

TROYMET EXPLORATION CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**SIX MONTHS ENDED APRIL 30, 2018
(UNAUDITED)**

EXPRESSED IN CANADIAN DOLLARS

Notice to Reader

The accompanying unaudited condensed consolidated interim financial statements of Troymet Exploration Corp. for the six months ended April 30, 2018 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Corporation. These statements have not been reviewed by the Corporation's external auditors.

Dated June 22, 2018

“Kieran Downes”

Kieran Downes
President and Chief Executive Officer

“Joseph Meagher”

Joseph Meagher
Chief Financial Officer

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in Canadian Dollars)

	April 30 2018	October 31 2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 5)	\$ 326,571	\$ 179,365
Accounts receivable	4,721	2,100
Prepaid expenses	7,414	791
	338,706	182,256
RECLAMATION ADVANCES (Note 6)	22,018	22,094
MINERAL EXPLORATION AND EVALUATION ASSETS (Note 7)	355,761	376,497
INVESTMENT IN McCLARTY LAKE (Note 8)	1	1
	\$ 716,486	\$ 580,848
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 11)	\$ 17,124	\$ 12,719
EQUITY		
SHARE CAPITAL (Note 9)	9,159,714	9,159,714
RESERVE (Note 10)	1,054,056	1,054,056
DEFICIT	(9,515,466)	(9,646,775)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
- CUMULATIVE TRANSLATION ADJUSTMENTS	1,058	1,134
	699,362	568,129
	\$ 716,486	\$ 580,848

See accompanying notes to condensed consolidated interim financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited – Expressed in Canadian Dollars)

	3 Months April 30 2018	3 Months April 30 2017	6 Months April 30 2018	6 Months April 30 2017
EXPENSES				
Foreign exchange	\$ (493)	\$ -	\$ 52	\$ -
General and administration	9,402	4,574	14,177	8,786
Management fees (Note 11)	27,000	14,000	57,000	20,000
Professional fees	37,513	4,292	48,160	10,485
Public company costs	16,468	7,120	35,841	18,917
Travel and related costs	3,583	2,515	14,024	9,235
	93,473	32,501	169,254	67,423
LOSS BEFORE OTHER INCOME	(93,473)	(32,501)	(169,254)	(67,423)
FINANCE INCOME	434	161	563	354
SALE OF NET SMELTER ROYALTY (Note 7)	300,000	-	300,000	-
NET INCOME (LOSS)	206,961	(32,340)	131,309	(67,069)
OTHER COMPREHENSIVE LOSS				
Exchange difference on translating foreign operations	720	39,697	(76)	15,205
COMPREHENSIVE INCOME (LOSS)	\$ 207,681	\$ 7,357	\$ 131,233	\$ (51,864)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	121,856,225	121,856,225	121,856,225	121,856,225
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.00)

See accompanying notes to condensed consolidated interim financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserve	Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance, October 31, 2016	121,856,225	\$ 9,159,714	\$ 1,054,056	\$ (7,775,619)	\$ 27,540	\$ 2,465,691
Loss for the period	-	-	-	(67,069)	-	(67,069)
Exchange difference on translating foreign operations	-	-	-	-	15,205	15,205
Balance, April 30, 2017	121,856,225	9,159,714	1,054,056	(7,842,688)	42,745	2,413,827
Loss for the period	-	-	-	(1,804,087)	-	(1,804,087)
Exchange difference on translating foreign operations	-	-	-	-	(41,611)	(41,611)
Balance, October 31, 2017	121,856,225	9,159,714	1,054,056	(9,646,775)	1,134	568,129
Income for the period	-	-	-	131,309	-	131,309
Exchange difference on translating foreign operations	-	-	-	-	(76)	(76)
Balance, April 30, 2018	121,856,225	\$ 9,159,714	\$ 1,054,056	\$ (9,515,466)	\$ 1,058	\$ 699,362

See accompanying notes to condensed consolidated interim financial statements.

TROYMET EXPLORATION CORP.
Condensed Consolidated Interim Statements of Cash Flow
For the Six Months Ended
(Unaudited – Expressed in Canadian Dollars)

	April 30 2018	April 30 2017
OPERATING ACTIVITIES		
Net income (loss)	\$ 131,309	\$ (67,069)
Sale of net smelter royalty	(300,000)	-
	(168,691)	(67,069)
Changes in non-cash working capital		
Accounts receivable	(2,621)	9,906
Prepaid expenses	(6,623)	(2,206)
Accounts payable and accrued liabilities	4,405	(2,671)
CASH USED IN OPERATING ACTIVITIES	(173,530)	(62,040)
INVESTING ACTIVITIES		
Investment in mineral exploration and evaluation assets	(7,767)	(60,465)
Sale of net smelter royalty	300,000	-
Refund of Mineral Exploration Tax Credit	28,503	-
Reclamation advances refunded	-	18,091
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	320,736	(42,374)
CHANGE IN CASH AND CASH EQUIVALENTS	147,206	(104,414)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	179,365	298,677
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 326,571	\$ 194,263
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest received	\$ 563	\$ 354
Income tax paid	\$ -	\$ -
CASH AND CASH EQUIVALENTS		
Cash	\$ 75,601	\$ 69,189
Guaranteed investment certificate	250,970	125,074
	\$ 326,571	\$ 194,263

See accompanying notes to condensed consolidated interim financial statements.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended April 30, 2018
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

1. NATURE OF OPERATIONS

Troymet Exploration Corp. (the "Company") of Box 37033 Country Club PO, Nanaimo, British Columbia V9T 6N4, was incorporated under the *Business Corporations Act* (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc. and Cash Minerals Ltd. was completed on August 7, 2007. The Company was listed on the TSX Venture Exchange on September 20, 2007 and trades under the symbol "TYE".

2. GOING CONCERN

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company is in the process of exploring and evaluating its mineral exploration and evaluation assets. On the basis of the information to date, it has not yet determined whether these assets contain economically recoverable ore reserves. The underlying value of the mineral exploration and evaluation assets and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral exploration and evaluation assets and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

The Company's ability to continue as a going concern is dependent on accessing capital markets or entering into collaborative agreements that would provide additional financing. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Realization values may be substantially different from carrying values as shown. These condensed consolidated interim financial statements do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

3. BASIS OF PRESENTATION

Statement of Compliance

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2017 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended April 30, 2018
(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

3. BASIS OF PRESENTATION (continued)

Approval of the Financial Statements

The condensed consolidated interim financial statements of the Company for the six months ended April 30, 2018 were authorized for issue on June 22, 2018 by the Board of Directors of the Company.

Measurement Basis

The condensed consolidated interim financial statements are presented in Canadian dollars. The condensed consolidated interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments, which are stated at their fair values.

Principles of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary, Troymet USA LLC ("Troymet USA"), which was incorporated in the USA during the year ended October 31, 2015. All intercompany transactions and balances have been eliminated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 4 to the audited financial statements for the year ended October 31, 2017.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of these condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant Accounting Estimates

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets (including the Company's investment in McClarty Lake), the recoverability and measurement of deferred income tax assets and liabilities, the recognition and valuation of provisions for restoration and environmental liabilities, and assumptions used in valuing options in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year include the Company's going concern assessment and the determination of Troymet USA's functional currency.

5. CASH AND CASH EQUIVALENTS

At April 30, 2018, the Company held a guaranteed investment certificate ("GIC") with a total value of \$250,970 (October 31, 2017 - \$100,452).

The GIC is cashable, has a principal amount of \$250,716, bears interest at 1.85% and matures on April 10, 2019.

Included in the balance of cash and cash equivalents is \$254 (October 31, 2017 - \$452) of accrued interest.

6. RECLAMATION ADVANCES

During the year ended October 31, 2015, the Company advanced \$5,000 to the Minister of Finance of British Columbia as a security deposit for exploration work on the Redhill property (Note 7(a)). The amount is without interest.

During the year ended October 31, 2016, the Company advanced US \$22,070 to the State of Utah Department of Natural Resources as surety for exploration work on the Wildcat property (Note 7(c)). The amount is without interest. During the year ended October 31, 2017, the Company advanced an additional US \$4,430 and received a refund of US \$13,242. At April 30, 2018, US \$13,258 remains advanced for surety.

7. MINERAL EXPLORATION AND EVALUATION ASSETS

a) Redhill

On July 8, 2015, the Company entered into an option agreement with Homegold Resources Ltd. ("Homegold"). Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on the first and second anniversaries of the agreement (paid);
- \$10,000 on the third anniversary of the agreement;
- \$40,000 on the fourth through ninth anniversaries of the agreement; and
- \$235,000 on the tenth anniversary of the agreement.

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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

a) Redhill (continued)

In addition to the option payments, the Company must spend \$500,000 on exploration as follows:

- \$20,000 on or before the first anniversary of the agreement (spent);
- \$50,000 on or before the second anniversary of the agreement (spent);
- \$150,000 on or before the third anniversary of the agreement (spent);
- \$30,000 on or before the fourth through ninth anniversaries of the agreement (spent); and
- \$100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% net smelter returns royalty (“NSR”), half (1%) of which can be purchased by the Company for \$1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of \$500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company’s election and excess expenditures in any year will be credited towards future years.

b) Golden Eagle

Pursuant to an option agreement dated September 24, 2001, the Company acquired a 100% interest in the Golden Eagle property located in British Columbia. The Company has granted the optionor a 1% NSR.

During the year ended October 31, 2017, the Company determined that the Golden Eagle property was impaired. An impairment charge of \$1,013,603 was recognized in net loss for the year ended October 31, 2017.

c) Wildcat

On February 23, 2015, Troymet USA entered into an option agreement with Renaissance Exploration Inc. (“RenEx”). Under the terms of the option, the Company may acquire a 70% interest in the Wildcat gold project located in Utah, by paying RenEx US \$50,000 in cash (paid), reimbursing claim fees of US \$8,219 (reimbursed), incurring exploration expenditures of US \$3,000,000 over seven years and completing a bankable feasibility study. The minimum annual work commitments are as follows:

- US \$50,000 during the first year of the agreement (spent);
- an additional US \$250,000 during the second year of the agreement (spent);
- an additional US \$350,000 during the third year of the agreement; and
- an additional US \$500,000 during each of the fourth through seventh years of the agreement.

The Company determined it would be unable to meet the annual work commitment due February 23, 2018. An impairment charge of \$730,663 was recognized in net loss for the year ended October 31, 2017.

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7. MINERAL EXPLORATION AND EVALUATION ASSETS (continued)

d) Key Property

Troymet completed the sale of its 100% interest in the Key property to New Gold in December 2013. As part of the transaction, Troymet was granted a 2% NSR on the Key property.

During the six months ended April 30, 2018, the Company sold one-half of its 2% NSR to New Gold for \$300,000 cash. If a valuation condition in relation to an arm's length third party private company is satisfied before April 9, 2020, the Company will receive an additional \$81,250. As the valuation condition is uncertain, the Company has only recognized the \$300,000 received to date. New Gold can purchase the remaining 1% for \$2,000,000 cash.

At April 30, 2018, expenditures incurred on mineral exploration and evaluation assets are as follows:

	Golden			
	Redhill	Eagle	Wildcat	Total
Balance, October 31, 2016	\$ 376,972	\$ 1,012,003	\$ 755,118	\$ 2,144,093
Deferred Exploration Costs				
Drilling	30,095	-	-	30,095
Geochemistry / Assays	743	-	-	743
Geological	39,516	1,600	1,788	42,904
Geophysical	23,590	-	-	23,590
Total Deferred Exploration Costs	93,944	1,600	1,788	97,332
Mineral Exploration Tax Credit	(94,419)	-	-	(94,419)
Impairment	-	(1,013,603)	(730,663)	(1,744,266)
Cumulative Translation Adjustment	-	-	(26,243)	(26,243)
Balance, October 31, 2017	376,497	-	-	376,497
Acquisition Costs	5,000	-	-	5,000
Deferred Exploration Costs				
Drilling	1,200	-	-	1,200
Geological	1,567	-	-	1,567
Total Deferred Exploration Costs	2,767	-	-	2,767
Mineral Exploration Tax Credit	(28,503)	-	-	(28,503)
Balance, April 30, 2018	\$ 355,761	\$ -	\$ -	\$ 355,761

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8. INVESTMENT IN McCLARTY LAKE

The McClarty Lake property is comprised of five contiguous mineral claims totaling 596 hectares. The Company owns 100% of three of the claims that were staked in 2000. Pursuant to an option agreement between the Company and Hudson Bay Exploration and Development Company Limited ("HBED"), dated February 15, 2000 and amended on September 28, 2000, August 31, 2001, August 31, 2005 and June 28, 2007, the Company had an option to acquire a 60% interest in two claims comprising 252 hectares. As consideration, the Company made option payments totaling \$125,000 to HBED. No further option payments are required.

The Company has fulfilled the expenditure requirements and completed the earn-in requirements of the option agreement by incurring \$800,000 of exploration expenditures on or before August 15, 2008. Pursuant to the option agreement, HBED incurred sufficient expenditures to earn back a 20% interest in the two claims covered by the option agreement by spending \$750,000 on exploration and development. This earn-back was completed in June 2011.

On July 30, 2012, the Company signed an agreement with HBED for joint exploration of the McClarty Lake property. Both companies, having previously incurred expenditures on the McClarty Lake property, agreed to combine their interests and jointly explore the property going forward, with the Company incurring 40% of the expenditures and HBED incurring 60% of the expenditures. No new entity was created upon signing of the agreement. The Company's contribution to the McClarty Lake agreement was its exploration expenditures on the McClarty Lake property of \$1,557,428. Under terms of the agreement, HBED must contribute \$1,151,052 in joint venture expenditures before the Company is required to fund its participating interest.

During the year ended October 31, 2016, the Company recorded an impairment of \$1,565,117 related to the investment in McClarty Lake as a result of no exploration plan for the foreseeable future by either HBED or the Company.

9. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

b) Issued

The Company did not issue shares during the six months ended April 30, 2018 or the year ended October 31, 2017.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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9. SHARE CAPITAL (continued)

c) Stock Options

The Company has a stock option plan where the Company may grant options to its directors, officers, key employees and consultants for up to 10% of the outstanding common shares of the Company. Options granted may not exceed a term of 10 years from the date of grant. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a 12-month period with no more than 25% of the options vesting in any three-month period. The Company has issued stock options to acquire common shares as follows:

	Options Outstanding	Weighted Average Exercise Price
Balance at October 31, 2016	5,000,000	\$ 0.06
Expired on July 9, 2017	(850,000)	\$ 0.10
Balance at October 31, 2017 and April 30, 2018	4,150,000	\$ 0.05

Options Outstanding

A summary of options outstanding at April 30, 2018 is as follows:

Number of Shares Under Option	Number of Options Exercisable	Exercise Price	Expiry Date
1,350,000	1,350,000	\$ 0.05	January 16, 2025
600,000	600,000	\$ 0.05	December 7, 2025
2,200,000	2,200,000	\$ 0.05	April 4, 2026
4,150,000	4,150,000		

At April 30, 2018, the weighted average remaining life of the options is 7.49 years (October 31, 2017 – 7.99 years).

d) Share Purchase Warrants

The Company had no share purchase warrants outstanding during the six months ended April 30, 2018 or the year ended October 31, 2017.

10. RESERVE

The share-based payment reserve records stock options recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

TROYMET EXPLORATION CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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11. RELATED PARTY TRANSACTIONS

Key management personal compensation

The Company has paid fees of \$57,000 (2017 - \$60,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in general and administration expenses and exploration and evaluation assets as outlined below:

	April 30, 2018		April 30, 2017
Short-term compensation:			
Management fees	\$	57,000	\$ 20,000
Geological	\$	-	\$ 40,000

Management fees consisted of \$12,000 (2017 - \$12,000) paid to a company controlled by the Chief Financial Officer and \$45,000 (2017 - \$8,000) paid to a company controlled by the President and Chief Executive Officer. Geological consisted of \$nil (2017 - \$40,000) paid to a company controlled by the President and Chief Executive Officer.

At April 30, 2018, included in accounts payable and accrued liabilities was \$nil (October 31, 2017 - \$240) due to companies controlled by officers for expense reimbursements. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

12. FINANCIAL RISK MANAGEMENT

a) Overview

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development and financing activities, such as credit risk, liquidity risk and market risk.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management guidelines. The Company's risk management guidelines are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

b) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

TROYMET EXPLORATION CORP.
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12. FINANCIAL RISK MANAGEMENT (continued)

b) Credit Risk (continued)

The maximum exposure to credit risk at period-end is as follows:

	April 30, 2018	October 31, 2017
Cash and cash equivalents	\$ 326,571	\$ 179,365
Accounts receivable	4,721	2,100
	\$ 331,292	\$ 181,465

All of the Company's operations are conducted in Canada and the USA. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by chartered banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

The Company's accounts receivable consisted entirely of GST receivable at April 30, 2018 and October 31, 2017.

As at April 30, 2018 and October 31, 2017, the Company's accounts receivable were current (less than 90 days).

The Company believes that all outstanding balances are collectible, and therefore there is no allowance for doubtful accounts at April 30, 2018 or October 31, 2017.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operation requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

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12. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity Risk (continued)

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at April 30, 2018 are summarized below:

	Carrying amount	Contractual cash flows	Less than one year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Trade and other payables	\$ 17,124	\$ -	\$ 17,124	\$ -	\$ -	\$ -
	\$ 17,124	\$ -	\$ 17,124	\$ -	\$ -	\$ -

d) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company expects fluctuations in finance income as a result of interest rate fluctuations to be minimal.

e) Commodity Price Risk

The Company's ability to raise the capital required to fund exploration or development activities is subject to risk associated with the market price of gold and base metals and the outlook for these commodities.

f) Fair Value

Financial instruments recorded at fair value on the condensed consolidated interim statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

12. FINANCIAL RISK MANAGEMENT (continued)

f) Fair Value (continued)

The following table presents the financial instruments recorded at fair value in the condensed consolidated interim statements of financial position, classified using the fair value hierarchy described above:

April 30, 2018		Level 1		Level 2		Level 3
Cash and cash equivalents	\$	326,571	\$	-	\$	-
October 31, 2017		Level 1		Level 2		Level 3
Cash and cash equivalents	\$	179,365	\$	-	\$	-

Due to the short-term maturity of the Company's existing financial assets and liabilities, the carrying value approximates the fair value.

13. MANAGEMENT OF CAPITAL

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic and financial market conditions. The Company considers its capital structure to include shareholders' equity and working capital. In order to maintain or adjust the capital structure, the Company may issue shares and adjust its spending to manage current and projected cash levels.

As the Company is in the exploration stage, it endeavors to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

The Company facilitates the management of capital through preparation of annual expenditure budgets and cash forecasts that are updated as necessary. There were no changes in the Company's approach to capital management during the six months ended April 30, 2018.

The Company is not exposed to externally imposed capital requirements.

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(Unaudited – Expressed in Canadian Dollars, unless otherwise stated)

14. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical Segment

April 30, 2018	Canada	USA	Total
Non-current assets	\$ 361,896	\$ 15,884	\$ 377,780

October 31, 2017	Canada	USA	Total
Non-current assets	\$ 382,795	\$ 15,797	\$ 398,592

15. SUBSEQUENT EVENT

Subsequent to April 30, 2018, the Company sold its Investment in McClarty Lake to an arm's length private purchaser for \$100,000 cash and 2,250,000 common shares of the private purchaser. The Company issued 2,250,000 common shares to the purchaser as part of the sale agreement.