BlueRiver Resources Ltd.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2018

(EXPRESSED IN CANADIAN DOLLARS - UNAUDITED)

BLUE RIVER RESOURCES LTD.
INDEX TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
April 30, 2018
(Expressed in Canadian Dollars – Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars – Unaudited)

	April 30, 2018	October 31, 2017
	$	$
ASSETS		
Current assets		
Cash	**13,450**	-
Receivables	**2,690**	2,231
Prepaid expenses	**22,805**	17,383
Available-for-sale financial asset (Note 4)	**51,562**	65,428
	90,507	85,042
Equipment, net	**1,173**	1,281
Exploration and evaluation assets (Note 4)	**1**	1
Due from related party (Note 12)	**67,019**	-
Reclamation bond (Note 5)	**10,000**	10,000
TOTAL ASSETS	**168,700**	96,324
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	**-**	5,279
Demand loan payable	**14,066**	12,936
Accounts payable and accrued liabilities (Note 6)	**448,415**	447,386
Due to related parties (Note 12)	**166,099**	161,601
Promissory note (Note 7)	**38,836**	37,348
	667,416	664,550
Shareholders' equity		
Share capital (Note 8)	**10,141,087**	9,644,287
Share subscriptions (Note 8)	**40,000**	40,000
Reserves	**230,535**	252,344
Deficit	**(10,910,338)**	(10,504,857)
	(498,716)	(568,226)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**168,700**	96,324

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 14)

Approved and authorized on behalf of the Board:

"Griffin Jones", Director   *"Nadwynn Sing"*, Director

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

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars – Unaudited)

	For the three months ended April 30,		For the six months ended April 30,	
	2018	2017	**2018**	2017
	$	$	**$**	$
OPERATING EXPENSES				
Consulting fees	**129,900**	106,065	**245,847**	321,762
Depreciation	**54**	68	**108**	136
Financing fees	**727**	2,507	**2,659**	5,249
Management fees (Note 12)	**45,000**	45,000	**90,000**	94,500
Office expenses	**3,560**	2,676	**3,889**	4,013
Professional fees	**10,120**	18,543	**18,660**	23,103
Regulatory and shareholder services	**7,172**	12,659	**18,378**	17,158
Rent	**11,802**	11,894	**23,605**	23,448
Telephone	**-**	219	**-**	446
Travel and related	**701**	12,491	**701**	27,027
OPERATING LOSS	**(209,036)**	(212,122)	**(403,847)**	(516,842)
OTHER ITEMS				
Impairment of exploration and evaluation assets (Note 4)	**(10,000)**	(2,313)	**(10,000)**	(14,883)
Interest income	**-**	32	**-**	32
Gain on foreign exchange	**1,220**	4,835	**2,447**	4,914
	(8,780)	2,554	**(7,553)**	(9,937)
NET LOSS FOR THE PERIOD	**(217,816)**	(209,568)	**(411,400)**	(526,779)
OTHER COMPREHENSIVE INCOME (LOSS)				
Net change in fair value of available-for-sale financial asset, net of tax (Note 3)	**(6,317)**	5,437	**(15,890)**	20,989
COMPREHENSIVE LOSS FOR THE PERIOD	**(224,133)**	(204,131)	**(427,290)**	(505,790)
BASIC AND DILUTED LOSS PER SHARE:				
Net loss for the period	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Comprehensive loss for the period	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING	**191,571,470**	124,965,756	**173,519,426**	121,404,983

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

BLUE RIVER RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY
(Expressed in Canadian Dollars – Unaudited)

	Common shares			Reserves					
	Number	**Amount**	**Share subscriptions**	**Warrants**	**Stock options**	**Revaluation reserve**	**Total**	**Deficit**	**Total**
		$	$	$	$	$	$	$	$
Balance at October 31, 2016	106,365,756	8,056,968	225,600	63,262	228,127	25,163	316,552	(8,618,032)	(18,912)
Shares issued in private placement	16,250,000	812,500	(225,600)	-	-	-	-	-	586,900
Share issuance costs	-	(102,350)	-	35,750	-	-	35,750	-	(66,600)
Stock options exercised	2,350,000	194,095	-	-	(76,595)	-	(76,595)	-	117,500
Share subscriptions received	-	-	57,528	-	-	-	-	-	57,527
Comprehensive loss for the period	-	-	-	-	-	20,989	20,989	(526,779)	(505,790)
Balance at April 30, 2017	124,965,756	8,961,213	57,528	99,012	151,532	46,152	296,696	(9,144,811)	170,626
Shares issued in private placement	14,285,714	500,000	-	-	-	-	-	-	500,000
Shares issued for exploration and evaluation assets	500,000	22,500	-	-	-	-	-	-	22,500
Shares issued for debt settlement	2,000,000	90,000	-	-	-	-	-	-	90,000
Share issuance costs	-	70,574	-	(26,211)	-	-	(26,211)	-	44,363
Share subscriptions received	-	-	(17,528)	-	-	-	-	-	(17,528)
Forfeiture of warrants	-	-	-	(12,977)	-	-	(12,977)	12,977	-
Comprehensive loss for the period	-	-	-	-	-	(5,164)	(5,164)	(1,373,023)	(1,378,187)
Balance at October 31, 2017	141,751,470	9,644,287	40,000	59,824	151,532	40,988	252,344	(10,504,857)	(568,226)
Shares issued in private placement	50,000,000	500,000	-	-	-	-	-	-	500,000
Share issuance costs	-	(3,200)	-	-	-	-	-	-	(3,200)
Forfeiture of warrants	-	-	-	(5,919)	-	-	(5,919)	5,919	-
Comprehensive loss for the period	-	-	-	-	-	(15,890)	(15,890)	(411,400)	(427,290)
Balance at April 30, 2018	**191,751,470**	**10,141,087**	**40,000**	**53,905**	**151,532**	**25,098**	**230,535**	**(10,910,338)**	**(498,716)**

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

BLUE RIVER RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars – Unaudited)

	For the six months ended April 30,	
	2018	2017
	$	$
OPERATING ACTIVITIES		
Net loss for the period	**(411,400)**	(526,779)
Depreciation	**108**	136
Accrued interest	**2,618**	3,774
Non-cash consulting fees	**-**	30,000
Impairment of exploration and evaluation assets	**-**	14,883
Unrealized foreign exchange gain	**(2,024)**	(4,912)
	(410,698)	(482,898)
Changes in non-cash working capital:		
Receivables	**(459)**	8,514
Prepaid expenses	**(5,422)**	4,462
Accounts payable and accrued liabilities	**6,029**	(89,244)
CASH USED IN OPERATING ACTIVITIES	**(410,550)**	(559,166)
INVESTING ACTIVITY		
Exploration and evaluation asset expenditures	**(5,000)**	(269,591)
CASH USED IN INVESTING ACTIVITIES	**(5,000)**	(269,591)
FINANCING ACTIVITIES		
Shares issued for cash	**500,000**	556,900
Share issuance costs	**(3,200)**	(1,600)
Stock options exercised	**-**	117,500
Share subscriptions received	**-**	57,528
Bank indebtedness	**(5,279)**	-
Net funds paid to related parties	**(62,521)**	(95,722)
CASH RECEIVED FOR FINANCING ACTIVITIES	**429,000**	634,606
NET CHANGE IN CASH	**13,450**	(194,151)
CASH, BEGINNING OF PERIOD	**-**	196,186
CASH, END OF PERIOD	**13,450**	2,035

Supplemental Disclosure with Respect to Cash Flows (Note 13)

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

NOTE 1 - NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Blue River Resources Ltd. (the "Company") was incorporated on September 26, 2008 under the Business Corporations Act (British Columbia) and the Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "BXR". The Company is in the business of acquisition, exploration and development of mineral properties.

The head office and principal address of the Company are located at Suite 501 – 525 Seymour Street, Vancouver, B.C., V6B 3H7. The Company's records office and registered address is Suite 700 – 401 West Georgia Street, Vancouver, B.C, V6B 5A1.

Going concern

The Company's mineral properties are at the exploration stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities. The amounts shown as exploration and evaluation assets represent acquisition, holding and deferred exploration costs and do not necessarily represent present or future recoverable values. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the Company obtaining the necessary financing to complete the exploration and development of the properties, the discovery of economically recoverable reserves and future profitable operations.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2018, the Company had a working capital deficit of $576,909 (October 31, 2017 – $579,508), had not advanced its properties to commercial production, and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to raise equity capital or borrowings sufficient to meet current and future obligations. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with proceeds from the exercise of options and warrants and further private placements.

The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations as a going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounts Standards ("IAS") 34, "Condensed Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

This condensed interim consolidated financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements of the Company for the year ended October 31, 2017.

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on June 28, 2018.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable and are presented in Canadian dollars unless otherwise noted.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Blue River Resources Inc., incorporated under the Laws of the State of Wyoming. All material intercompany balances and transactions have been eliminated upon consolidation.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates and assumptions as the basis for determining the stated amounts include the recoverability of mineral properties, valuation of share-based compensation and other equity based payments and the recoverability and measurement of deferred tax assets and liabilities. Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes
In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Critical judgments exercised in apply accounting policies that have the most significant effects on the amounts recognized in the condensed interim consolidated financial statements are as follows:

Determination of functional currency
The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

Use of estimates and judgments - *continued*

Economic recoverability and probability of future economic benefits of exploration and evaluation assets
Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Changes in accounting standards

The Company has adopted the following accounting standards effective November 1, 2017 which had no significant impact on the condensed interim consolidated financial statements:

- Amendments to IAS 7, Statement of Cash Flows
- Amendments to IAS 12, Income Taxes

New and Future Accounting Pronouncements

The following pronouncements and amendments are effective for the Company's annual periods beginning on or after November 1, 2018 unless otherwise stated. Adopting these standards is expected to have minimal or no impact on the condensed interim consolidated financial statements.

a. IFRS 2 – Share Based Payments: the amendments eliminate the diversity in practice in the classification and measurement of particular share-based payment transactions which are narrow in scope and address specific areas of classification and measurement. It is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted provided it is disclosed. Management determined this standard will not have a material effect on the Company's condensed interim consolidated financial statements.

b. IFRS 9 – Financial Instruments: Classification and Measurement: applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management determined this standard will not have a material effect on the Company's condensed interim consolidated financial statements .

c. IFRS 15 – Revenue from Contracts with Customers: establishes principles that an entity shall report more useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. More specifically to production (and sales) based royalties, variable consideration is estimated and included in the transaction price to the extent it is highly probable that there will be no significant reversal in the amount of cumulative revenue recognized when the uncertainty is resolved. This new approach to variable revenue could accelerate the recognition of revenue which depends on future production (or sales) levels. The standard was issued in May 2014 and is effective for annual periods beginning on or after January 1, 2018. Management determined this standard will not have a material effect on the Company's condensed interim consolidated financial statements .

d. IFRS 16 – Leases: 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. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. Management is currently evaluating the impact this standard will have on the Company's condensed interim consolidated financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – *continued*

New and Future Accounting Pronouncements - ***continued***

e. IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the 'date of the transaction' when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management determined this standard will not have a material effect on the Company's condensed interim consolidated financial statements.

f. IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

NOTE 3 – AVAILABLE-FOR-SALE FINANCIAL ASSET

In March 2014, the Company closed an agreement with Global Resources Investment Ltd., an arm's length party to the Company, pursuant to which the Company subscribed to 359,515 shares of Global Resources Investment Trust PLC ("GRIT shares") at a subscription price of £1 per share. In consideration of the purchase of the GRIT shares, the Company issued to GRIT 10,000,000 common shares at a price of £0.0360 per share, which was the equivalent of $0.067 per share.

On acquisition, the GRIT shares were valued at $670,000. The GRIT shares have been designated as an available-for-sale financial asset and are recorded at fair value with the unrealized gains and losses being recognized in other comprehensive income (loss). Fair value is determined by reference to the closing market price at each reporting date. The cumulative unrealized gain or loss that is recognized in other comprehensive income is recognized in the statement of profit or loss when the available-for-sale financial asset is sold or impaired.

As at April 30, 2018, the remaining 332,809 (October 31, 2017 – 332,809) GRIT shares had a fair value of $51,562 (October 31, 2017 - $65,428) which resulted in a revaluation loss of $15,890 (April 30, 2017 – gain of $20,989) to other comprehensive income (loss).

(Expressed in Canadian Dollars – Unaudited)

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

	Castle Project (Canada) $	Mazama Copper Project (USA) $	Banlung Gold Project (Cambodia) $	Total $
Balance, October 31, 2016	**1**	**1**	**456,863**	**456,865**
Acquisition costs	-	42,500	-	42,500
Deferred costs				
Consulting – geological	-	16,848	-	16,848
General exploration expenditures	-	-	466,880	466,880
Total costs incurred during the year	-	59,348	466,800	526,228
Write off	-	(59,349)	(923,743)	(983,092)
Balance, October 31, 2017	**1**	**-**	**-**	**1**
Acquisition costs	-	10,000	-	10,000
Write off	-	(10,000)	-	(10,000)
Balance, April 30, 2018	**1**	**-**	**-**	**1**

Title to mineral properties

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral property interests. The Company has investigated title to all of its mineral property interests and to the best of management's knowledge, title to all of its properties are in good standing and free of material defect.

CASTLE PROJECT – British Columbia, Canada

The Castle Project was comprised of four mineral claim groups located in the Similkameen area of British Columbia: RATS Claim, Claimbank Claim, South Castle Claim, and Delorme claim. Certain of the claims are subject to a net smelter return royalty ("NSR") on any ore production from the property. The Company continues to hold an interest in two claims measuring 587.6 hectares.

The Castle Project is carried at a nominal carrying value of $1 as management did not have further plans to explore the property, however, recent exploration activity in the area has renewed interest in the Princeton / Nicola area.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS – *continued*

MAZAMA COPPER PROJECT – Washington, USA

On February 25, 2013, as amended on February 25, 2015, the Company signed an option agreement to acquire a 100% beneficial right, title, and interest in and to a property located in Okanogan County, Washington State, USA. Certain terms of the agreement were amended on February 25, 2015 and February 16, 2017. On June 20, 2013, the TSX-V approved the transaction.

Under the terms of the amended option agreement, the Company will earn a 100% interest in the property subject to the following:

- The Company must pay a total of $260,000 cash as follows:
  - $5,000 upon approval by the TSX-V (paid);
  - $10,000 on or before July 30, 2013 (paid);
  - $20,000 on or before August 19, 2013 (paid);
  - $50,000 on or before June 20, 2014 (paid);
  - $70,000 on or before September 30, 2015 (paid); and
  - $105,000 on or before May 28, 2017 ($10,000 paid).
- The Company must issue a total of 6,000,000 common shares of the Company to the vendor:
  - 500,000 common shares before July 20, 2013 (issued for a value of $42,500);
  - 500,000 common shares every three months from February 25, 2013 for a total of 4,500,000 shares (2,000,000 common shares issued at a value of $160,000, 500,000 issued at a value of $32,500 and 2,000,000 common shares issued at a value of $90,000);
  - 500,000 shares on or before July 30, 2016 (issued at a value of $22,500); and
  - 500,000 shares on or before March 7, 2017 (issued for a value of $22,500).

Further to the terms of the amended option agreement, the Company agreed to incur minimum exploration and development expenses of $125,000 by June 20, 2014 (incurred); a further $150,000 by December 27, 2017 (incurred); and a further $175,000 by December 27, 2018.

The vendor retained a 3.0% net smelter return royalty ("NSR") on any ore production from the property. The Company is eligible to purchase a 1% NSR at anytime by making a cash payment of $1,000,000 and an additional 1% for $2,000,000.

In connection with the amended agreement dated February 16, 2017, the Company also entered into a Debt Settlement Agreement to settle $100,000 of the cash owed for 2,000,000 shares. The Company issued the shares to settle the obligations in June 2017 (Note 8).

As at October 31, 2017, the property had lapsed and as a result, the Company abandoned the option and recorded an impairment of $59,349. During the six months ended April 30, 2018, the Company recorded an impairment of $10,000 relating to the payment of unpaid acquisition costs paid to the optionors during the period.

(Expressed in Canadian Dollars – Unaudited)

NOTE 4 – EXPLORATION AND EVALUATION ASSETS – *continued*

BANLUNG GOLD PROJECT – Cambodia

In May 2016, the Company entered into a property option agreement with Angkor Gold Corp. ("Angkor") to explore Angkor's 100% owned Banlung Tenement located in Cambodia.

The agreement gives the Company the option to acquire up to a 70% participating interest through the exercising of four options as follows:

- Option 1 to acquire a 10% participating interest – the Company must pay Angkor US$100,000 of which US$50,000 is to be paid upon signing the agreement (paid) and US$50,000 is to be paid within 30 days after the execution of the agreement (paid) and incur US$900,000 in exploration and development expenditures as follows:
    - US$200,000 to be incurred by July 30, 2016 (paid) of which US$75,000 shall be deposited with Angkor no later than May 30, 2016 and US$125,000 no later than June 30, 2016;
    - A further US$200,000 to be incurred by December 31, 2016 (paid) of which US$50,000 must be deposited with Angkor on the first of each month starting September 1, 2016;
    - A further US$200,000 to be incurred by June 30, 2017 (paid) of which US$50,000 must be paid every six weeks starting January 15, 2017;
    - A further US$200,000 to be incurred by December 31, 2017 of which US$50,000 must be paid on the first of each month starting September 1, 2017; and
    - A further US$100,000 to be incurred by March 30, 2018 of which US$50,000 must be paid by January 15, 2018 and US$50,000 must be paid by February 28, 2018;
- Option 2 to acquire a further 30% participating interest – the Company must incur US$1,500,000 in exploration and development expenditures within two years from the date the first option is exercised;
- Option 3 to acquire a further 10% participating interest – the Company must pay US$1,000,000 in cash to Angkor within one year from the date the second option is exercised; and
- Option 4 to acquire a further 20% participating interest – the Company must complete a Bankable Feasibility Study on the property.

Upon completion of Option #4, Angkor will maintain a 30% free-carry on the Banlung Tenement or can covert at its discretion, to a 5% net-smelter return.

As at October 31, 2017, the Company decided not to proceed with the required option payments and as such, wrote off the costs on the property of $923,743.

NOTE 5 – RECLAMATION BOND

As at April 30, 2018 the Company held a reclamation bond of $10,000 (October 31, 2017 - $10,000) in connection with the Castle Project.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2018	October 31, 2017
	$	$
Trade accounts payable	**422,267**	408,336
Accrued liabilities	**26,148**	39,050
	448,415	447,386

NOTE 7 – PROMISSORY NOTE

In May 2015, the Company received a promissory note for $30,000 from an arm's length lender which matured on May 21, 2017 and bears interest at 10% per annum, payable on maturity.

In conjunction with the promissory note, the Company granted the lender a bonus of 600,000 non-transferable warrants upon advance of the loan, whereby each warrant entitles the lender the right to purchase one common share of the Company at $0.05 per share for a period of two years from the date of issuance. The warrants expired during the year ended October 31, 2017.

As at April 30, 2018, the loan remains outstanding and is now due on demand. The Company owes the lender $38,836 (October 31, 2017 - $37,348) which includes $8,836 (October 31, 2017 - $7,348) of accrued interest.

NOTE 8 – SHARE CAPITAL

Authorized common shares

Unlimited common shares without par value.

Issued shares

During the period ended April 30, 2018 the Company:

a) Closed a private placement by issuing 50,000,000 units at $0.01 per unit for total gross proceeds of $500,000. Each unit consists of one common share and one share purchase warrant with each warrant exercisable for $0.05 per share for a period of two years. No value was assigned to the unit warrants.

During the year ended October 31, 2017, the Company:

a) Closed the third tranche of a private placement by issuing 16,250,000 units at $0.05 per unit for total gross proceeds of $812,500. Each unit consists of one common share and one-half share purchase warrant with each whole warrant exercisable for $0.09 per share for a period of two years. No value was assigned to the warrants. In connection with the close of this private placement, the Company incurred costs of $8,822.

b) Closed a private placement by issuing 14,285,714 units at $0.035 per unit for total gross proceeds of $500,000. Each unit consists of one common share and one share purchase warrant with each warrant exercisable for $0.06 per share for a period of two years. In connection with the close of this private placement, the Company paid finders' fees and costs of $13,415 and issued 337,600 warrants with an exercise price of $0.06 per warrant and an expiry date of two years from the date of issue. The finders warrants have a value of $9,539. No value was assigned to the unit warrants.

c) Issued 500,000 common shares valued at $22,500 in connection with the Mazama Copper Project option agreement.

d) Issued 2,000,000 common shares valued at $90,000, in connection with a debt settlement agreement dated February 16, 2017, to settle $100,000 of the past due cash owed on the Mazama Copper Project option agreement. The transaction resulted in a gain on debt settlement of $10,000.

e) Issued 2,350,000 common shares in connection with the exercise of various stock options at $0.05 per option for gross proceeds of $117,500.

(Expressed in Canadian Dollars – Unaudited)

NOTE 8 – SHARE CAPITAL – *continued*

Issued shares (continued)

As at April 30, 2018, the Company had $40,000 (October 31, 2017 - $40,000) in subscriptions received relating to future financings.

Stock options

The Company has an incentive stock options plan in place whereby, the maximum number of shares reserved for issue under the plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. The maximum number of common shares reserved for issue to any individual director or officer under the plan cannot exceed 5% of the issued and outstanding number of common shares in any twelve-month period, the maximum number of common shares reserved for issue to all consultants cannot exceed 2% of the issued and outstanding number of common shares in any twelve-month period, and the maximum number of common shares reserved for issue to employees cannot exceed 2% of the issued and outstanding number of common shares in any twelve-month period. The exercise price of each option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSX-V). Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable, and expire within 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire by the earlier of within one year thereafter or the expiry date of the option. Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option.

The Company's stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price $
Balance, October 31, 2016	7,200,000	0.05
Exercised	(2,350,000)	0.05
Balance, October 31, 2017 and April 30, 2018	**4,850,000**	**0.05**

The following table summarizes the options outstanding and exercisable at April 30, 2018:

Exercise price	Number outstanding	Expiry date
$		
0.05	2,150,000	May 9, 2021
0.05	200,000	June 16, 2021
0.05	800,000	July 18, 2021
0.05	1,700,000	August 17, 2021
	4,850,000	

The weighted average life of stock options outstanding at April 30, 2018 is 3.16 years.

(Expressed in Canadian Dollars – Unaudited)

NOTE 8 – SHARE CAPITAL – *continued*

Warrants

During the year ended October 31, 2017, the Company:

- Granted 337,600 finder's warrants on June 16, 2016 in connection with the closing of the third tranche of the Company's private placement. The warrants are exercisable at $0.06 per share and expire two years from the date of issuance. The fair value attributable to these warrants of $9,539 using the Black-Scholes Option Pricing Model was applied to share issue costs.

The fair value of each warrant tranche granted is estimated at the time of the grant using the Black-Scholes Option Pricing Model with weighted average assumptions for grants as follows:

	Six months ended April 30,	
	2018	2017
Risk-free interest rate	-	0.69%
Expected life	-	2.00
Annualized volatility	-	142.16%
Dividend rate	-	-

A summary of share purchase warrant activities are as follows:

	Number of warrants	**Weighted average exercise price**
		$
Balance, October 31, 2016	19,997,746	0.11
Issued	22,748,314	0.07
Forfeited	(1,550,000)	0.14
Balance, October 31, 2017	41,196,060	0.08
Issued	50,000,000	0.05
Forfeited	(72,000)	0.20
Balance, April 30, 2018	**91,124,060**	**0.07**

A summary of the share purchase warrants outstanding at April 30, 2018 is as follows:

Exercise price	**Number outstanding**	**Expiry date**
$		
0.07	7,142,852	May 9, 2018*
0.15	3,286,250	July 15, 2018
0.10	10,000	July 15, 2018
0.09	2,850,000	October 3, 2018
0.09	2,400,000	October 25. 2018
0.15	1,931,937	October 28, 2018
0.15	754,707	October 15, 2019
0.09	8,125,000	November 30, 2018
0.06	14,623,314	June 30, 2019
0.05	50,000,000	January 5, 2020
	91,124,060	

* *these warrants expired unexercised subsequent to the period*

The weighted average life of warrants outstanding at April 30, 2018 is 1.22 years.

NOTE 9 – FAIR VALUE OF 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 Company's receivables, accounts payables, due from and to related parties, and promissory note approximates their carrying values. The Company's other financial instruments, being cash, reclamation bond, and available-for-sale financial asset are measured at fair value using Level 1 inputs.

NOTE 10 – FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's primary exposure to credit risk is on its cash accounts. Cash accounts are held with major banks in Canada. The Company has deposited its cash with its credit union from which management believes the risk of loss is low.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at April 30, 2018, the Company had a cash balance of $13,450 to settle liabilities of $667,416.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company has cash balances and interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and it has one property: the Castle Project, located in Canada. The Company is not exposed to foreign currency risk on its property.

The Company's available-for-sale financial asset is trading on the London Stock Exchange in British pounds (£). Each 1% change in the Canadian dollar versus the British pound will result in a gain/loss of approximately $515. Additionally, for every £0.01 change in the price of GRIT shares, the Company will realize a £3,300 net change in fair value, before taxes, on its investment.

(Expressed in Canadian Dollars – Unaudited)

NOTE 10 – FINANCIAL RISK AND CAPITAL MANAGEMENT - *continued*

c) Market risk (*continued*)

Commodity Price risk
The ability of the Company to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper. The Company monitors copper prices to determine the appropriate course of action to be taken.

NOTE 11 – CAPITAL DISCLOSURE AND MANAGEMENT

The Company considers its cash and share capital as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. There was no change in the Company's approach to capital management during the six months ended April 30, 2018.

NOTE 12 – RELATED PARTY TRANSACTIONS

Related party transactions are as follows:

a) As at April 30, 2018, the Company owes certain officers, directors and related companies $166,099 (October 31, 2017 - $161,601) for unpaid management fees and loans advanced to the Company.

b) As at April 30, 2018, the Company was owed $67,019 (October 31, 2017 - $Nil) from a company with a common director.

c) As at April 30, 2018, the Company owes a shareholder with a 12.8% interest in the Company $14,066 (October 31, 2017 - $Nil) for the demand loan payable which includes interest of $4,566 (October 31, 2017 - $Nil). The demand loan bears interest at 24% per annum and has no specific date of repayment.

Amounts due from and owing by the Company are unsecured, non-interest bearing and have no specified terms of repayment. The summary of related party transactions is as follows:

	For the six months ended April 30,	
	2018	2017
	$	$
Financing fees	**1,131**	-
Management fees	**90,000**	94,500

(Expressed in Canadian Dollars – Unaudited)

NOTE 13 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company entered into certain non-cash transactions that have been excluded from the statements of cash flows as follows:

	For the six months ended April 30,	
	2018	2017
	$	$
Non-cash investing and financing activities:		
Value of share subscriptions transferred to share capital	**-**	225,600
Value of stock options transferred to share capital from reserves	**-**	76,595
Value of warrants transferred to share issue costs	**-**	35,750
Value of expired warrants transferred to deficit	**5,919**	-
Exploration and evaluation expenditures in accounts payable and accrued liabilities	**126,651**	209,088
Share issuance costs in accounts payable and accrued liabilities	**-**	65,000
Net change in fair market value of available-for-sale financial asset	**(15,890)**	15,552

NOTE 14 – SUBSEQUENT EVENTS

On May 9, 2018, 7,142,852 share purchase warrants with an exercise price of $0.07 per warrant expired unexercised.