



CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian dollars)

January 31, 2018

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management.

The corporation's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

As at,	January 31, 2018	April 30, 2017
ASSETS		
Current assets		
Cash	\$ 55,969	\$ 43,398
Other receivables and prepaid expenses	3,791	1,404
	59,760	44,802
Non-current assets		
Exploration and evaluation assets (Note 3 and 7)	39,584	4
Total assets	\$ 99,344	\$ 44,806
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 518,982	\$ 470,225
Flow-through premium liability (Note 4)	15,619	-
	534,601	470,225
Non-current liabilities		
Deferred income tax liability (Note 4)	-	-
Total liabilities	534,601	470,225
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 4)	10,864,941	10,780,344
Contributed surplus (Note 4)	1,218,993	1,110,989
Deficit	(12,519,191)	(12,316,752)
	(435,257)	(425,419)
Total liabilities and shareholders' equity (deficiency)	\$ 99,344	\$ 44,806

Approved and authorized on behalf of the Board of Directors on March 28, 2018:

"Tim Termuende" "Sylvain Laberge"

2

Gespeg Copper Resources Inc.
Statements of Loss and Comprehensive Loss

	For the three months ended January 31		For the nine months ended January 31	
	2018	2017	2018	2017
For the three and six months ended October 31,				
Operating Expenses				
General and administration (Note 7)	\$ 6,194	\$ 13,625	\$ 18,358	\$ 70,932
Management fees (Note 7)	15,000	-	40,000	30,000
Professional fees	3,667	3,105	37,804	39,585
Share based compensation (Note 4)	-	-	95,000	27,500
Transfer agent and filing fees	2,115	756	11,277	8,987
	26,976	17,486	202,439	177,004
Loss from operating expenses	(26,976)	(17,486)	(202,439)	(177,004)
Other income on settlement of flow-through premium liability (Note 4)	-	2,800	-	2,800
Net loss and comprehensive loss	\$ (26,976)	\$ (14,686)	\$ (202,439)	\$ (174,204)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	72,466,845	70,108,512	71,382,997	69,791,572

The accompanying notes are an integral part of these condensed interim financial statements

Gespeg Copper Resources Inc.
Statements of Changes in Shareholders' Equity (Deficiency)

	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Shareholders' Equity (Deficiency)
Balance, May 1, 2016	69,108,512	\$	10,720,344	\$	1,083,489	\$	(9,927,182)	\$	1,876,651
Shares issued for mineral property	1,000,000		45,000		-		-		45,000
Share-based compensation - warrant extension	-		-		27,500		-		27,500
Net loss	-		-		-		(174,204)		(174,204)

Balance, January 31, 2017	70,108,512	\$	10,765,344	\$	1,110,989	\$	(10,101,386)	\$	1,774,947
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	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Shareholders' Equity (Deficiency)
Balance, May 1, 2017	70,608,512	\$	10,780,344	\$	1,110,989	\$	(12,316,752)	\$	(425,419)
Private placements	1,358,083		82,000		12,000		-		94,000
Flow-through premium liability	-		(15,619)		-		-		(15,619)
Share issue costs	-		(10,780)		-		-		(10,780)
Broker warrants issued	-		(1,004)		1,004		-		-
Shares issued for mineral property	500,000		30,000		-		-		30,000
Share-based compensation - warrant extension	-		-		95,000		-		95,000
Net loss	-		-		-		(202,439)		(202,439)

Balance, January 31, 2018	72,466,595	\$	10,864,941	\$	1,218,993	\$	(12,519,191)	\$	(435,257)
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The accompanying notes are an integral part of these condensed interim financial statements

Gespeg Copper Resources Inc.
Statements of Cash Flows

For the nine months ended January 31,	2018	2017
Cash flows used in Operating Activities		
Net loss for the period	\$ (202,439)	\$ (174,204)
Items not affecting cash:		
Other income on settlement of flow-through premium liability	-	(2,800)
Share-based compensation	95,000	27,500
Net changes in non-cash working capital items:		
Decrease in other receivables and prepaid expenses	(2,387)	14,696
Increase (decrease) in accounts payable and accrued liabilities	38,657	115,845
Cash flows (used) generated in Operating Activities	(71,169)	(18,963)
Cash flows used in Investing Activities		
Exploration and evaluation assets	520	10,040
Cash flows used in Investing Activities	520	10,040
Cash flows provided by Financing Activities		
Issuance of common shares and units (Note 4)	94,000	-
Share issue costs	(10,780)	-
Cash flows provided by Financing Activities	83,220	-
Net change in cash during the period	12,571	(8,923)
Cash, beginning of period	43,398	50,233
Cash, end of period	\$ 55,969	\$ 41,310
Non-cash transactions		
Shares issued for exploration and evaluation assets	\$ 30,000	\$ 45,000

The accompanying notes are an integral part of these condensed interim financial statements

1. Description of business and going concern

Gespeg Copper Resources Inc. (the “Corporation”) was incorporated under the laws of British Columbia, Canada on May 31, 2006 and is listed on the TSX Venture Exchange (“TSX-V”). The principal business of the Corporation is the identification, exploration and development of mineral properties.

The address of the Corporation’s corporate office and principal place of business is Suite 602 – 224 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5. These financial statements were approved by the Corporation’s board of directors on March 28, 2018.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the exploration and evaluation stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Corporation’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Corporation’s investment in these assets is dependent upon the renewed legal ownership of the claims and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Corporation’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

As at January 31, 2018, the Corporation’s current cash resources are insufficient to cover the expected expenditures in fiscal 2018. The Corporation’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

The Corporation reported net losses in the first nine months of fiscal 2018 and 2017 of \$202,439 and \$174,204 respectively. These recurring losses and the need for continued financing to further successful exploration may cast significant doubt as to the Corporation’s ability to continue as a going concern.

These financial statements do not include any adjustments to the carrying values of assets and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

The significant accounting policies used in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the periods presented.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
January 31, 2018

2. Significant accounting policies (continued)

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation and described in Note 2 of the annual audited financial statements as at and for the year ended April 30, 2017. Accordingly, these condensed interim financial statements for the three and nine month periods ended January 31, 2018 and 2017 should be read together with the annual financial statements as at and for the year ended April 30, 2017.

Basis of preparation

These financial statements have been prepared on a historical cost basis and are prepared and presented in Canadian dollars, which is the Corporation's functional currency. In addition, these financial statements are based on the accrual method of accounting, with the exception of cash flow information.

3. Exploration and evaluation assets

Exploration and evaluation asset expenditures by nature are detailed as follows:

<u>Period ended January 31,</u>		<u>2018</u>		<u>2017</u>
Geology, technical reports, data compilation and maps	\$	5,393	\$	31,377
Geophysical		-		-
Property acquisition and rent		30,000		50,477
Resource tax credit refund		4,188		(12,893)
	\$	39,581	\$	68,961

The Corporation considers property acquisition costs as tangible costs and all other exploration and evaluation expenditures are intangible.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
January 31, 2018

3. Exploration and evaluation assets (continued)

Exploration and evaluation assets by properties are detailed as follows:

	Balance as at May 1, 2016	Additions	Impairment/ Disposals	Balance as at April 30, 2017
Vortex	\$ 1,745,069	\$ 36,466	\$ (1,781,534)	\$ 1
Port Daniel	313,008	51,495	(364,502)	1
Cap-Chat	50,741	-	(50,740)	1
Cascapedia extension	540	-	(539)	1
	\$ 2,109,358	\$ 87,961	\$ (2,197,315)	\$ 4

	Balance as at May 1, 2017	Additions	Impairment/ Disposals	Balance as at January 31, 2018
Vortex	\$ 1	\$ 8,738	\$ -	\$ 8,739
Port Daniel	1	30,000	-	30,001
Montauban	-	842	-	842
Cap-Chat	1	-	-	1
Cascapedia extension	1	-	-	1
	\$ 4	\$ 39,580	\$ -	\$ 39,584

Vortex

The Vortex project is a copper molybdenum exploration opportunity in the Gaspé region of Quebec and is the site of the former Gaspé Copper mine and smelter. The project encompasses 80 sq. km of land and is comprised of three main claim groups:

- The Sullipek deposit, situated on the western edge of the project area;
- The Sullipek East property, a skarn/porphyry copper opportunity; and
- The Madeleine des Vercheres claim group.

On July 23, 2013, the Corporation and ASPM Inc. (the "Vendor") executed a term extension on the Madeleine des Vercheres claim group. Under the terms of the extension, the minimum exploration requirements of the Corporation have been adjusted as detailed in Note 6. Further, the Corporation was required to make a one-time payment of \$30,000 to the Vendor (paid).

Also, considered a part of the Vortex is the In-between project, a copper molybdenum exploration opportunity in the Gaspé region of Quebec. It covers lands between Vortex to the west and Murdochville to the east.

During the year ended April 31, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$ \$1,781,534.

3. Exploration and evaluation assets (continued)

Port Daniel

Port Daniel is a copper mineral opportunity located in the south region of the Gaspé Peninsula of Quebec.

On August 27, 2013 (the “Effective Date”), the Corporation entered into an option agreement with Dan Lepage and Pierre Ross (the “Optionors”) whereby the Corporation can acquire a 100% interest in the Port Daniel claims for consideration as follows:

- a. Making a cash payment of \$3,000 to the Optionor on the Effective Date (paid);
- b. Incurring minimum aggregate exploration expenditures on the claims as follows:
 - i. \$25,000 prior to January 1, 2014 (incurred);
 - ii. \$250,000 on or before January 1, 2015;
 - iii. \$350,000 on or before January 1, 2016;
 - iv. \$450,000 on or before January 1, 2017; and
 - v. \$750,000 on or before January 1, 2018.
- c. Issuing common shares to the Optionor as follows:
 - i. 500,000 common shares on or before the 12 month anniversary of the Effective Date (issued at a fair value of \$30,000);
 - ii. 500,000 common shares on or before the 24 month anniversary of the Effective Date (issued at a fair value of \$22,500);
 - iii. 500,000 common shares on or before the 36 month anniversary of the Effective Date (issued at a fair value of \$22,500); and
 - iv. 500,000 common shares on or before the 48 month anniversary of the Effective Date.

During the year ended April 30, 2016 and 2015 the Corporation did not make the required property expenditures in accordance with the option agreement.

On July 21, 2015, the Corporation amended the option agreement with the Optionor whereby the exploration expenditure requirements would be negated for a cash payment of \$10,000 (not paid as at April 30, 2016 or 2017) and issuance of 1,000,000 common shares (issued at a fair value of \$45,000).

During the year ended April 31, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$364,502.

3. Exploration and evaluation assets (continued)

Montauban

Montauban is a gold mineral opportunity located in the regions of Chavigny and Portneuf townships of Quebec.

On June 9, 2017 and September 26, 2017, the Corporation signed a binding letter agreement with DNA Canada Inc, whereby the Corporation will acquire up to a 50% undivided interest in 65 mining claims for consideration as follows:

- a. Earn first 10% interest; by delivering a compliant 43-101 report on all existing tailings and issuing 3,000,000 common shares;
- b. Earn additional 15% interest; obtaining all required permits and issuing 5,000,000 common shares
- c. Earn final 25% interest; by starting production of the tailings and issuing 10,000,000 common shares

The Corporation is working towards finalizing the final option agreement and seeking exchange approval.

Cap-Chat

The Cap-Chat property is a copper, gold and zinc exploration opportunity in the north-central region of the Gaspé Peninsula of Quebec.

On July 21, 2015, the Corporation entered into an option agreement with Dan Lepage and Pierre Ross (the "Optionors") whereby the Corporation can acquire a 100% interest in the Cap-Chat property by making a cash payment of \$10,000 on signing of the agreement (paid) and issuing a total of 1,000,000 common shares to the Optionors on approval from the TSX-V (issued at a fair value of \$37,500).

The property is subject to a 3% net smelter return royalty, of which 1.5% can be purchased by the Corporation for \$1,500,000.

During the period ended July 31, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$nil (year ended April 30, 2017 - \$50,740).

Cascapedia extension

The Corporation staked 10 claims in the south-central region of the Gaspé Peninsula of Quebec.

During the year ended April 31, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$539.

Net smelter royalty

As part of the acquisition of the Vortex claims, the Corporation entered into an agreement with 49 North Resources Inc. to grant a 2% net smelter return "NSR" royalty from the sale of all copper-molybdenum lands portion of the property, excluding the Port Daniel property. The Corporation may, at any time reduce the NSR from 2% to 0.5%, by making a cash payment of \$1,000,000 to 49 North.

4. Common shares and contributed surplus

The Corporation is authorized to issue an unlimited number of common shares without par value.

Common shares issued

On October 17, 2017, the Corporation completed a financing of 733,333 units at an issue price of \$0.06 per unit and 624,750 flow-through common shares at an issue price of \$0.08 per flow-through common share for gross proceeds of \$94,000. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one-half common share purchase warrant with an exercise price of \$0.10 and a term of 36 months. In connection with the financing, the Corporation issued 37,188 broker warrants and paid cash share issue costs totaling \$2,975.

Stock option plan

The directors of the Corporation have adopted, and the shareholders have approved a stock option plan (the "2013 Option Plan"), pursuant to which the directors may from time to time grant options for up to 10% of its issued and outstanding shares. The purpose of the Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation. All stock options granted to officers and directors vest immediately upon issuance; whereas stock options granted to consultants have vesting terms defined at the discretion of the Corporation's board of directors.

A summary of the outstanding and exercisable stock options is as follows:

	January 31, 2018		April 30, 2017	
	Options	Price	Options	Price
Outstanding and exercisable, beginning of period	2,450,000	\$ 0.15	2,450,000	\$ 0.15
Outstanding and exercisable, end of period	2,450,000	\$ 0.15	2,450,000	\$ 0.15

The weighted average remaining life of the Corporation's outstanding stock options is 0.17 years as at January 31, 2018 (April 30, 2017 - 0.93 years). Subsequent to the period the options expired unexercised.

Warrants

A summary of the outstanding warrants is as follows:

	January 31, 2018		April 30, 2017	
	Warrants	Exercise Price	Warrants	Exercise Price
Outstanding, beginning of period	10,085,000	\$ 0.15	12,160,000	\$ 0.15
Warrants granted	366,666	0.10	-	0.15
Warrants expired	(6,485,000)	0.15	(2,075,000)	0.15
Outstanding, end of period	3,966,666	\$ 0.15	10,085,000	\$ 0.15

4. Common shares (continued)
Warrants (continued)

On April 4, 2014, the Corporation issued 2,075,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$45,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 152.07%, and a risk free interest rate of 1.08%. Should the trading price of the Corporation equal or exceed \$0.20 for 20 consecutive trading days, the Corporation may give notice that the warrants will expire in 30 days of such notice. These warrants expire on April 4, 2016. During the year ended April 30, 2016, the Corporation received TSX-V approval to extend the expiry date of these warrants to April 4, 2017. The Corporation used the Black-Scholes option pricing model to fair value the warrant extension (recorded as share-based compensation expense), which was estimated to be \$18,500. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 170.75%, and a risk-free rate of 0.57%. During the period, the warrants expired unexercised.

On May 25, 2014, the Corporation issued 3,985,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$89,100. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 154.52%, and a risk free interest rate of 1.04%. These warrants expire on May 25, 2016. During the year ended April 30, 2016, the Corporation received TSX-V approval to extend the expiry date of these warrants to May 26, 2017. The Corporation used the Black-Scholes option pricing model to fair value the warrant extension (recorded as share-based compensation expense), which was estimated to be \$39,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 168.34%, and a risk-free rate of 0.57%. During the period, the warrants expired unexercised.

On June 24, 2014, the Corporation issued 2,500,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$57,800. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 151.54%, and a risk free interest rate of 1.11%. During the year ended April 30, 2017, the Corporation received TSX-V approval to extend the expiry date of these warrants to June 24, 2017. The Corporation used the Black-Scholes option pricing model to fair value the warrant extension (recorded as share-based compensation expense), which was estimated to be \$27,500. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 188.78%, and a risk-free rate of 0.50%. During the period, the warrants expired unexercised.

On August 11, 2015, the Corporation issued 3,600,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$40,300. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 171.32%, and a risk free interest rate of 0.36%. The expiry date of these warrants were extended by one year and now expire August 11, 2018.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
January 31, 2018

4. Common shares (continued)
Warrants (continued)

On October 17, 2017, the Corporation issued 366,666 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 36 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$12,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 162.48%, and a risk free interest rate of 1.48% and expire October 17, 2020.

Broker warrants

A summary of the outstanding broker warrants and units is as follows:

	January 31, 2018		April 30, 2017	
	Warrants	Price	Warrants	Price
Outstanding, beginning of period	272,000	\$ 0.15	272,000	\$ 0.15
Broker warrants granted	37,188	0.10	-	-
Broker warrants issued	(272,000)	0.15		
Outstanding, end of period	37,188	\$ 0.10	272,000	\$ 0.15

On August 11, 2015, the Corporation issued 272,000 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. The fair value of these warrants was estimated at \$3,537 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 171.32%, and a risk free interest rate of 0.36%. These broker warrants expire on August 10, 2017. Subsequent to the year ended April 30, 2017 these broker warrants expired unexercised.

On October 17, 2017, the Corporation issued 37,188 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 18 months and vest immediately. The fair value of these warrants was estimated at \$1,004 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 157.06%, and a risk free interest rate of 1.48%. These broker warrants expire on April 17, 2019.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
January 31, 2018

4. Common shares (continued)

Contributed surplus

The fair values of certain stock options and broker warrants have been valued using the Black-Scholes option pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

A summary of the contributed surplus activity is as follows:

	January 31, 2018	April 30, 2017
Balance, beginning of period	\$ 1,110,989	\$ 1,083,489
Private placements - warrants	12,000	-
Private placements - broker warrants	1,004	-
Share-based compensation - warrant extension	95,000	27,500
Balance, end of period	\$ 1,218,993	\$ 1,110,989

Other income on settlement of flow-through premium liability

During the year ended April 30, 2016, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$15,000, which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at April 30, 2017, the Corporation had reduced the liability to \$Nil (based on expenditures incurred) and accordingly, had recognized other income in the amount of \$2,800 during the year ended April 30, 2017 (2016 - \$12,200).

During the period ended October 31, 2017, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$15,619, which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at October 31, 2017, the Corporation had not incurred any eligible flow-through expenditures.

5. Deferred income taxes

The significant components of the Corporation's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2017	Expiry Date Range	2016	Expiry Date Range
Share issue costs	\$ 30,000	2038 to 2040	\$ 72,000	2037 to 2040
Exploration and evaluation assets	\$ 3,823,000	No expiry date	\$ 1,654,000	No expiry date
Non-capital losses available for future period	\$ 3,204,000	2027 to 2037	\$ 2,996,000	2027 to 2036

Tax attributes are subject to review, and potential adjustment, by tax authorities.

6. Commitments

Mining claims obligations

In order to maintain the Corporation's mining claims, the Corporation must pay the following annual statutory obligations and perform the listed minimum annual work on the properties. These obligations are prescribed by the Ministère des Ressources Naturelles du Québec and may change in the future.

Minimum annual statutory obligations and exploration expenditures are approximately as follows:

	Annual statutory obligations
Vortex	\$ 64,870
Port Daniel	3,900
Murdoch	-
Montauban	11,700
Cascapedia extension	1,560
	\$ 82,030

The Corporation has met the minimum annual statutory obligations for the current year.

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to Government licensing requirements or regulations, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements.

7. Related party transactions

Compensation of key executive personnel

For the nine months ended January 31	2018	2017
Consulting fees to officers	\$ 40,000	\$ 60,000
	\$ 40,000	\$ 60,000

Consulting fees paid or accrued to directors and officers or companies controlled by directors and officers are recorded in management fees, general and administrative or as applicable capitalized to the exploration and evaluation assets.

During the period ended January 31, 2018, a \$40,000 (2016 - \$60,000) expense was recorded for consulting services provided by companies controlled by directors and officers of the Corporation. As at January 31, 2018 the Corporation owed \$352,380 (April 30, 2017 - \$287,738) related to such services, which is included in accounts payable and accrued liabilities.

8. Capital management

The Corporation's objectives when managing capital are:

- (a) to allow the Corporation to respond to changes in economic and/or marketplace conditions by maintaining the Corporation's ability to continue its exploration programs;
- (b) to provide sustained growth and value by increasing equity; and
- (c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) raising capital through equity financings; and
- (b) borrowing funds in the form of advances from related parties.

The Corporation is not subject to any capital requirements imposed by a regulator. There were no changes in the Corporation's approach to capital management during the current year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

9. Financial instruments

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 fair value of the Corporation's other receivables and accounts payable and accrued liabilities approximate their carrying values. The Corporation's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

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

Credit Risk

The Corporation's credit risk is primarily attributable to cash. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

9. Financial instruments

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2018, the Corporation had a cash balance of \$55,969 to settle current liabilities of \$534,601.

The Corporation has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Corporation will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Corporation is not exposed to risk in the event of interest rate fluctuations. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.

10. Events after the reporting period

Subsequent to the reporting period, The Corporation issued 200,000 common shares pursuant to an asset purchase agreement.