's property, plant and equipment (note 8) comprises a significant portion of the Company's assets. Realization of the Company's investments is dependent upon the Company satisfying governmental requirements, satisfaction of possible aboriginal claims, raising sufficient funds to develop the respective projects, the attainment of successful production from the properties, or from the proceeds upon disposal of the Company's interests therein. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

(ii) Liability for site reclamation

Environmental legislation is becoming increasingly stringent and the costs of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development of mineral resource properties, the potential for production on the properties may be diminished or negated.

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral activities in compliance with applicable environmental protection legislation.

Management must make judgments about the existence and valuation of environmental liabilities. The assessment of provision for environmental liabilities requires management to assess the stage of exploration and development activities in each mineral property, compliance with local environmental regulations and agreements in place. Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations, when determined to exist are initially recognized and recorded as a liability based on estimated future cash flows discounted at a credit-adjusted risk-free rate.

Site reclamation costs will be incurred by the Company many years into the future. Amounts recorded for site reclamation require the use of management's best estimates of future decommissioning expenditures, expected timing of expenditures and future inflation rates. The estimates are based on internal and third party information and calculations are subject to changes in laws and regulations, public expectations, prices, discovery and analysis of site conditions, and changes in clean up technology. Actual costs and outflows can differ from estimates and may have a material impact on earnings or financial position.

As at March 31, 2017, the Company has a liability for site reclamation of $1,290,389 (December 31, 2016 - $1,286,718) (Note 8).

(iii) Valuation of receivable

The loan to Agusan has no stated terms of repayment or interest rate attached to it. Management must make judgments about the valuation and recoverability of this receivable. Uncertainty around the collection schedule for the Agusan loan resulted in the carrying value of the loan to Agusan being impaired, in accordance with Level 3 of the fair value hierarchy, to $Nil in prior years. Events and circumstances arising during the period, or that are foreseeable at year-end, are reflected in the valuation of this receivable in the consolidated statements of financial position and reflect management's best estimate of the fair value of this financial instrument. As at March 31, 2017, management maintained the carrying value of this loan at its impaired value of $Nil. Management's basis for valuation is described in note 7.

(iv) Impairment assessment

Annually, the Company assesses whether indicators of impairment exist with respect to its exploration and evaluation assets, and property, plant and equipment. If indicators of impairment are identified, the Company then assesses whether its assets' carrying values are greater than their recoverable values. The Company has considered its incidental revenues from recovery of minerals, forecast budgets for development, exploration and financing, mineral commodity prices and the expected timelines to full production at the Company's T'Boli property (note 5) in assessing whether there were indicators of impairment for its property, plant and equipment, and exploration and evaluation costs. Impairment indicators were assessed on exploration ad evaluation costs incurred to the point in time when they became mine development assets, at which point they are reclassified to property, plant and equipment. Management is aware that variances to the data utilized in the assessment for indicators of impairment could result in a material variance to the amounts presented in the consolidated financial statements.

(v) Convertible notes and loans payable

Management must make judgments about the valuation of convertible notes and loans payable, principally through the determination of appropriate discount rates for similar debt without conversion features and/or attached warrants. The Company reviewed discount rates in use by companies of similar size, industry and life cycle stage, to determine appropriate discount rates. Management also considered the Company's history of borrowings, the general economic outlook for junior exploration and development entities, and its overall access to credit facilities. If the assumptions used in arriving at the discount rates used by management are determined to be incorrect, then a material variance to the amounts presented in the consolidated financial statements could result.

(vi) Contingencies

By their nature, contingencies, including the retirement benefit obligation, will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events, including the use of actuarial assumptions. If actual future events differ from the assumptions used by management, it could result in a material variance to the amounts recorded in the consolidated financial statements.

(vii) Deferred income taxes

Deferred tax assets and liabilities are recognized for the estimated tax consequences between amounts included in the consolidated financial statements and their tax base using substantively enacted future income tax rates. Timing of future revenue streams and future capital spending changes can affect the timing of any temporary differences, and accordingly, affect the amount of the deferred tax asset or liability calculated at a point in time. These differences could materially impact earnings.

(viii) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. While management believes the estimates noted above are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

(Expressed in Canadian dollars, unless otherwise stated)

4. FINANCIAL INSTRUMENTS

Categories of financial instruments

	March 31, 2017	December 31, 2016
Financial assets		
FVTPL, at fair value		
Cash	(126,757)	418,163
Loans and receivables		
Amounts and advances receivable	212,650	213,314
Available-for-sale, at fair value		
Loan to Agusan	-	-
Total financial assets	85,893	631,477
Financial liabilities		
Other liabilities, at amortized cost		
Accounts payable and accrued liabilities	7,490,105	6,209,390
Loans payable	5,847,307	3,142,681
Convertible notes	3,296,525	4,740,666
Due to related parties	4,838,507	5,561,501
Total financial liabilities	21,472,444	19,654,238

Fair value

The carrying values of amounts and advances receivable (excluding GST receivable), accounts payable and accrued liabilities, and due to related parties approximate their fair values due to the short terms to maturity of these financial instruments. The loans payable have been valued using the effective interest rate method.

The carrying values of convertible notes were determined, in accordance with Level 2 of the fair value hierarchy, by discounting the face value of the notes over the terms of each note by a discount rate of 60%, and accreting the discount over the respective term to the anticipated conversion date of the notes.

During the three months ended March 31, 2017, the uncertainty around the collection schedule for the Agusan loan continued as Metallum Limited (Metallum) continues to report the project as being on care and maintenance status. As a result, the carrying value of the loan to Agusan continues to be impaired, in accordance with Level 3 of the fair value hierarchy, and has a carrying value of $Nil.

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 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.

(Expressed in Canadian dollars, unless otherwise stated)

		March 31, 2017		December 31, 2016
Level 1				
Cash	$	(126,757)	$	418,163
Level 2				
Convertible notes	$	4,838,507	$	4,740,666
Level 3				
Loan to Agusan	$	-	$	-

(a) Credit risk

The Company is exposed to credit risk with respect to its cash. Cash has been placed on deposit with major Canadian and Philippine financial institutions. The risk arises from the non-performance of counterparties of contractual financial obligations.

The Company manages credit risk, in respect of cash, by maintaining deposits at major financial institutions with strong investment-grade ratings.

Concentration of credit risk exists with respect to the Company's cash, as the majority of the amounts are held with only a few Canadian and Philippine financial institutions. The Company's concentration of credit risk and maximum exposure thereto, is as follows:

		March 31, 2017		December 31, 2016
Canadian dollar equivalent				
Australian dollar	$	1,032	$	164,768
Canadian dollar		264		7,319
Philippine peso		(128,053)		246,076
Total cash	$	(126,757)	$	418,163

The Company is also exposed to credit risk with respect to its amounts and advances receivable and loan to Agusan (note 7). The Company maintains an equity investment in Agusan and receives periodic financial information from Metallum and Agusan with respect to that investment. The Company actively monitors the financial status of Agusan and Metallum to minimize the credit risk related to this loan. Other amounts receivable relate to input tax credits and advances to suppliers.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash is held in bank accounts. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on their estimated fair values as of March 31, 2017 and December 31, 2016. Future cash flows from interest income on cash are not expected to be material. The Company manages interest rate risk by investing in highly liquid investments with maturities of one year or less.

The Company's convertible notes, loans payable and due to related parties are at fixed rates of interest.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company is exposed to foreign currency risk with respect to cash, accounts payable and accrued liabilities, and amounts due to related parties, as a portion of these amounts are denominated in Philippine pesos, Australian dollars ("AU") and US dollars as follows:

		March 31, 2017		December 31, 2016
Canadian dollar equivalent				
Philippine Pesos				
Cash	$	(128,053)	$	246,076
Accounts payable and accrued liabilities		(4,565,293)		(3,641,516)
AU$				
Cash		1,032		164,768
Accounts payable and accrued liabilities		(1,416,030)		(1,289,585)
Loans payable (note 14)		(20,556)		-
Due to related parties (note 12)		(102,580)		(102,580)
Convertible notes (note 9)		(1,698,056)		(1,651,461)
US$				
Accounts payable and accrued liabilities		(540,266)		(479,373)
Loans payable (note 14)		(2,756,133)		(2,642,817)
Due to related parties (notes 10 & 12)		(5,744,727)		(5,458,921)
Net exposure				
Canadian dollar equivalent	$	(16,970,662)	$	(14,855,409)

The Company manages foreign currency risk by only holding funds in foreign currencies for short-term requirements. The Company has not entered into any foreign currency contracts and does not utilize derivatives to mitigate this risk.

A 1% fluctuation in the value of the Philippine peso, Australian dollar and US dollar at March 31, 2017 would result in a change to net loss and comprehensive loss of approximately $170,000 (December 31, 2016 - $149,000).

(ii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Accounts payable are all due within thirty days and amounts due to related parties, excluding convertible notes (notes 9 and 12) due to related parties and amounts due under the credit facilities (notes 10, 12 and 14), are without specific terms of repayment; however, they are expected to be repaid within one year.

The Company will require significant cash funding to conduct its exploration programs, meet its administrative overhead costs, meet its repayment obligations, maintain its resource interests and bring its T'Boli gold processing operation to full production capacity. This will require the Company to obtain additional financing.

5. EXPLORATION AND EVALUATION ASSETS

(a) Permits and licenses

Through its subsidiaries and the Philippine companies, the Company has interests in certain permits and licenses to explore and develop exploration and evaluation assets located in the Philippines, as described below.

During January 2016, the Company determined that the T'Boli project had entered the development phase. As such, acquisition costs were transferred to construction in process and the exploration and evaluation assets balance for the project is now $Nil (December 31, 2016 - $Nil).

(i) Panag, Suriganon, Tagpura and Camanlangan, Municipalities of New Bataan and Nabunturan, Compostela Valley Province, Philippines

The Company completed the sale of 80% of the Company's interests in Agusan on January 17, 2012, and has retained a carried interest of 20% in Agusan (notes 6 and 7).

(ii) Batoto, Barangay Camanlangan, Municipality of New Bataan, Compostela Valley Province, Philippines

There are no royalties payable to the government of the Philippines, as the properties are located in an indigenous area. The indigenous peoples will, upon commercial production, be given a royalty equivalent to 1% of the operating cost of any operation. There are no annual work commitments.

Under IFRS 6 *Exploration for and Evaluation of Mineral Resources*, an indicator of impairment was identified for the Batoto property, due to a lack of currently available funding or plans for future exploration activities. Management was unable to determine a value in use or fair value less costs of disposal for the Batoto property, in accordance with IFRS accounting requirements for measurement of recoverable amount. Therefore, the Batoto property was impaired to $Nil during the year ended December 31, 2014 and continues to be impaired at December 31, 2016, such impairment was determined in accordance with Level 3 of the fair value hierarchy.

(b) Title to exploration and evaluation asset interests

Although the Company has taken steps to verify the title to exploration and evaluation asset interests for which it has a permit and/or license, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(Expressed in Canadian dollars, unless otherwise stated)

(c) Exploration and evaluation expenses

Exploration and evaluation expenses include all material and supplies, wages, professional fees and contract labor costs associated with the development of the mine and are summarized for three month periods ended March 31, 2017 and 2016 below:

	Three months ended March 31, Batoto	TMC	2017 Total	2016 Total
Cumulative exploration and evaluation expenses				
Incurred during year				
Exploration	3,917	(1,190)	2,727	90,003
Mill Site	-	-	-	432,104
Exploration and evaluation expenses	**$ 3,917**	**$ (1,190)**	**$ 2,727**	**$ 522,107**
Recoveries from metal sales	-	-	-	**(532,937)**
Net exploration and evaluation expenses	**$ 3,917**	**$ (1,190)**	**$ 2,727**	**$ (10,830)**

6. SALE OF AGUSAN METALS CORPORATION

On January 17, 2012, the Company completed the sale of 80% of the Company's interest in Agusan retaining a 20% investment in Agusan (note 7). Pursuant to a shareholders' agreement, Metallum has an obligation to fund AU $48,000,000 in exploration activity in Agusan as follows:

Exploration Expenditures	Annual amount (AU $)	Cumulative amount (AU $)
Year 1	5,000,000	Nil
Year 2	5,000,000	Nil
Year 3	5,000,000	15,000,000
Year 4	15,000,000	30,000,000
Year 5	18,000,000	48,000,000

The annual amounts in the table above were the expected schedule of expenditures; the cumulative amount is the funding requirement schedule. Upon Metallum funding the project to AU $48,000,000, both the Company and Metallum will fund further development pro rata, based on their ownership interests. Metallum did not meet the funding requirements, and the agreement contains dilution provisions. Metallum reported AU $7.4 million in exploration expenditures to March 31, 2017 (December 31, 2016 - AU $7.4 million;), which is a shortfall of AU $22.6 million of the minimum exploration amount of AU $30 million required by the end of the fourth year (January 17, 2016). The Company is evaluating its options on the Agusan project.

(Expressed in Canadian dollars, unless otherwise stated)

7. INVESTMENT IN AND LOAN TO AGUSAN METALS CORPORATION

Pursuant to the January 17, 2012 sale of an 80% interest in Agusan (note 6), the Company retained a 20% investment in Agusan. The investment is accounted for as an investment in associate using the equity method. The 20% retained investment was revalued on the date of sale at $1,231,360. The carrying amounts as at March 31, 2017 and 2016, were $Nil calculated as follows:

	March 31, 2017	March 31, 2016
Investment amount	$ 1,231,360	$ 1,231,360
Pro rate share of increase in Agusan paid up capital	112,635	112,635
Share of net loss	(1,164,240)	(1,322,886)
Impairment of investment in Agusan	(179,755)	(21,109)
Carrying amount	$ -	$ -
Loan to Agusan	$ -	$ -

For the three months ended March 31, 2017, the Company recorded its equity share of Agusan's net income resulting from favourable foreign exchange rates of $Nil (March 31, 2016 - $21,109). Any increases in value from the equity share of Agusan's net income are immediately impaired to reflect the ongoing uncertainty with respect to Agusan's mineral properties.

The allocations of the Company's share of equity income of Agusan for the three months ended March 31, 2017 and 2016 are as follows:

	March 31, 2017	March 31, 2016
Investment in Agusan	$ -	$ 21,109
Loan receivable from Agusan	-	-
	$ -	$ 21,109

The Company's loan to Agusan is unsecured, non-interest-bearing and has no specified terms of repayment. Pursuant to a shareholders' agreement, the Company's loan to Agusan will rank equally with amounts advanced by Metallum for exploration expenditures on the Agusan copper-gold project. The advances will be repaid first from distribution of profits on a proportional basis until each advance is repaid.

During the year ended December 31, 2014, uncertainty around the collection schedule for the Agusan loan was created as a result of Metallum putting that project on care and maintenance, which continued through to 2017. As the Agusan loss resulted from un-favourable foreign exchange rates and as the carrying value of the loan to Agusan continues to be impaired in accordance with Level 3 of the fair value hierarchy and is valued at $Nil, the Company's share of any loss resulting from net income in Agusan (as a result of foreign exchange gains) is not recognized. The carrying value of the loan to Agusan and changes thereto for the three months ended March 31, 2017 and 2016, were as follows:

	March 31, 2017	March 31, 2016
Opening balance of loan to Agusan	$ -	$ -
Impairment	-	21,109
Share of net gain	-	(21,109)
	$ -	$ -

(Expressed in Canadian dollars, unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Vehicles and exploration equipment	Construction in progress	Office furniture and equipment	Total
Cost						
Balance, December 31, 2015	$ 182,548	$ 513,686	$ 2,742,479	$ 193,847	$ 54,339	$ 3,686,899
Disposals	-	-	(178,204)	-	-	(178,204)
Transfer from exploration and evaluation assets	-	-	-	2,265,891	-	2,265,891
Change in value of site reclamation	-	-	-	(40,267)	-	(40,267)
Additions	88,635	-	397,480	3,028,617	3,463	3,518,195
Balance, December 31, 2016	271,183	513,686	2,961,755	5,448,088	57,802	9,252,514
Additions	-	-	17,992	1,134,509	548	1,153,049
Balance, March 31, 2017	$ 271,183	$ 513,686	$ 2,979,747	$ 6,582,597	$ 58,350	$ 10,405,563
Accumulated amortization and impairment losses						
Balance, December 31, 2015	$ -	$ 120,649	$ 1,048,928	$ -	$ 54,339	$ 1,223,916
Amortization on disposals	-	-	(37,295)	-	-	(37,295)
Amortization	-	26,679	369,500	-	3,345	399,524
Balance, December 31, 2016	-	147,328	1,381,133	-	57,684	1,586,145
Amortization	-	13,400	98,869	-	538	112,807
Balance, March 31, 2017	$ -	$ 160,728	$ 1,480,002	$ -	$ 58,222	$ 1,698,952
Net book value						
Balance, December 31, 2016	$ 271,183	$ 366,358	$ 1,580,622	$ 5,448,088	$ 118	$ 7,666,369
Balance, March 31, 2017	**$ 271,183**	**$ 352,958**	**$ 1,499,745**	**$ 6,582,597**	**$ 128**	**$ 8,706,611**

For the three months ended March 31, 2017 amortization of $1,971 (March 31, 2016 - $117,168) is included as a component of TMC exploration and evaluation expenses, and amortization of $110,836 was capitalized to construction in progress (March 31, 2016 - $Nil).

T'Boli, Barangay Kematu, Municipality of T'Boli, South Cotabato Province, Philippines

The Company has received the Mines and Geosciences Bureau's Declaration of Mining Project Feasibility enabling the Company to process ore at the T'Boli gold-silver mine within the Mineral Processing and Sharing Agreement. However, to date the Company has used this ability only to process incidental ore stockpiles available from exploration activities. During January 2016, the Company determined that the T'Boli project had entered the development phase.

Incidental revenues for the three months ended March 31, 2017, were recorded in the condensed consolidated interim statement of comprehensive loss amounted to $26,322 (March 31, 2016 - $Nil). There is a 2% mineral royalty payable to the government of the Philippines in respect of mineral production.

As at March 31, 2017 ,a liability for site reclamation for this property amounted to $1,290,389 (December 31, 2016 - $1,286,718). The liability is estimated based on detailed mine rehabilitation plan costs of PhP $42,400,000 inflated at 1.50% (December 31, 2016 – 1.50%) over the term of the plan from 2010 to 2022 and discounted to present value using a 5-year risk free rate of 1.11% (December 31, 2015 – 5-year risk free rate of 1.11%).

(Expressed in Canadian dollars, unless otherwise stated)

In connection with the Company's credit facility agreement with Mighty River International Ltd. ("Mighty River"), Rizal, Mighty River and Rizal's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US $1 million advanced to the Company (note 10).

In connection with the Claymore Capital Pty. Ltd. ("Claymore") debt facility agreement, Claymore is entitled to receive a 1.5% production royalty once the Company has received US $500,000. As at March 31, 2017, the Company had received US $2,300,000 (note 14).

9. CONVERTIBLE NOTES

(a) The Company refinanced the $4,187,100 convertible notes and accrued interest during the year ended December 31, 2015 as follows:

(i) $1,505,588 of principal and accrued interest was converted into 30,111,760 units of the Company. Each unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10; and

(ii) $2,681,512 of principal and accrued interest was issued as new convertible notes. The notes continued to accrue interest at 12% per annum, compounded monthly. The maturity dates of the new notes are $867,360 on December 1, 2015 and $1,814,152 on July 1, 2016. In addition, the Company issued the note holders 6,745,884 common share and one share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.12 and 18,141,520 common shares and common share purchase warrants. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10.

(b) The Company is in discussions on repayment terms with the holders of the notes that matured December 1, 2015, and on March 24, 2016, the Company paid $41,972 being the accrued interest owing on these notes at December 1, 2015. On August 3, 2016, the Company paid $63,997 being the accrued interest owing on these notes at December 31, 2016 (note 17).

(c) The Company is in discussions on repayment terms with the holders of the notes that matured July 1, 2016.

(d) During the three months ended March 31, 2017, the Company received proceeds of CDN $50,000 (three months ended March 31, 2016 - $Nil) related to convertible notes. The associated convertible notes were not issued until subsequent to the three months ended March 31, 2017 (note 19).

(e) The carrying values of the convertible notes as at March 31, 2017 and December 31, 2016 were:

		March 31, 2017		**December 31, 2016**
Face value to be issued	$	1,748,056	$	1,651,461
Face value on issue		2,681,512		2,681,512
Accrued interest		408,939		407,693
Unamortized discount conversion		-		-
	$	**4,838,507**	**$**	**4,740,666**

10. CREDIT FACILITY

On May 2, 2013, the Company entered into an agreement with Mighty River, who at the time the agreement was entered into was a related party, being a company that had a director in common with Rizal and who owned over 10% of the issued and outstanding shares of Rizal. Mighty River agreed to provide the Company with up to a US $5 million loan facility. Amounts drawn bear interest at a rate of 8% per annum and were repayable in 12 months from the draw date. In connection with the loan agreement, Rizal provided Mighty River with security over all its assets, and Rizal, Mighty River and Rizal's Philippine affiliate, TMC, entered into royalty agreements pursuant to which Mighty River is entitled to receive a 1% production royalty on the T'Boli mine located in the Philippines for each US $1 million advanced to Rizal (note 8).

On May 27, 2014, the Company and Mighty River amended the agreement extending the final maturity date and repayment date to December 31, 2015.

On November 27, 2015, the Company reached an agreement with Mighty River to extend the maturity date of the note to June 30, 2016, and refinance $904,000 (US $800,000), being a portion of the amounts owed on the credit facility for interest and royalties, and issued 18,080,000 units at $0.05 per unit. Each unit consists of one common share and one warrant to purchase one common share for 12 months at $0.10.

On September 7, 2016, the Company reached an agreement with Mighty River to refinance $400,000 (US $307,500), being a portion of the amounts owed on the credit facility for interest and issued 8,000,000 units at $0.05 per unit. Each unit consists of one common share and one warrant to purchase one common share for one year at $0.10. The warrants are subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSX Venture Exchange ("TSXV") equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the after the date of the notice to the holders (note 11). The Company is in discussions on repayment terms with Mighty River Credit Facility that matured as at March 31, 2017.

At March 31, 2017, the Company had total principal, interest and royalties owing to Mighty River of $5,492,170 (US $4,142,706) (December 31, 2016 - $5,458,921 (US $4,142,706), which is included in amount due to related parties.

On February 15, 2017, Mighty River lent US $189,750 to the Company at an interest rate of 12% per annum and repayable on demand. At March 31, 2017, the Company had total principal and interest owing of $252,557 (US $189,750).

11. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued

At March 31, 2017, 188,217,712 (December 31, 2016 - 188,217,712) common shares were issued and outstanding.

On October 13, 2016, the Company issued 7,655,283 three year $0.06 warrants after receiving the remaining US $350,000 of the stage 3 funding under the terms of the debt facility described in note 14. The warrants issued have a fair value of $86,432.

On September 7, 2016, the Company issued 1,500,000 units at a price of $0.05 per unit and received gross proceeds of $75,000. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the

TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders.

On September 7, 2016, the Company reached agreement with a related party to convert $400,000 in debt and issued 8,000,000 units at a deemed value of $0.05 per unit. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders (note 10). The warrants issued have a fair value of $152,202.

On August 15, 2016, the Company issued 16,762,000 units at a price of $0.05 per unit and received gross proceeds of $838,100 and issued 115,000 units at a price of $0.05 per unit for finder's fees of $5,750. Each unit consists of one common share and one common share purchase warrant at a price of $0.10 per for a period of one year subject to an acceleration provision. In the event the closing price of the Company's common shares on the TSXV equals or exceeds $0.25 for a period of 15 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof and the warrants will thereafter expire on the date that is thirty days after the date of the notice to the holders.

On July 29, 2016, the Company issued 15,067,846 three-year $0.065 warrants after receiving stage 2 funding of US $600,000 under the terms of the debt facility described in note 14. The warrants issued have a fair value of $230,415.

On May 27, 2016, the Company reached agreement with trade creditors to convert $224,625 in debt and issued 4,492,500 units at a deemed value of $0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10 (note 14). The warrants issued have a fair value of $163,081.

On May 18, 2016, the Company issued 11,750,000 three year $0.065 warrants after receiving stage 2 funding of US $600,000 under the terms of the debt facility described in note 14. The warrants issued have a fair value of $188,666.

On April 11, 2016, the Company reached agreement with trade creditors to convert $215,450 in outstanding debts and issued 4,309,000 units at a deemed value of $0.05 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at an exercise price of $0.10. The warrants issued have a fair value of $62,588.

On April 11, 2016, the Company reached agreement with insiders to convert $179,800 in outstanding debts and issued 3,596,000 shares at a deemed value of $0.05 per share.

On March 15, 2016, the Company issued 12,461,538 three-year $0.065 warrants after receiving stage 1 funding of US $600,000 under the terms of the debt facility described in note 14. The warrants were issued have a fair value of $214,892.

On March 15, 2016, the Company issued 5,800,000 five-year $0.10 warrants under the terms of the debt facility described in note 14. The warrants were valued using the Black-Scholes pricing model at $283,620.

(Expressed in Canadian dollars, unless otherwise stated)

On March 11, 2016, the Company issued 3,000,000 shares with a deemed value of $0.05 per share to its CEO in accordance with his employment contract.

(c) Stock options

The Company has a stock option plan whereby the Board of Directors is authorized to grant options to a rolling ceiling of 10% of the issued and outstanding common shares of the Company.

Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The terms of the option and the option price are fixed by the directors at the time of grant subject to restrictions imposed by the TSXV. Stock options awarded have a maximum term of ten years. The vesting terms of the options are determined by the directors; however, options granted to investor relations consultants are subject to a minimum twelve-month vesting schedule whereby no more than 25% vest in any three-month period. Stock options held by officers, directors, employees or consultants of the Company expire one year following their departure from the Company.

During the three months ended March 31, 2017 and the year ended 31 December 2016, the Company did not grant any options. During three months ended March 31, 2017 and 2016, no options expired. As at March 31, 2017 and December 31, 2016, the following incentive stock options were outstanding and exercisable:

Expiry Date	Exercise Price		**March 31, 2017**	**December 31, 2016**
July 24, 2017	$	4.00	18,738	18,738
October 16, 2017	$	1.20	125,000	125,000
November 6, 2017	$	4.00	20,000	20,000
December 23, 2020	$	0.05	12,000,000	12,000,000
			12,163,738	12,163,738

The options outstanding and exercisable at March 31, 2017 and December 31, 2016 have weighted average remaining contractual lives of 3.69 and 3.94 years, respectively.

Stock option activity is as follows:

	March 31, 2017		**December 31, 2016**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	12,163,738	$0.07	12,386,738	$0.11
Granted	-	-	-	-
Expired	-	-	(223,000)	$2.15
Outstanding and exercisable, end of period	12,163,738	$0.07	12,163,738	$0.07

The fair value of options that expired in the three months ended March 31, 2017 was $Nil (December 31, 2016 - $Nil).

Share-based payments

No options were granted during the three months ended March 31, 2017.

(Expressed in Canadian dollars, unless otherwise stated)

(d) **Warrants**

During the three months ended March 31, 2017, the Company issued no warrants (year ended December 31, 2016 – 87,913,167 warrants with exercise prices between $0.065 and $0.10), and no warrants expired (year ended December 31, 2016 - 149,391,184 warrants with exercise prices between $0.10 and $0.12).

As at March 31, 2017 and December 31, 2016, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	March 31, 2017	December 31, 2016
April 11, 2017	$ 0.100	4,309,000	4,309,000
May 27, 2017	$ 0.100	4,492,500	4,492,500
August 15, 2017	$ 0.100	16,877,000	16,877,000
September 7, 2017	$ 0.100	8,000,000	8,000,000
September 7, 2017	$ 0.100	1,500,000	1,500,000
March 15, 2019	$ 0.065	12,461,538	12,461,538
May 18, 2019	$ 0.065	11,750,000	11,750,000
July 29, 2019	$ 0.065	15,067,846	15,067,846
October 13, 2019	$ 0.060	7,655,283	7,655,283
March 15, 2021	$ 0.100	5,800,000	5,800,000
		87,913,167	87,913,167

Share purchase warrant transactions and the number of share purchase warrants outstanding are summarized as follows:

	March 31, 2017		December 31, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	87,913,167	$0.08	149,391,184	$0.10
Issued	-	-	87,913,167	$0.08
Expired	-	-	(149,391,184)	$0.10
Outstanding, end of year	87,913,167	$0.08	87,913,167	$0.08

The fair value of warrants that expired during the three months ended March 31, 2017 was $Nil (December 31, 2016 - $Nil). Subsequent to the period ended March 31, 2017, 8,801,500 warrants with exercise price of $0.10 expired (Note 19).

12. RELATED PARTY TRANSACTIONS AND BALANCES

At March 31, 2017, the Company owed $6,758,337 (2016 - $6,359,514) to related parties, of which amounts owed to officers and directors are included in accounts payable, and are as follows:

	March 31, 2017	December 31, 2016
Officers and directors for:		
Consulting and directors fees	$ 783,752	$ 678,952
Reimburse expenses	15,667	7,450
Convertible notes (note 9)	111,611	111,611
Due to related parties	5,847,307	5,561,501
	$ 6,758,337	$ 6,359,514

(Expressed in Canadian dollars, unless otherwise stated)

During the three months ended March 31, 2017 the Company owed a loan balance in the amount of AU$100,117 (CDN $102,580) to the CEO of the Company. The loan is unsecured, non-interest-bearing and has no fixed terms of repayment.

During the three months ended March 31, 2017 and 2016, the Company incurred key management compensation during the year, including the issuance of 3,000,000 shares in the prior period to its CEO in accordance with his contract. The shares were valued at $150,000, the trading price at the time of issue. The following table describes the key management compensation during the three months ended March 31, 2017 and 2016:

		March 31, 2017		March 31, 2016
Short-term benefits paid or accrued to personal service corporations	$	105,000	$	252,000
Short-term benefits paid directly		6,000		6,000
	$	111,000	$	258,000

Included in short-term benefits is $111,000 (March 31, 2016 - $108,000) expensed to consulting fees.

At March 31, 2017 the Company was committed to pay termination payments to officers of the Company, in the event of termination without cause, of between two and three years of annual salary. If all termination payments are triggered, the Company would be required to pay $1,092,000 (December 31, 2016 - $1,092,000).

13. RETIREMENT BENEFIT OBLIGATION

The Company has a legislated obligation to provide a retirement payment to employees in the Philippines equal to 22.5 days pay for every year of credited service at attainment of a retirement age of 60. The Company completes an actuarial valuation of the present value of the obligation annually. The last actuarial valuation of the present value of the obligation was carried out at February 13, 2017, based on obligations at December 31, 2016. The present value of the obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. The current and past service costs at March 31, 2017 were $155,664 (December 31, 2016 - $155,664 included in exploration and evaluation expenditures), and are included as part of construction in progress. The principal assumptions used for the purposes of the actuarial valuation were as follows:

	December 31, 2016	December 31, 2015
Discount rate	5.38	4.89
Expected rate of salary increase	5%	5%
Normal retirement age	60	60
Projected retirement benefit	22.5 days per year of service	22.5 days per year of service
Actuarial cost method	projected Unit Credit Method	projected Unit Credit Method
Manner of benefit payment	Lump sum	Lump sum

14. LOANS PAYABLE

(a) On December 3, 2012, the Company entered into a loan agreement for US $280,000. The loan bears interest of 8% per annum, and was payable at maturity, which was three months after the loan was granted. As at December 31, 2016, the loan remains in default and continues to accrue interest. The interest and principal of the loan totaled $519,836 as at March 31, 2017 (December 31, 2016 - $499,864).

(b) On November 4, 2015, the Company entered into a demand loan agreement for US $100,000. The loan bears interest of 15% per annum, matured on May 4, 2016 and was unsecured. The interest and principal owing on the loan on May 4, 2016, was $145,202 (December 31, 2015 - $140,994; January 1, 2015 –$Nil). On May 27, 2016, the Company reached a shares-for-debt settlement with the creditor to settle the debt by issuing 2,750,000 units in full settlement of the principal and interest owing on the loan (note 11).

(c) On January 11, 2016, the Company entered into an agreement with Claymore for a three-year US $6.4 million debt facility. Details of the debt facility include:

a) Term of 3 years
b) Annual interest rate of 12%
c) Four staged payments based on agreed targets which include
   - Stage 1 – US $600,000 within 6 weeks of signing the Binding Term Sheet. Completed February 24, 2016.
   - Stage 2 – US $600,000 – confirmation of sustainable production at 200 tonnes per day (“tpd”). Completed March 18, 2016.
   - Stage 3 – US $1.1 million – subject to confirmation of planned increase in production to 400 tpd.
   - Stage 4 – US $4.25 million – subject to confirmation of maintainable production at 400 tpd.
d) The Company has and will issue three-year detachable warrants on receipt of payments at each stage described above. The warrant prices for tranche 1 are the greater of $0.065 and the prevailing market price of Rizal’s shares. The warrant prices for tranches 2 through 4 are the market price as at the date on which the advance was made (note 11). On March 15, 2016, the Company also issued 5,800,000 five-year $0.10 warrants under the terms of the debt facility as finder’s fees, which is recorded as deferred financing costs and amortized over the term of the loan. The amount amortized for the three months ended March 31, 2017 is $23,290 (March 31, 2016 - $Nil). The unamortized balance as at March 31, 2017, is $179,850 (March 31, 2016 - $Nil), of which $94,540 (March 31, 2016 - $Nil) is classified as a current asset.
e) Security – the debt facility shares first ranking security with Rizal’s existing secured debt holders.
f) Production royalty – Rizal will pay a 1.5% royalty once a minimum of US $500,000 has been received. The royalty remains in place until the loans have been fully repaid.

The advances were recognized initially at fair value, which was calculated based on the application of a market interest rate of 22.5%. The difference between the face value and the initial fair value of the loan has been recorded in share-based payment reserves. As at March 31, 2017, the Company had received US $2,300,000, which is recorded on the consolidated statement of financial position at its fair value. Total principal and interest owing as at March 31, 2017 is US $2,001,156 ($2,756,133) (December 31, 2016 - US $1,968,286 ($2,642,817)).

(d) The Company received a loan of AU $20,000 (CDN $20,556). The loan is unsecured, non-interest-bearing and has no fixed terms of repayment.

15. CAPITAL MANAGEMENT

In October 2012, the Company's Philippines affiliate, TMC, received the MGB Declaration of Mining Project Feasibility enabling the Company to commence commercial mining production at the T'Boli gold-silver mine and the Carbon-in-leach (“CIL”) plant. The Company is processing "incidental ore", which it stockpiled during exploration and development of the mine at T’Boli. The Company continues to expand the T’Boli mine by building a decline to the ore bodies identified by its exploration.

The Company is continuing exploration and development of its properties (notes 5 and 8), but is not generating sufficient cash flow from operations to cover its operating costs or fund development and exploration, and continues to rely on debt and issuance of shares to generate capital. The Company considers capital to consist of shareholders’ deficiency, due to related parties, loans payable and convertible notes.

(Expressed in Canadian dollars, unless otherwise stated)

The Company's objectives of capital management are intended to safeguard its ability to meet normal operating requirements on an ongoing basis and continue the development and exploration of its resource properties. To effectively manage the Company's capital requirements, the Company has in place a planning process to determine the funds required to ensure appropriate liquidity to meet its operating and growth objectives. The Company monitors actual expenses on all exploration projects and overhead to manage costs, commitments and exploration activities.

The Company's policy for managing capital has not changed from prior years. As at March 31, 2017, the Company's available capital resources, consisting of cash, totaled $(126,757) (December 31, 2016 - $418,163).

16. SEGMENTED INFORMATION

The Company has one operating segment: resource property exploration. The Company's corporate assets are located in Canada. The Company's resource property investments are made through corporations located in the Philippines.

	March 31, 2017					
		Canada		Philippines		Consolidated
Current assets	$	163,147	$	1,086,889	$	1,250,036
Deferred financing fees		85,310		-		85,310
Property, plant and equipment		-		8,706,611		8,706,611
Total Assets	$	248,457	$	9,793,500	$	10,041,957
Total Liabilities	$	16,875,151	$	6,677,913	$	23,553,064
	December 31, 2016					
		Canada		Philippines		Consolidated
Current assets	$	328,678	$	1,359,056	$	1,687,734
Deferred financing fees		108,600		-		108,600
Property, plant and equipment		-		7,666,369		7,666,369
Total Assets	$	437,278	$	9,025,425	$	9,462,703
Total Liabilities	$	15,980,722	$	5,769,195	$	21,749,917

17. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended March 31, 2017, the Company settled $Nil of debt by issuance of shares and units (December 31, 2016 - $1,019,875) (note 11).

During the three months ended March 31, 2017, the Company paid interest and fees of $69,567 (December 31, 2016 - $526,485).

During the three months ended March 31, 2017, interest on debt totaling $Nil (December 31, 2016 - $337,924) was settled by the issuance of shares.

18. CONTINGENT LIABILITY

On May 27, 2016, claims were initiated against the Company by certain parties for payment of services rendered in prior years. The Company has included AU $546,000 ($530,002) in accounts payable and accrued liabilities as at March 31, 2017 and 2016, related to the amounts specified in the claims.

19. EVENTS AFTER THE REPORTING DATE

(a) The Company offered for sale up to 300 convertible notes that mature on December 31, 2017 with a face value of AU $10,000 per note ("Convertible Notes") for a total of AU $3,000,000. Each Convertible Note entitles the holders of the notes to convert into CHESS Depository Interests ("CDI") of the Company at a conversion price of $0.05 and one option per CDI issued ("CDI Option"), or into common shares of the Company listed on the TSXV at a conversion price of $0.05 and one warrant per common share issued, if the Company has not obtained a listing on the Australian Securities Exchange. The CDI Option entitles the holder to purchase one CDI at $0.06 for a period of three years. The warrants entitle the holder to purchase one common share per warrant at $0.06 for a period of three years.

The Convertible Notes bear interest at 12% per annum, are convertible at the holders' election, and will share first ranking security with Rizal's existing secured debt holders.

The first tranche closed on April 13, 2017 with the issuance of 184 Convertible Notes totalling AU $1,840,000.

(b) On April 6, 2017, a claim was initiated against the Company by CSA Global Pty Ltd. for payment of services rendered to the Company of AU $81,456 ($79,069). The Company believes that the claim is without merit, as it pertains to undelivered or unauthorized deliverables.

(c) Subsequent to the period ended March 31, 2017, 8,801,500 warrants with exercise price of $0.10 expired (Note 11).