Condensed Interim Consolidated Financial Statements

AVIDIAN GOLD CORP.

For the three and nine months ended March 31, 2018 and 2017

(Expressed in US dollars - unaudited)

Management's Comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Avidian Gold Corp. (the "Corporation" or "Avidian") for the three and nine months ended March 31, 2018 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Corporation.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Corporation herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

May 24, 2018

"James Polson"
James Polson
Chief Executive Officer

"Victor H. Bradley"
Victor H. Bradley, CPA, CA
Interim Chief Financial Officer

AVIDIAN GOLD CORP.
Table of Contents

AVIDIAN GOLD CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in US Dollars - Unaudited)

	As at March 31, 2018	As at June 30, 2017
	$	$
Assets		
Current		
Cash	**79,159**	856,818
Amounts receivable and prepaids	**36,435**	224,666
Total current assets	**115,594**	1,081,484
Non-current assets		
Equipment (Note 7)	**98,816**	63,380
Reclamation bond receivable (Note 15)	**-**	27,080
Mineral exploration interests (Note 6)	**497,813**	497,813
Total assets	**712,223**	1,669,757
Liabilities		
Current		
Trade payables and accrued liabilities (Note 11(e))	**198,733**	491,710
Decommissioning liability (Note 15)	**-**	28,600
Total current liabilities	**198,733**	520,310
Non-current liabilities		
Warrant liability (Note 9)	**926,490**	262,759
Convertible debenture (Note 13)	**1,069,658**	616,514
Total liabilities	**2,194,881**	1,399,583
Shareholders' Equity		
Issued capital (Note 8(b))	**7,519,983**	6,210,598
Share-based payment reserve (Note 8(c))	**70,617**	-
Deficit	**(9,073,258)**	(5,940,424)
Total shareholders' equity	**(1,482,658)**	270,174
Total liabilities and shareholders' equity	**712,223**	1,669,757

DESCRIPTION OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Notes 14 and 16)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by James Polson, Director

Original signed by Victor H. Bradley, Director

See accompanying notes to the condensed interim consolidated financial statements

AVIDIAN GOLD CORP.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in US Dollars - Unaudited)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017	**For the nine months ended March 31, 2018**	For the nine months ended March 31, 2017
	$	$	**$**	$
Operating Expenses				
Exploration and evaluation expenditures (Note 14)	**235,148**	236,993	**1,584,682**	1,503,329
General and administrative (Note 12)	**58,322**	65,353	**248,120**	179,284
Foreign exchange (gains) losses	**(52,418)**	5,877	**(18,029)**	13,373
Gain on settlement of debt	**-**	(9,465)	**-**	(9,465)
Convertible debenture interest (Note 13)	**4,450**	3,888	**13,185**	46,118
Accretion (Note 13)	**7,012**	9,574	**33,274**	40,491
Public listing expense (Note 3)	**-**	-	**403,652**	-
Share-based compensation (Note 8(c))	**-**	-	**32,714**	-
Unrealized loss on warrant revaluation (Note 9)	**141,217**	-	**410,477**	-
Unrealized loss (gain) on conversion feature (Note 13)	**164,096**	(4,145)	**424,759**	321,795
Net loss and comprehensive loss for the period	**557,827**	308,075	**3,132,834**	2,094,925
Net loss per share - basic and diluted (Note 10)	**0.01**	0.01	**0.06**	0.06
Weighted average number of shares outstanding - basic and diluted (Note 10)	**49,531,236**	39,989,810	**48,226,823**	34,915,223

See accompanying notes to the condensed interim consolidated financial statements

AVIDIAN GOLD CORP.

Condensed Interim Consolidated Statements of Change in Shareholders' Equity

(Expressed in US Dollars - unaudited)

	Number of shares	**Share capital**	**Share-Based Payment Reserve**	**Deficit**	**Shareholders' Equity**
		$	$	$	$
Balance June 30, 2016	**23,459,394**	**3,037,120**	**338,920**	**(2,991,284)**	**384,756**
Net loss and comprehensive loss for the period	-	-	-	(2,094,925)	(2,094,925)
Options exercised (Note 7(c))	4,989,055	555,571	(338,920)	-	216,651
Shares issued on debenture conversion (Note 12)	5,013,825	422,488	-	-	422,488
Shares issued for accrued interest on debentures converted (Note 12)	401,106	33,070	-	-	33,070
Shares for property acquisition (Note 13)	4,025,922	708,631	-	-	708,631
Shares issued for services (Note 7(b))	207,373	24,911	-	-	24,911
Private placement, net of issue costs (Note 7(b))	2,986,175	563,503	-	-	563,503
Balance March 31, 2017	**41,082,850**	**5,345,294**	**-**	**(5,086,209)**	**259,085**
Net loss and comprehensive loss for the period	-	-	-	(854,215)	(854,215)
Private placement, net of issue costs (Note 7(b))	3,472,350	1,128,063	-	-	1,128,063
Value of warrants issued under private placement	-	(262,759)	-	-	(262,759)
Balance June 30, 2017	**44,555,200**	**6,210,598**	**-**	**(5,940,424)**	**270,174**
Net loss and comprehensive loss for the period	-	-	-	(3,132,834)	(3,132,834)
Private placement, net of issue costs (Note 8(b))	3,392,857	1,128,507	-	-	1,128,507
Value of warrants issued under private placement	-	(266,308)	-	-	(266,308)
Share-based compensation (Note 8(c))	-	-	32,714	-	32,714
Shares and options issued for reverse acquisition (Note 3)	1,410,001	372,186	37,903	-	410,089
Shares for property acquisition (Note 13)	207,813	75,000	-	-	75,000
Balance March 31, 2018	**49,565,871**	**7,519,983**	**70,617**	**(9,073,258)**	**(1,482,658)**

See accompanying notes to the condensed interim consolidated financial statements

AVIDIAN GOLD CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in US Dollars - unaudited)

	For the nine months ended March 31, 2018	For the nine months ended March 31, 2017
	$	$
Operating activities		
Net loss for the period	**(3,132,834)**	(2,094,925)
Items not involving cash:		
Amortization (Note 7)	**16,264**	888
Accretion (Note 13)	**33,274**	40,491
Unrealized foreign exchange (gain) loss	**(13,026)**	(19,498)
Gain on settlement of debt	**-**	(9,465)
Unrealized loss on warrant revaluation	**410,477**	-
Unrealized loss on conversion feature	**424,759**	321,795
Shares issued for property acquisition	**75,000**	708,631
Shares issued for settlement of interest	**-**	33,070
Shares issued for services	**-**	40,943
Public listing expense (Note 3)	**403,652**	-
Share-based compensation (Note 8(c))	**32,714**	-
	(1,749,720)	(978,070)
Changes in non-cash working capital		
Decrease in amounts receivable and prepaids	**188,231**	(32,316)
Decrease in trade payables and accrued liabilities	**(292,977)**	13,909
Change in non-cash operating working capital	**(104,746)**	(18,407)
Net cash flows from operating activities	**(1,854,466)**	(996,477)
Investing activities		
Purchase of equipment (Note 7)	**(51,700)**	-
Net cash flows from financing activities	**(51,700)**	-
Financing activities		
Proceeds from issuance of shares (Note 8(b))	**1,167,045**	582,083
Share issue costs	**(38,538)**	(18,580)
Exercise of stock options	**-**	200,617
Net cash flows from financing activities	**1,128,507**	764,120
Decrease in cash	**(777,659)**	(232,357)
Cash, beginning of period	**856,818**	532,088
Cash, end of period	**79,159**	299,731

See accompanying notes to the condensed interim consolidated financial statements

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

Avidian Gold Corp., formerly Marching Moose Capital Corp. ("Avidian" or the "Corporation") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *British Columbia Business Corporations Act* on September 24, 2013. The Corporation's principal business activity is mineral exploration. The registered head office of the Corporation is located at 390 Bay Street, Suite #806, Toronto, Ontario, M4H 2Y2. The Corporation was a Capital Pool Company ("CPC") as defined pursuant to Policy 2.4 of the TSXV.

Pursuant to the terms of an amalgamation agreement dated on March 13, 2017 and amended on April 13, 2017, June 23, 2017, and August 24, 2017 between Marching Moose Capital Corp., Avidian Gold Incorporated (AGI), and MMC Amalco Ltd. (Subco), a wholly owned subsidiary of Marching Moose Capital Corp., AGI and Subco amalgamated under the Business Corporations Act (British Columbia) to form a new company and will carry on the business previously carried on by AGI as a subsidiary of the Corporation. As compensation, each holder of AGI common shares received one common share of the Corporation for every 2.17 AGI common shares held at the date of the completion of the transaction.

On December 1, 2017, the Corporation completed its Qualifying Transaction ("Transaction"). Upon closing, Avidian Gold Incorporated shareholders held approximately 97.1% of the outstanding shares of the Corporation. In substance, the Transaction involves Avidian Gold Incorporated shareholders obtaining control of the Company and accordingly the Transaction is considered to be a reverse takeover transaction ("RTO") with the Corporation. For accounting purposes, the acquisition is considered to be outside the scope of IFRS 3 Business Combinations ("IFRS 3") since the Corporation, prior to the acquisition did not constitute a business. Upon completion of the Amalgamation, there were 49,358,058 Common Shares issued and outstanding. The transaction is accounted for in accordance with IFRS 2 Share-based Payments whereby Avidian Gold Incorporated is deemed to have issued shares and share purchase warrants in exchange for the net assets of the Corporation together with its listing status at the fair value of the consideration received by Avidian Gold Incorporated. The consolidated financial statements of the combined entities are issued under the legal parent, Avidian Gold Corp. (formerly Marching Moose Capital Corp.), but are considered a continuation of the financial statements of the legal subsidiary, Avidian Gold Incorporation. Since Avidian Gold Incorporated is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values. Additional information on the Transaction is disclosed in Note 3.

Avidian is in the business of acquiring and exploring gold projects. As of March 31, 2018, the Corporation has acquired the rights to explore four gold properties in the United States of America and has acquired all the issued and outstanding shares of High Tide Resources Inc. which holds the right to explore a volcanogenic massive sulfide ("VMS") property in Newfoundland, Canada.

The condensed interim consolidated financial statements of the Corporation for the three and nine months ended March 31, 2018 were reviewed, approved and authorized for issue by the Board of Directors on May 24, 2018. Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations 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, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Corporation's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

1. DESCRIPTION OF BUSINESS AND GOING CONCERN (continued)

The Corporation's property interests are at an early stage of exploration and, in common with many exploration companies, it raises financing for its exploration and appraisal activities in discrete tranches. The Corporation has incurred a loss for the period ended March 31, 2018 of $3,132,834 and has an accumulated deficit of $9,073,258. The Corporation has working capital deficiency of $83,139 at March 31, 2018. Although the Corporation has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Corporation. In the event that the Corporation is unable to secure further financing it may not be able to complete the development of a gold project. These circumstances indicate the existence of material uncertainty which cast significant doubt as to the ability of the Corporation to meet its business plan and obligations as they come due, and accordingly, the appropriateness of the use of the accounting principles applied to a going concern.

These condensed interim consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Corporation's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop gold projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. The consolidated financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Corporation be unable to continue as a going concern, and such adjustments may be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The condensed interim consolidated financial statements of the Corporation have been prepared in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting issued by the International Accounting Standard Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies described in Note 2 of the Corporation's annual consolidated financial statements as at and for the years ended June 30, 2017 and 2016. Accordingly, these condensed interim consolidated financial statements as at and for the three and nine month period ended March 31, 2018 and 2017 should be read together with the annual consolidated financial statements as at and for the years ended June 30, 2017 and 2016.

Critical accounting judgements and estimation uncertainties

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires the Corporation's management to make judgements, estimates and assumptions about future events that affect the amounts reported in these condensed interim consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainties (continued)

Functional currency determination

The functional currency for the Corporation and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates and may involve certain judgements to determine the primary economic environment. The Corporation reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence of significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Compound financial instruments (debentures)

Compound financial instruments issued by the Corporation comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

For the Corporation's conversion option component that have an exercise price denominated in Canadian dollars, the conversion option component is accounted for as a derivative liability which is measured at fair value using the Black-Scholes valuation model. The liability component of a compound financial instrument is recognized as the difference between the fair value of the compound financial instrument as a whole and the fair value of the conversion option component.

Any directly attributable transaction costs are allocated to the liability and conversion option components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The conversion option component of a compound financial instrument is subsequently revalued every reporting period using market based valuation techniques. Gains and losses from changes in fair value are recorded in the consolidated statement of operations and comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainties (continued)

Warrant liability

Under IFRS, when the currency of the exercise price of warrants is different than the functional currency of the legal entity in which they were issued, the warrants are accounted for as a derivative warrant liability. For the Corporation's warrants that have an exercise price denominated in Canadian dollars, the issued Canadian dollar warrants are accounted for as a derivative warrant liability which is measured at fair value each reporting period using the Black-Scholes valuation model. Gains and losses from changes in fair value are recorded in the consolidated statement of operations and comprehensive loss.

The Corporation measures the initial warrant liability and subsequent revaluations of the warrant liability by reference to the fair value of the warrants at the date at which they were granted and subsequently revalues them at each reporting date. Estimating fair value for these warrants requires management to determine the most appropriate valuation model. This estimate also requires management to make assumptions about the most appropriate inputs to the valuation model including estimated fair value of the Corporation's common shares, the expected life of the warrants, volatility and dividend yield.

Share-based payments

Management is required to make certain estimates when determining the fair value of the share-based payments. These estimates affect the amount recognized as share-based compensation in the consolidated financial statements, and are based on expected volatility and the expected lives of the underlying stock options.

Impairment of mineral exploration interests

While assessing whether any indications of impairment exist for mineral exploration interests, consideration is given to both external and internal sources of information. Information the Corporation considers includes changes in the market, economic and legal environment in which the Corporation operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Corporation's mining properties, costs to sell the properties and the appropriate discount rate.

Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Corporation's exploration interests.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting judgements and estimation uncertainties (continued)

Income, value added, withholding and other taxes

The Corporation is subject to income, value added, withholding and other taxes. Significant judgement is required in determining the Corporation's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Corporation's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Corporation's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies

See Note 16.

3. REVERSE TAKEOVER

On December 1, 2017, Marching Moose Capital Corp. completed its Qualifying Transaction ("Transaction"), pursuant to the terms of an amalgamation agreement dated on March 13, 2017 and amended on April 13, 2017, June 23, 2017, and August 24, 2017 between Marching Moose Capital Corp., MMC Amalco Ltd., and Avidian Gold Incorporated. The former shareholders of Avidian Gold Incorporated received a total of 47,948,057 or 97.1% of the post consolidated common shares of Marching Moose Capital Corp. for all the outstanding shares of Avidian Gold Corp.

The Transaction was a reverse takeover of Marching Moose Capital Corp. and has been accounted for under IFRS 2, Share-based payment. The value in excess of the net identifiable assets or obligations of the Corporation acquired on closing is expensed in the consolidated statement of comprehensive loss as a listing fee expense for the period ended March 31, 2018.

The public listing expense in the amount of $403,652 is comprised of the net working capital, the fair value of common shares and options of the Corporation retained by the former shareholders of the Corporation as well as other direct expenses of the Transaction. The options were attributed a fair value of $37,903 using the Black-Scholes option pricing model with the following assumptions: expected stock price volatility – 150%, expected life of options – 2.33 to 7.49 years, risk-free interest rate – 1.52% to 1.78%, exercise price CAD$0.30 per share, and expected dividend yield – 0%.

(Expressed in US dollars - unaudited)

3. REVERSE TAKEOVER (continued)

The following represents management's estimate of fair value of share-based consideration and net assets acquired as a result of this Qualifying Transaction.

Value of consideration		
Shares	$	372,186
Options		37,903
		410,089
Net assets acquired		
Cash	$	9,450
Amounts receivable and prepaids		6,154
Trade payables and accrued liabilities		(9,167)
		6,437
Unidentified asset acquired		
Public listing expense		403,652
Total identifiable assets acquired and public listing expense	$	410,089

4. CAPITAL MANAGEMENT

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of gold resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises issued capital, share-based payment reserve and deficit, which at March 31, 2018, totaled ($1,482,658).

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Corporation is currently attempting to identify an economic gold resource and as such, the Corporation is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

4. CAPITAL MANAGEMENT (continued)

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
b. minimizing discretionary disbursements; and
c. exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the period ended March 31, 2018. The Corporation and its subsidiaries are not subject to externally imposed capital requirements.

5. FINANCIAL RISK FACTORS

The Corporation’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (specifically commodity price risk). Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Corporation's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Amounts receivable are in good standing as of March 31, 2018 and June 30, 2017. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they become due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation.

5. FINANCIAL RISK FACTORS (continued)

Liquidity risk (continued)

The Corporation generates cash flow primarily from its financing activities. As at March 31, 2018, the Corporation had cash of $79,159 to settle current liabilities of $198,733. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity.

All of the Corporation's current financial liabilities as at March 31, 2018 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Interest rate risk

The Corporation has cash and cash equivalent balances subject to fluctuations in the prime rate. The Corporation's current policy is to invest excess cash in money market funds traded by its banking institutions. The Corporation periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes that interest rate risk is remote as investments are short-term, and the Corporation currently does not carry interest bearing debt at floating rates.

Foreign currency risk

The Corporation's functional and reporting currency is the US dollar and major purchases are transacted in US dollars. As at March 31, 2018, the Corporation holds in cash the following amounts (reported in US$ currency) in Canadian ("CDN") and US funds respectively: $53,527 and $25,632 (June 30, 2017 - $676,840 and $179,798) and has convertible debt with a face value of CDN$250,000 at March 31, 2018 (June 30, 2017 – CDN$250,000).

Commodity price risk

The Corporation is exposed to price risk with respect to gold prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to gold price movements and volatilities. The Corporation closely monitors gold prices to determine the appropriate course of action to be taken by the Corporation.

Sensitivity analysis

As of March 31, 2018 and June 30, 2017, both the carrying and fair value amounts of the Corporation's current financial instruments are approximately equivalent due to their short-term nature. The sensitivity analysis shown in the notes below may differ materially from actual results. Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are reasonably possible for the period ended March 31, 2018:

(i) As at March 31, 2018, if foreign exchange rates had decreased/increased by 1% with all other variables held constant, the loss for the period ended March 31, 2018 would have changed by $25,736 as a result of lower/higher foreign exchange gains and losses on funds held in foreign currencies and reported shareholders' equity would also not have changed by a material amount.

5. FINANCIAL RISK FACTORS (continued)

Sensitivity analysis (continued)

(ii) Market risk is the risk that the fair value of, or future cash flows from, the Corporation's financial instruments will significantly fluctuate because of changes in market prices.

The fair value of the conversion option component of the Corporation's outstanding convertible debenture (see Note 13) is impacted by the current fair value of the Corporation's common shares. For the period ended March 31, 2018, a 10% increase/decrease in the fair value of the Corporation's common shares would result in an estimated increase/decrease in unrealized gain/loss on conversion feature of $105,856.

The fair value of the warrant liability is impacted by the current fair value of the Corporation's common shares. For the period ended March 31, 2018, a 10% increase/decrease in the fair value of the Corporation's common shares would result in an estimated increase/decrease in unrealized gain/loss on warrant revaluation of $126,432.

(iii) Commodity price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of gold. Gold prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. As of March 31, 2018, the Corporation was not a gold producer. As a result, gold price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At March 31, 2018 and June 30, 2017, the Corporation did not hold any financial assets in the fair value hierarchy.

At March 31, 2018 and June 30, 2017, the fair value of the Corporation's financial liabilities held at fair value, the option component of convertible debenture and warrant liability is based on Level 3 measurements.

5. FINANCIAL RISK FACTORS (continued)

Level 3 Hierarchy

The key assumptions used in the valuation of the conversion option component of the convertible debenture and warrant liability include (but are not limited to) the value at which a recent financing was done by the Corporation and share price volatility of comparable publicly traded companies.

For the conversion option component of convertible debenture valued based on market-based valuation technique, the inputs can be judgemental (See Note 13). A +/- 25% change in the fair value of these Level 3 liabilities as at March 31, 2018 will result in a corresponding +/- $266,000.

For the warrant liability valued based on market-based valuation technique, the inputs can be judgemental (See Note 9). A +/- 25% change in the fair value of these Level 3 liabilities as at March 31, 2018 will result in a corresponding +/- $323,000.

6. MINERAL EXPLORATION INTERESTS

On June 14, 2013, the Corporation entered into a share exchange agreement whereby the Corporation issued 5,174,256 common shares valued at $1,103,277 using the estimated fair value of the Corporation's common shares at the time of issue in exchange for all the issued and outstanding shares and warrants of High Tide Resources Inc. The allocation of the purchase price was determined using the fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition. The fair value of the mineral exploration interests acquired was determined to be $497,813 on the date of acquisition.

HTR held a 100% interest in three mining licenses located in southwest Newfoundland (the "Strickland Property"), which it acquired from Quinlan Prospecting Limited on July 15, 2011 in exchange for 4,000,000 HTR common shares and subject to a 2% net smelter return royalty ("NSR"). The Corporation may purchase 1% of the NSR for CDN$1,000,000 and another 0.5% for an additional CDN$1,000,000.

During the year ended June 30, 2016, two mining licenses were cancelled that did not contain claims that were deemed essential to the property block. The remaining license is in good standing. Management has assessed that the property has not been impaired because the core focus is located on the remaining claims.

(Expressed in US dollars - unaudited)

7. EQUIPMENT

Cost	**Equipment**
Balance, June 30, 2016	$ 4,287
Additions	64,458
Dispositions	(4,287)
Balance, June 30, 2017	64,458
Additions	51,700
Balance, March 31, 2018	**$ 116,158**

Amortization and impairment	**Equipment**
Balance, June 30, 2016	$ 2,806
Amortization	2,163
Disposals	(3,891)
Balance, June 30, 2017	1,078
Amortization	16,264
Balance, March 31, 2018	**$ 17,342**

Carrying amounts	
Balance, June 30, 2017	$ 63,380
Balance, March 31, 2018	**$ 98,816**

8. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

(i) During the year ended June 30, 2016, the Corporation issued 46,082 shares valued at CDN$0.109 (US$0.0816) per share for a total value of CDN$5,000 (US$3,756) pursuant to an agreement for an exclusivity period in which to conduct due diligence on certain properties in Nevada. In addition, the Corporation issued 71,937 shares valued at CDN$0.217 (US$0.163) per share for a total value of CDN$15,611 (US$11,728) in consideration for geological consulting services.

(ii) On August 31, 2016, the Corporation issued 23,041 shares valued at CDN$0.217 (US$0.163) per share and 115,207 shares valued at CDN$0.109 (US$0.084) per share for a total value of CDN$17,500 (US$13,435) for professional services. A total of 115,207 shares were issued to officers of the Corporation.

(iii) On September 14, 2016, the Corporation completed a private placement for 921,658 common shares offered at a price of CDN$0.109 (US$0.083) per share for total gross proceeds of CDN$100,000 (US$76,243). This private placement was subscribed for by a director of the Corporation.

8. SHARE CAPITAL (continued)

(b) Issued (continued)

(iv) In December 2016, the Corporation completed a private placement for 834,101 common shares offered at a price of CDN$0.326 (US$0.243) per share for total gross proceeds of CDN$271,500 (US$203,612).

(v) On January 25, 2017, the Corporation issued 69,124 shares valued at CDN$0.217 (US$0.166) per share for a total value of CDN$15,000 (US$11,475).

(vi) In February 2017, the Corporation completed a private placement for 1,230,414 common shares offered at a price of CDN$0.326 (US$0.243) per share for total gross proceeds of CDN$400,500 (US$302,228).

(vii) In September 2016, the Corporation issued a total of 3,571,428 shares valued at CDN $0.217 (US$0.167) for a total value of CDN$775,000 (US $596,154) pursuant to certain property agreements. See Note 14.

(viii) During the year ended June 30, 2017, the Corporation issued 4,989,055 shares for the exercise of options. See Note 8(c).

(ix) During the year ended June 30, 2017, the Corporation issued 5,414,930 shares for the conversion of the convertible debentures and accrued interest. See Note 13.

(x) On January 15, 2017, the Corporation issued 454,493 shares valued at CDN$0.326 (US$0.243) for a total value of CDN$147,938 (US$112,477) pursuant to the Golden Zone property agreement. See Note 14.

(xi) In June 2017, the Corporation closed the first two tranches of a private placement for 3,472,350 units offered at a price of CDN$0.434 (US$0.328) per unit for total gross proceeds of CDN$1,507,000 (US$1,135,824). Each unit is comprised of one common share of the Corporation and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at a price per common share of CDN$0.76 (US$0.584) at any time prior to the date that is 24 months from the closing date.

(xii) In August 2017, the Corporation closed the final five tranches of a private placement for 3,392,857 units offered at a price of CDN$0.434 (US$0.328) per unit for total gross proceeds of CDN$1,472,500 (US$1,167,045). Each unit is comprised of one common share of the Corporation and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share at a price per common share of CDN$0.76 (US$0.584) at any time prior to the date that is 24 months from the closing date. Officers and directors of the Corporation subscribed for 172,811 units for gross proceeds of $75,000.

(xiii) Former shareholders of Marching Moose Capital Corp. held 1,410,001 common shares following the Qualifying Transaction. On December 1, 2017 the Corporation consolidated its common shares, options and warrants on the basis one (1) post-consolidation common share, option or warrant for each 2.17 pre-consolidation common shares, options or warrants. All common share, option and warrant prices referenced in these condensed interim consolidated financial statements have been adjusted to reflect the post-consolidation amounts.

(xiv) On January 15, 2018, the Corporation issued 207,813 shares valued at CDN$0.45 (US$0.361) for a total value of CDN$93,599 (US$75,000) pursuant to the Golden Zone property agreement. See Note 14.

8. SHARE CAPITAL (continued)

(c) Share-based payment reserve (continued)

On April 30, 2015, the Corporation granted 1,152,073 stock options to an officer of the Corporation to purchase 1,152,073 common shares of the Corporation at an exercise price of CDN$0.054 (US$0.046) per share expiring on April 30, 2020. The vesting terms of these options are as follows: 230,415 on the day of grant, 460,829 on April 30, 2016 and 460,829 on April 30, 2017. The options were valued at $102,500 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%.

A total of 921,658 of these options were forfeited in the year ended June 30, 2016 upon resignation of the officer. A reversal of $7,349 of share-based compensation was recorded in the year ended June 30, 2016 in relation to the forfeited options.

During the year ended June 30, 2017 a total of 57,603 options were exercised, no cash was received as the consideration was exploration and evaluation services rendered in the amount of $2,375. The remaining 172,811 options were exercised for total cash proceeds of $6,949.

On June 1, 2015, the Corporation granted 46,082 stock options to a consultant of the Corporation to purchase 46,082 common shares of the Corporation at an exercise price of CDN$0.054 (US$0.046) per share for five years. These options vested immediately. These options were valued at $3,267 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 0.90%. During the year ended June 30, 2017 the 46,082 options were exercised for total cash proceeds of $1,853.

On November 16, 2015, the Corporation granted 4,608,294 stock options to officers, directors, and consultants of the Corporation to purchase 4,608,294 common shares of the Corporation at an exercise price of CDN$0.054 (US$0.046) per share expiring on November 30, 2020. The options vested upon issuance. The options were valued at $310,401 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 5 years and a risk free rate of 1.05%. Share-based compensation expense of $310,401 was recorded in the year ended June 30, 2016 for these options of which $248,321 related to stock options granted to officers and directors of the Corporation. During the year ended June 30, 2017 the 4,521,889 options were exercised for total cash proceeds of $190,110 and 86,405 options were exercised for which the consideration was exploration and evaluation services rendered in the amount of $13,246.

On January 5, 2016, the Corporation granted a total of 101,382 stock options to property holders in lieu of the annual lease payment to purchase 101,382 common shares of the Corporation at an exercise price of CDN$0.022 (US$0.017) per share for two years. These options vested immediately. These options were valued at $6,940 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of $6,940 was recorded in the year ended June 30, 2016 for these options. During the year ended June 30, 2017 the 101,382 options were exercised for total cash proceeds of $1,705.

(Expressed in US dollars - unaudited)

8. SHARE CAPITAL (continued)

(c) Share-based payment reserve (continued)

On January 5, 2016, the Corporation granted a total of 11,520 stock options to a consultant of the Corporation to purchase 11,520 common shares of the Corporation at an exercise price of CDN$0.109 (US$0.084) per share for two years. These options vested immediately. These options were valued at $495 using the Black-Scholes pricing model with an expected volatility of 100%, an expected dividend yield of 0%, an expected life of 2 years and a risk free rate of 0.94%. Share-based compensation expense of $495 was recorded in the year ended June 30, 2016 for these options. During the year ended June 30, 2017 a total of 2,880 options were exercised, no cash was received as the consideration was exploration and evaluation services rendered in the amount of $413. The remaining 8,640 options were cancelled.

In connection with the Transaction, the Corporation had a deemed issuance of 173,125 stock options to the former officers and directors of the Corporation. The fair value of the options were estimated using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of options – 2.33 to 7.49 years, risk-free interest rate – 1.52% to 1.78%, exercise price CAD$0.30 per share, and expected dividend yield – 0%. This resulted in a fair value per option of $0.2057 to $0.2567.

The Corporation issued 300,000 stock options as compensation for sponsor services in connection with the Transaction. The fair value of the options has been estimated using the Black-Scholes Option Pricing Model using the following assumptions: expected stock price volatility – 150%, expected life of options – 2 years, risk-free interest rate – 1.52%, exercise price CAD$0.7595 per share, and expected dividend yield – 0%. This resulted in a fair value per option of $0.1090.

Share based payment activity for the period ended March 31, 2018 is summarized as follows:

	Number of stock options	Weighted average exercise price (CDN)
		$
Balance, June 30, 2016	**4,997,695**	**0.054**
Exercised	(4,989,055)	(0.054)
Forfeited	(8,640)	(0.109)
Balance, June 30, 2017	**-**	**-**
Deemed issuance	173,125	0.300
Granted	300,000	0.760
Balance, March 31, 2018	**473,125**	**0.591**

8. SHARE CAPITAL (continued)

(c) Share-based payment reserve (continued)

Summary of options outstanding as at March 31, 2018:

Options	Exercise price	Grant date fair value of options	Expiry date
#	CDN $	$	
300,000	0.76	32,714	December 1, 2019
117,976	0.30	23,952	April 1, 2020
55,149	0.30	13,951	November 19, 2024
473,125		70,617	

As of March 31, 2018, all options outstanding are fully vested and exercisable.

9. WARRANT LIABILITY

In connection to the private placement closings in June and August 2017, 3,432,603 warrants were issued that are exercisable in Canadian dollars. The fair value of these warrants is recorded as a warrant liability at the date of issuance. These warrants are revalued at each financial position reporting date with the corresponding change recorded as gain (loss) on warrant revaluation on the consolidated statement of operations and comprehensive loss.

The following table presents the reconciliation of the beginning and ending balances of the warrant liability:

	Warrant liability
	$
June 30, 2016	-
Warrant issuance	262,759
June 30, 2017	**262,759**
Warrant issuance	266,308
Warrant revaluation	410,477
Change in foreign exchange	(13,054)
March 31, 2018	**926,490**

(Expressed in US dollars - unaudited)

9. WARRANT LIABILITY (continued)

The following is a summary of warrant activity for the period ended March 31, 2018 and year ended June 30, 2017:

	March 31, 2018		June 30, 2017	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		CDN $		$
Balance, beginning of year	**1,736,175**	**0.76**	-	-
Granted in connection with private placements	**1,696,428**	**0.76**	1,736,175	0.76
Balance, end of year	**3,432,603**	**0.76**	1,736,175	0.76

a) In connection with the June 2017 private placement disclosed in Note 8, the Corporation issued 1,736,175 warrants. The grant date fair value of $262,759 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of comparable entities of 150%, a risk free interest rate of 0.88%, share price of CDN$0.155 and an expected maturity of 2 years.
b) In connection with the August 2017 private placement disclosed in Note 8, the Corporation issued 1,696,428 warrants. The grant date fair value of $266,308 assigned to the warrants was estimated using the Black Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility based on historical volatility of comparable entities of 150%, a risk free interest rate of 0.88%, share price of CDN$0.155 and an expected maturity of 2 years.

Summary of warrants outstanding as at March 31, 2018:

Warrants	Exercise price	Grant date fair value of warrants	Expiry date
#	CDN $	$	
3,432,603	0.76	529,067	August 21, 2019

(Expressed in US dollars - unaudited)

10. BASIC AND DILUTED NET LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine month period ended March 31, 2018 was based on the loss attributable to common shareholders of $3,132,834 (2017 - $2,094,925) and the weighted average number of common shares outstanding of 48,226,823 (2017 – 34,915,223).

The calculation of basic and diluted loss per share for the three month period ended March 31, 2018 was based on the loss attributable to common shareholders of $557,827 (2017 - $308,075) and the weighted average number of common shares outstanding of 49,531,236 (2017 – 39,989,810).

Diluted loss per share did not include the effect of the stock options disclosed in Note 8(c), the share purchase warrants disclosed in Note 9, or the conversion option feature described in Note 13 as they are anti-dilutive for the periods ended March 31, 2018 and 2017.

11. RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below.

The following individuals transacted with the Corporation in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties are unsecured, non-interest bearing, and due on demand, and were no more favourable than those available, or which might reasonably be expected to be available, to similar transactions to non-key management personnel related entities on an arm's length basis.

a) The remuneration of key management personnel is comprised of:

	Three months ended March 31, 2018	Three months ended March 31, 2017	**Nine months ended March 31, 2018**	Nine months ended March 31, 2017
Fees	**$ -**	$ -	**$ -**	$ 3,786
Share-based compensation	**$ -**	$ -	**$ -**	$ -

b) See Notes 8(b)(ii), (iii), (xii), (c), and Note 13.

c) During the nine month period ended March 31, 2018, the Corporation incurred $Nil (2017 - $9,381) in expenses and consulting fees in the normal course of operations from a director who is also an officer of the Corporation. As at March 31, 2018, $Nil is included in accounts payable and accrued liabilities (June 30, 2017 - $Nil).

d) During the nine month period ended March 31, 2018, the Corporation incurred $1,320 (2017 - $34,724) in legal expenses in the normal course of operations from an officer of the Corporation. As at March 31, 2018, $Nil is included in accounts payable and accrued liabilities (June 30, 2017 - $Nil).

e) Accounts payable and accrued liabilities as at March 31, 2018 includes $7,756 (June 30, 2017 - $7,698) owed to current and former officers of the Corporation for fees. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

f) During the period ended March 31, 2017, a gain of $9,465 was recorded for the settlement of debt through the issuance of shares with certain officers of the Corporation.

(Expressed in US dollars - unaudited)

12. GENERAL AND ADMINISTRATIVE

	Three months ended March 31, 2018	Three months ended March 31, 2017	**Nine months ended March 31, 2018**	Nine months ended March 31, 2017
Professional fees and transfer agent	**$ 31,292**	$ 50,480	**$ 177,336**	$ 129,551
Office supplies, bank charges and telephone	**4,816**	4,924	**15,995**	16,696
Amortization (Note 6)	**699**	296	**16,264**	888
Travel and promotion	**20,615**	4,012	**35,793**	16,614
Occupancy costs	**900**	5,641	**2,732**	15,535
	$ 58,322	$ 65,353	**$ 248,120**	$ 179,284

13. CONVERTIBLE DEBT

On June 1, 2016, the Corporation closed a secured convertible debenture financing for CDN\$794,000 (US\$605,275) with an interest rate of 8% per annum payable at maturity. The unsecured convertible debenture has a maturity date of June 1, 2019 and the principal amount and all accrued interest of the convertible debentures are convertible into common shares at CDN\$0.109 (US\$0.084) per share prior to June 1, 2019 at the option of the holder. A total of CDN\$102,500 of the debentures were issued to directors and officers of the Corporation.

Under IFRS, when the currency of the conversion price of the conversion option is different than the functional currency of the legal entity in which they were issued, the conversion option component is accounted for as a derivative liability.

The Corporation allocated the net proceeds to liability and derivative liability components based on the fair value of the conversion feature (which is an embedded derivative liability requiring separation) and the convertible debentures using the effective interest rate method. The effective interest rate of the convertible debenture is 43.10% (this is determined by establishing the rate that is required to discount the contractual cash flows back to the carrying amount, as adjusted for transaction costs). The fair value of the derivative liability component was determined to be \$375,271 with a residual amount of \$224,813 allocated to the liability on the date of issuance. The fair value of the conversion option component of the debenture at issuance was estimated using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.66% and an expected life of 3 years.

The discount on the convertible debentures is amortized using the effective interest method over a period of three years. The Corporation accretes the carrying value of the convertible debentures each month by recognizing an accretion expense in the statement of operations and comprehensive loss and a credit to convertible debenture. For the nine month period ended March 31, 2018, \$33,274 (2017 - \$40,491) of finance expense from the debt discount was recorded by the Corporation.

The fair value of the conversion option component of the CDN\$794,000 convertible debenture at June 30, 2016 was estimated as \$368,829 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.52% and an expected life of 2.9 years.

(Expressed in US dollars - unaudited)

13. CONVERTIBLE DEBT (continued)

During the year ended June 30, 2017, a total of CDN$544,000 convertible debentures were converted into 5,013,825 common shares of the Corporation, along with 8% interest for one full year which converted into 401,105 common shares of the Corporation. A total of CDN$102,500 of the converted debentures were held by directors and officers of the Corporation.

The fair value of the conversion option component of the remaining CDN$250,000 convertible debentures outstanding as at March 31, 2018 was estimated as $923,929 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 150%, risk free interest rate of 0.73% and an expected life of 1.14 years.

The following table presents the reconciliation of the beginning and ending balances of the components of the convertible debt:

	Liability	Derivative liability	Total
	$	$	$
June 30, 2016	238,214	368,829	607,043
Accretion of liability	51,104	-	51,104
Accrued interest	49,985	-	49,985
Revaluation of conversion option	-	380,700	380,700
Change in foreign exchange	(19,468)	2,707	(16,761)
Debentures converted	(174,464)	(248,023)	(422,487)
Interest converted	(33,070)	-	(33,070)
June 30, 2017	**112,301**	**504,213**	**616,514**
Accretion of liability	33,274	-	33,274
Revaluation of conversion option	-	424,759	424,759
Change in foreign exchange	154	(5,043)	(4,889)
March 31, 2018	**145,729**	**923,929**	**1,069,658**

14. EXPLORATION AND EVALUATION EXPENDITURES

Golden Zone

On April 28, 2016, the Corporation entered a preliminary agreement with Chulitna Mining Company LLC (“CMC”), Mines Trust Company Inc. (“MTC”), and Alix Resources Corp. (“AIX”) to purchase an aggregate interest of 70.6% interest in the Golden Zone property, Alaska. Upon signing this agreement, the Corporation paid $25,000 to CMC for an exclusive 90-day due diligence period. In addition, the Corporation paid CDN$10,000 to AIX and settled a debt of CDN$200,000 (US$152,462) owed by CMC to AIX through the issuance of 460,829 shares at a deemed price of CDN$0.434 (US$0.326) per share upon closing of the definitive agreement for the interest in the Golden Zone property.

(Expressed in US dollars - unaudited)

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Golden Zone (continued)

The parties have agreed to the following financial terms for the final agreement, which was agreed to on November 21, 2016:

	CMC				MTC			
	cash		stock		cash		stock	
upon signing an agreement in 2016	$150,000	(paid)	$150,000	(paid)	$25,000	(paid)	$100,000	(paid)
January 15, 2017	50,000	(paid)	50,000	(paid)	-		25,000	(paid)
January 15, 2018	50,000	(paid)	50,000	(paid)	-		25,000	(paid)
January 15, 2019	100,000		100,000		-		25,000	
January 15, 2020	100,000		100,000		-		25,000	
January 15, 2021	100,000		100,000		-		25,000	
January 15, 2022	150,000		150,000		-		25,000	
January 15, 2023	150,000		150,000		-		25,000	
Total	$850,000		$850,000		$25,000		$275,000	

Upon signing the agreement, the stock portion of the required payment resulted in the issuance of 3,250,000 common shares. The January 15, 2017 payments resulted in the issuance of 454,493 common shares. The January 15, 2018 payments resulted in the issuance of 207,813 common shares.

The Corporation will undertake to spend $2,000,000 over a five year period with a minimum annual expenditure of $200,000. In January 2018, the Corporation received confirmation from the vendor that the $2,000,000 expenditure commitment has been met.

The Corporation's shares will be valued at CDN$0.217 per share where there is no public market for those shares and at the 20-day VWAP immediately prior to the date a payment is due when the Corporation's shares (or its successor company's shares) are listed upon a stock exchange.

Annual payments will cease after the January 15, 2023, payments or upon the beginning of production of 10,000 ounces or more of gold annually from the property when NSR's will become payable. Cash payments in the years 2019 and following will be considered advance royalty payments and will be deducted from up to 50% of NSR royalties payable upon achieving production from GZ. Those NSR royalties will be as follows: CMC 2.0%; MTC 1.0%. The Corporation can surrender its interest in the property by notifying the owner and there will be no further payment obligations.

The Corporation shall have the option exercisable at any time to purchase one-half (1/2) of the royalty payable to CMC representing 1.0% of the NSR for the purchase price of $1,000,000 and 40% of the royalty payable to MTC representing 0.4% of the NSR for the purchase price of $400,000.

On October 22, 2016, the Corporation finalized a purchase agreement with Hidefield Gold Alaska Inc. ("Hidefield") for the Hidefield Golden Zone Interest. Pursuant to the agreement, the Corporation acquired a 100% of Hidefield's interest in certain claims. As consideration for acquisition of Hidefield's interests, the Corporation issued 1,612,903 common shares at a deemed price of CDN$0.217 per share and the production from the property so acquired shall be subject to 1% NSR.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Amanita

On July 18, 2015, the Corporation signed a letter of intent for a lease to purchase option for a period of 15 years pursuant to which the Corporation can acquire a 100% interest in the Amanita claim block subject to a 3% NSR for cash consideration of $3,000,000. The Amanita claim block is comprised of 88 lode claims located within the Fairbanks Mining District approximately 25 kilometres northeast of Fairbanks. The definitive agreement was formalized on October 31, 2016.

The Corporation paid $5,000 at the time of signing a letter of intent and a further $20,000 on the signing of the definitive property agreement. The Corporation is required to make minimum payments as follows, which would be credited against the purchase price.

a. First anniversary of agreement date: $15,000 (paid)
b. Second anniversary of agreement date: $25,000 (paid)
c. Third anniversary of agreement date: $30,000
d. Every subsequent anniversary: payments increase by $10,000 annually

The Corporation can acquire the 3% NSR royalty for an additional $3,000,000.

Jungo (Formerly known as Shawnee Creek)

On January 8, 2013, Dutch Gold Resources Inc. ("DGRI"), DGRI Jungo Development Corporation and the Corporation entered into an agreement pursuant to which DGRI and DGRI Jungo Development Corporation agreed to transfer to the Corporation all of the right, title and interest in and to the Red Dog Claims, in exchange for a 2% NSR and the obligation of the Corporation to pay annual advance minimum royalty payments to DGRI Jungo Development Corporation in the amount of $20,000 beginning on August 25, 2015. The Corporation also holds a 100% interest in Red Dog Claims 101-160 that is not subject to an NSR.

Dome Hill

The Corporation owns claims located in Mono County, California and Mineral County, Nevada (the "Nevoro Claims") outright and free and clear of any claims, encumbrances or liens. The Corporation has no royalty or minimum payment obligations in respect of the Nevoro Claims.

On August 1, 2016, the Corporation entered into a lease agreement with Chonna DeLaney on the Jump Up Joe patented claim (MS 160651) in Mono County, California. The lease is for an initial period of ten years with options for ten, one-year extensions as long as the Corporation is conducting exploration or mining on the property. Annual lease payments are $1,000, and there is a two percent (2%) gross proceeds royalty from all production from the property. One half of the royalty can be purchased at any time for $250,000. The lease is current until August 1, 2018.

On August 1, 2016, the Corporation entered into a Lease with Option to Purchase Agreement with the Brook Family Trust on the Hermene patented claim (MS285868) in Mono County, California. The lease is for an initial period of ten years with options for ten, one-year extensions as long as the Corporation is conducting exploration or mining on the property. Annual lease payments are $1,000, and the claim can be purchased for $75,000. There is no residual royalty. The lease is current until August 1, 2018.

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line

On August 12, 2011, the Corporation entered into a lease agreement ("PPM Lease") with Paradise Peak Mining, LLC ("PPM") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease was for ten years with five extension terms of ten years each and so long after expiration of the final ten year extension as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation could purchase the property at any time during the term of the lease agreement for the price of $400,000, subject to an NSR of 2%.

The Corporation was required to make minimum payments as follows which would be cumulatively credited against the Corporation's royalty payment obligations, but would not be credited against the purchase price of the Corporation's option.

a) August 15, 2011: $20,000 (paid)
b) First anniversary of initial payment: $20,000 (paid)
c) Second anniversary of initial payment: $30,000 (paid)
d) Third anniversary of initial payment: $30,000 (paid)
e) Each subsequent anniversary: $40,000

The claims were subject to a work commitment (subject to an extension of time from the effective date to January 31, 2012, (the “Resolution Date”) of $50,000 within 18 months of the Resolution Date (the work commitment was fulfilled as at June 30, 2014) and $150,000 before the third anniversary of the Resolution Date (the work commitment was fulfilled as at June 30, 2015).

The Corporation terminated this lease effective October 11, 2016.

On January 11, 2012, the Corporation entered into a mining lease and purchase agreement ("Desatoya Lease") effective January 31, 2012 with Desatoya Goldstrike, LLC ("Desatoya") for claims located in the Mineral and Nye Counties of the State of Nevada. The term of the lease is for ten years with five extension terms of ten years each and so long after the expiration of the final ten year extension, as long as the Corporation pays the minimum payments unless otherwise extended or terminated.

The Corporation could purchase the property at any time during the term of the lease agreement for the price of $200,000, subject to a 2% NSR.

The Corporation was required to make minimum payments as follows which will be cumulatively credited against the Corporation's royalty payment obligations, but would not be credited against the purchase price of the Corporation's option.

a) On execution of the agreement: $10,000 (paid)
b) First anniversary of initial payment: $10,000 (paid)
c) Second anniversary of initial payment: $15,000 (paid)
d) Third anniversary of initial payment: $20,000 (paid)

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line (continued)

e) Each subsequent anniversary: $20,000 (2016 payment satisfied by issuance of 200,000 stock options exercisable at CDN$0.01. See Note 8(c))

The Corporation terminated this lease effective October 11, 2016.

On May 25, 2016, the Corporation entered into an option to enter into a joint venture agreement with North Peak Mining Inc. ("NPM") on the Corportion's mining claims located in the Mineral and Nye Counties of the State of Nevada.

NPM was required to make the following payments.

a) On execution of the agreement: $30,000 (paid)
b) October 31, 2016: $30,000
c) First anniversary of initial payment: $100,000
d) Second anniversary of initial payment: $100,000
e) Third anniversary of initial payment: $100,000

NPM had a work commitment obligation of $100,000 completed by October 31, 2016, increasing by $100,000 annually for the next three anniversaries for a total cumulative work commitment of $1,000,000. Upon making all payments, NPM would have earned a 51% joint venture interest in the mining claims.

This agreement was terminated September 29, 2016.

On January 29, 2013, the Corporation entered into a mining lease and option to purchase agreement for the Rad Claims Property (the "Altan Lease") with Altan Rio (US) Inc., a Nevada corporation ("Altan"), a group of unpatented mining claims located in Mineral and Nye Counties, Nevada.

The term of the Altan Lease was for twenty years and so long after expiration of the primary term as the Corporation pays the minimum advance royalty payments, unless the Altan Lease is terminated in accordance with its terms or is otherwise extended.

The Corporation could purchase the claims at any time during the term of the Altan Lease for the price of $500,000, subject to a 3% NSR. The Corporation had the option to purchase one-half of the royalty payable under the Altan Lease for the price of $1,500,000. On closing of the royalty option the royalty rate would be reduced to a 1.5% NSR.

The Corporation was required to make minimum advance royalty payments which are cumulatively credited against the Corporation's production royalty payment obligations. The minimum advance royalty payments are not credited against the purchase price for the Rad Claims if the Corporation exercises its option to purchase the Rad Claims. The minimum advance royalty payments were:

a) On execution of the Altan Lease: $10,000 (paid)
b) First anniversary of initial payment: $15,000 (paid)
c) Second anniversary of initial payment: $20,000 (paid)

(Expressed in US dollars - unaudited)

14. EXPLORATION AND EVALUATION EXPENDITURES (continued)

County Line (continued)

d) Third anniversary of initial payment: $25,000
e) Each subsequent anniversary: $30,000

The Corporation had a work commitment obligation of $50,000 per year during each of the second through the fifth years of the Altan Lease, $100,000 per year during the sixth through tenth lease years, and $200,000 annually during each of the remaining lease years.

The Corporation terminated this lease effective December 23, 2015.

The following table summarizes exploration and evaluation expenditures for each of the Corporation's respective properties.

	Nine Month Period ended March 31, 2018	Nine Month Period ended March 31, 2017
Golden Zone		
Acquisition and holding costs	$ 145,905	$ 1,071,222
Evaluation expenditures	1,357,160	204,702
	$ 1,503,065	$ 1,275,924
Amanita		
Acquisition and holding costs	$ 45,950	$ 38,670
Evaluation expenditures	-	65,222
	$ 45,950	$ 103,892
Dome Hill		
Acquisition and holding costs	$ 16,920	$ 15,606
Evaluation expenditures	-	1,526
	$ 16,920	$ 17,132
Jungo (Formerly known as Shawnee Creek)		
Acquisition and holding costs	$ 39,249	$ 39,249
Evaluation expenditures	-	45,675
	$ 39,249	$ 84,924
County Line		
Acquisition and holding costs	$ (7,500)	$ 230
Evaluation expenditures	(14,627)	1,629
	$ (22,127)	$ 1,859
Other Properties		
Evaluation expenditures	$ 1,625	$ 19,598
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	**$ 1,584,682**	**$ 1,503,329**

(Expressed in US dollars - unaudited)

15. DECOMMISSIONING LIABILITY

The Corporation's provision for closure and reclamation costs relates to County Line and is based on management's estimates of costs to abandon and reclaim mineral exploration interests and facilities as well as an estimate of the future timing of the costs to be incurred.

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Corporation's mineral exploration interests:

		Amount
Balance, June 30, 2016	$	28,600
Adjustments resulting from re-measurement		-
Balance, June 30, 2017		28,600
Adjustments resulting from re-measurement		(28,600)
Balance, March 31, 2018	$	-

The Corporation has assessed its total provision for closure and reclamation and estimated it to be $Nil at March 31, 2018 (June 30, 2017 - $28,600) based on a total future liability of approximately $Nil (June 30, 2017 - $27,000).

16. CONTINGENCIES

Environmental contingencies

The Corporation's exploration activities are subject to various federal, provincial, state and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations.