Luckystrike Resources Ltd.

Interim Condensed Financial Statements

September 30, 2018

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

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

The accompanying unaudited interim financial statements have been prepared by and are the responsibility of the management.

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

Luckystrike Resources Ltd.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	Notes		September 30 2018
ASSETS			
Current assets			
Cash and cash equivalents	4	$	1,403,077
Receivables	5		44,871
Prepaid expenses and deposits	6		9,741
			1,457,689
Non-current assets			
Deposit	6		20,000
Exploration and evaluation assets	7		11,645,238
TOTAL ASSETS		$	13,122,927
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	8	$	113,775
TOTAL LIABILIITES			113,775
EQUITY			
Share capital	9		11,273,800
Share-based payment reserves	9		1,833,903
Deficit			(98,551)
TOTAL EQUITY			13,009,152
TOTAL LIABILITIES AND EQUITY		$	13,122,927

Subsequent event (Note 12)

Approved on Behalf of the Board on November 21, 2018:

``Lucy Zhang``_________ ``Terry King``___________

Director Director

Luckystrike Resources Ltd.
Condensed Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Note		Three Months Ended September 30, 2018		Period from Incorporation on January 10, 2018 to September 30, 2018
Expenses					
Listing and filing fees		$	40,955	$	40,955
Management consulting	10		7,500		7,500
Corporate development and communication	10		3,889		3,889
Investor relations			425		425
Office and miscellaneous	10		13,999		13,999
Professional fees	10		28,942		28,942
Rent	10		3,902		3,902
Stock-based compensation	9		3,319		3,319
			(102,931)		(102,931)
Other items					
Interest income			(4,380)		(4,380)
			4,380		4,380
Net and comprehensive gain (loss) for the period		$	(98,551)	$	(98,551)
Loss per share, basic and diluted		$	(0.007)	$	(0.032)
Weighted average number of common shares outstanding, basic and diluted			14,362,251		3,036,787

Luckystrike Resources Ltd.
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian dollars - Unaudited)

	Share capital				
	Number of shares	Amount	Share-based Payment Reserve	Deficit	Total
Balance at incorporation on January 10, 2018	-	$ -	$ -	$ -	$ -
Shares issued on incorporation	1	1	-	-	1
Plan of arrangement	27,191,915	8,157,574	1,830,584	-	9,988,158
Shares issued for private placement	10,387,336	3,116,225	-	-	3,116,225
Stock-based compensation	-	-	3,319	-	3,319
Comprehensive loss for the period	-	-	-	(98,551)	(98,551)
Balance at September 30, 2018	37,579,252	$ 11,273,800	$ 1,833,903	$ (95,136)	$ 13,009,152

(Expressed in Canadian dollars – Unaudited)

		Period from Incorporation on January 10, 2018 to September 30, 2018
Operating activities		
Net loss for the period	$	(98,551)
Adjustments for non-cash items:		
Stock-based compensation		3,319
Changes in non-cash working capital:		
Receivable		(44,871)
Prepaid expenses and deposits		(29,741)
Trade payables and accrued liabilities		112,989
Net cash flows used in operating activities		(56,855)
Investing activities		
Exploration and evaluation assets		(1,656,293)
Net cash flows used in investing activities		(1,656,293)
Financing activities		
Private placement, net of issuance costs		3,116,225
Net cash flows from financing activities		3,116,225
Increase in cash and cash equivalents		1,403,077
Cash and cash equivalents, beginning		-
Cash and cash equivalents, ending	$	1,403,077

1. Nature of operations and going concern

Luckystrike Resources Ltd. (the “Company” or “Luckystrike”) was incorporated under the laws of the province of British Columbia, Canada. The Company trades on the TSV Venture Exchange (the “TSX-V“) under the symbol “LUKY.V”. The registered office of the Company is located at 1010 – 1130 West Pender Street, Vancouver, B.C.

The Company entered into a plan of arrangement (the "Arrangement") with Goldstrike Resources Ltd. (“Goldstrike”) to acquire six mineral exploration properties located in White Gold District, Yukon (Note 6), completed on August 10, 2018.

The Company is a mineral exploration company focusing on acquiring and developing exploration and evaluation assets.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern. The Company has no current source of revenues from operations. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that ay cast significant doubt as to the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand and the private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may materially less than the amounts on its statement of financial position.

2. Significant accounting policies and basis of preparation

The condensed interim financial statements were authorized for issuance on November 21, 2018 by the directors of the Company.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The financial statements have been prepared on an accrual basis. The financial statements are presented in Canadian dollars, which is the Company’s functional currency.

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, except otherwise indicated. The financial currency is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar.

Basis of measurement

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, except otherwise indicated. The financial currency of each entity is measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar.

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires management to make certain estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and petroleum and natural gas assets, the measurements for financial instruments and share-based payments, the recoverability of deferred tax assets and the measurement of decommissioning liabilities.

2. Significant accounting policies and basis of preparation (continued)

Critical judgements in applying accounting policies

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements: the assessment of the Company's ability to continue as a going concern, the identification of cash-generating units and the classification of evaluation and exploration assets.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and guaranteed investment certificates.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9.

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company classifies its cash at amortized cost. The Company has no financial liabilities.

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2. Significant accounting policies and basis of preparation (continued)

Financial instruments (Continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statement of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive loss.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the common shares. If the proceeds from the offering are less than or equal to the estimated fair market value of common shares issued, no value is assigned to the warrants. Warrants that are issued as payment to a finder or other transaction costs are accounted for as share-based payments.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Share-based payments

The Company has a stock option plan. Share-based payments to employees are measured at the grant date at fair value and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is credited to the share-based payment reserves. The fair value of stock options is determined using the Black–Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Exploration and evaluation assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred.

Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs provided that the Company has the intention of exercising the underlying option.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

2. Significant accounting policies and basis of preparation (continued)

Exploration and evaluation assets (continued)

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

Impairment of assets

The carrying amount of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Accounting standards issued but not yet effective

Accounting standards issued but not yet applied by the Company at the date of the approval of the financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considers that these new standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars - Unaudited)

3. Plan of arrangement

On August 10, 2018, the Company completed an Arrangement with Goldstrike, upon execution of the Agreement:

- Luckystrike indirectly acquired the Company's six 100% owned White Gold District properties, being the Lucky Strike, Hotspot, Bull's Eye, BRC, Gold Source and King's Ransom properties (collectively, the "White Gold Properties");
- Goldstrike shareholders received one new common share of Goldstrike in exchange for every common share of Goldstrike held (an "Old Goldstrike Share") and one common share of Luckystrike in exchange for every seven Old Goldstrike Shares held; and
- Holders of Goldstrike options and warrants exchanged such securities for new options and warrants of Goldstrike and Luckystrike, which are exercisable into shares of such companies on their existing terms, with necessary adjustments for the Arrangement based on the proportionate value of the White Gold Properties.

The fair value of the assets distributed by Goldstrike in the Plan or Arrangement is as follows:

		Amount
Fair value of Luckystrike common shares issued	$	8,157,575
Fair value of stock options issued to Goldstrike option holders		927,513
Fair value of warrants issued to Goldstrike warrant holders		903,071
Fair value of White Gold Properties Received	$	9,988,159

The fair value of the Luckystrike common shares issued was determined based on the issue price of the concurrent private placement (Note 9).

The fair value of warrants issued to Goldstrike warrant holders was estimated using the Black-Scholes options pricing model with the following assumptions:

	September 30, 2018
Risk-free interest rate	2.05%
Dividend yield	-
Expected stock price volatility	78.41% ~98.48%
Weighted average expected life (years)	1.37

The fair value of stock options issued was estimated using the Black-Scholes options pricing model with the following assumptions:

	September 30, 2018
Risk-free interest rate	2.05%~2.23%
Dividend yield	-
Expected stock price volatility	78.68% ~151.95%%
Weighted average expected life (years)	3.75

(Expressed in Canadian dollars - Unaudited)

4. Cash and cash equivalents

	September 30, 2018
Cash	$ 99,088
GIC	1,303,989
	$ 1,403,077

5. Receivables

Receivables consist of GST receivable of 24,7871 and Other Receivable of $20,000.

6. Prepaid expenses and deposits

	September 30, 2018
Current prepaid expenses	$ 9,741
Non-current deposits	20,000
	$ 29,741

(Expressed in Canadian dollars - Unaudited)

7. Exploration and evaluation assets

A continuity of the Company's exploration and evaluation assets is as follows:

Mineral Property Interests	BRC	Bull's Eye	Goldsources	Hotspot	King's Ransom	Lucky Strike	Total
Balance at August 10, 2018	826,900	102,747	417,392	157,816	303,017	8,180,287	9,988,159
Acquisition	578	4,682	-	14	3,609	11,309	20,192
Assay	-	31	860	16,737	1,929	133,894	153,451
Assessment	-	-	3,267	15,902	-	3,600	22,769
Trenching & Drilling	-	-	-	9,684	-	308,428	318,112
Contractors & Labour	-	-	3,036	29,475	4,554	256,326	293,391
Exploration Management	-	-	-	-	-	50,559	50,559
Logistics	-	-	99	38,282	91	487,879	526,351
Field Equipment	-	-	-	-	-	25,060	25,060
Travel & Accommodation	-	-	-	2,452	-	47,611	50,063
Mapping	-	-	-	-	-	6,649	6,649
Permitting	-	-	-	(1,006)	-	-	(1,006)
Geological & Geophysical Consulting	400	894	1,356	8,711	1,325	212,460	225,146
Subtotal	827,878	108,354	426,010	278,067	314,525	9,724,062	11,678,896
Government Grant	-	-	(33,658)	-	-	-	(33,658)
Balance at September 30, 2018	827,878	108,354	392,352	278,067	314,525	9,724,062	11,645,238

(Expressed in Canadian dollars - Unaudited)

7. Exploration and evaluation assets (Continued)

White Gold Properties, being the Lucky Strike, Hotspot, Bull's Eye, BRC, Gold Source and King's Ransom properties, were acquired pursuant to the Arrangement Agreement with Goldstrike Resources Ltd. effective August 10, 2108. The Company has 100% interest in these properties without NSR.

8. Accounts payables and accrued liabilities

		September 30, 2018
Accounts Payable	$	108,400
Accrued Liabilities		5,375
	$	113,775

9. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital during the three months ended September 30, 2018

On August 10, 2018, the Company issued 27,191,915 common shares with a fair value of $8,157,575, pursuant to the Arrangement Agreement with Goldstrike.

On August 10, 2018, as part of the Plan of Arrangement, the Company completed a non-brokered private placement with Goldstrike Resources Ltd.. The gross proceeds totaled $2,500,000 by issuing 8,333,334 non-flows-through units at the price of $0.30 per unit. Each Unit is comprised of one Luckystrike Share and one share purchase warrant, with each Warrant entitling the holder to acquire one Luckystrike Share at a price of $0.60 for a period of 36 months from August 10, 2018, subject to acceleration.

(Expressed in Canadian dollars - Unaudited)

9. Share capital (Continued)

Issued share capital during the three months ended September 30, 2018 (Continued)

On August 10, 2018, the Company completed an additional non-brokered private placement of 2,054,002 non-flows-through units at a subscription price of $0.30 per unit for proceeds of $616,225. Each Unit is comprised of one Luckystrike Share and one share purchase warrant, with each Warrant entitling the holder to acquire one Luckystrike Share at a price of $0.60 for a period of 36 months from August 10, 2018, subject to acceleration.

Stock option

As at September 30, 2018, the Company had the following options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price		Number of Options Outstanding	Number of Options Exercisable
August 10, 2018	January 26, 2021	$	0.0875	57,143	57,143
August 10, 2018	August 10, 2019	$	0.0875	21,429	21,429
August 10, 2018	August 5, 2021	$	0.0875	300,000	300,000
August 10, 2018	August 5, 2021	$	0.1488	14,286	14,286
August 10, 2018	October 17, 2021	$	0.0875	14,286	14,286
August 10, 2018	June 23, 2024	$	0.0875	171,428	171,428
August 10, 2018	August 10, 2019	$	0.0875	42,857	42,857
August 10, 2018	August 15, 2024	$	0.0875	271,429	271,429
August 10, 2018	March 5, 2020	$	0.0875	142,857	142,857
August 10, 2018	August 3, 2020	$	0.0875	7,143	7,143
August 10, 2018	November 26, 2020	$	0.0875	92,857	92,857
August 10, 2018	May 5, 2021	$	0.0875	32,143	32,143
August 10, 2018	July 31, 2024	$	0.0875	132,142	132,142
August 10, 2018	April 11, 2021	$	0.1400	14,286	14,286
August 10, 2018	April 19, 2026	$	0.1488	142,857	142,857
August 10, 2018	April 28, 2026	$	0.1575	71,429	71,429
August 10, 2018	August 10, 2019	$	0.1575	85,714	85,714
August 10, 2018	May 6, 2026	$	0.1575	428,571	428,571
August 10, 2018	July 26, 2021	$	0.2275	14,286	14,286
August 10, 2018	July 29, 2021	$	0.2275	28,572	28,572
August 10, 2018	October 11, 2021	$	0.2275	71,429	52,480
August 10, 2018	May 18, 2027	$	0.2975	1,221,429	1,221,429
August 10, 2018	August 10, 2019	$	0.2975	100,000	100,000
August 10, 2018	September 29, 2022	$	0.2975	71,429	17,857
				3,550,002	3,477,481

(Expressed in Canadian dollars - Unaudited)

9. Share capital (Continued)

Stock option (Continued)

The following is a summary of the Company's stock option activities:

	September 30, 2018	
	Number of options	**Weighted average exercise price**
Options outstanding, beginning of period	-	$ -
Option granted pursuant to Plan of Arrangement	3,550,002	0.19
Options outstanding, end of period	3,550,002	$ 0.19

For three months ended September 30, 2018, the Company recognized share-based compensation of $3,319.

As at September 30, 2018, 3,477,481 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 6.03 years and $0.19, respectively.

Share purchase warrants

As at September 30, 2018, the Company had the following warrants outstanding:

Date issued	**Expiry date**	**Exercise price**	**Number of warrants outstanding**
August 10, 2018	February 13, 2020	$ 0.05250	1,631,428
August 10, 2018	March 24, 2019	$ 0.21875	1,670,853
August 10, 2018	April 5, 2019	$ 0.21875	637,363
August 10, 2018	April 24, 2021	$ 0.65625	1,815,102
August 10, 2018	August 10, 2021	$ 0.60000	8,333,334
August 10, 2018	August 10, 2021	$ 0.60000	2,054,002
			16,142,082

The following is a summary of the Company's warrant activities:

	September 30, 2018	
	Number of Common Shares Issuable	**Weighted Average Exercise Price**
Warrants outstanding, beginning	-	$ -
Warrants issued	16,142,082	0.50
Warrants outstanding, ending	16,142,082	$ 0.50

As at September 30, 2018, the weighted average exercise price and weighted average life of the warrants are $0.50 and 2.24 years, respectively.

Share-based payment reserves

The share-based payment reserves record items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars - Unaudited)

10. Related party transactions

Key personnel compensation:

Key management personnel compensation	September 30, 2018
Management and accounting fees accrued and paid to a company controlled by the Chief Financial Officer	$ 15,000
Corp. development fees paid to a company controlled by the Chief Operating Officer	3,889
Exploration management paid to a company controlled by the Chief Operating Officer	50,559
Director fees paid to the directors of the company	$ 2,261

11. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. Given that the Company is in the exploration stage and thus generate no cash inflows from operations, liquidity is managed by obtaining financing from external sources. To present, the Company has been successful in obtaining all of the funds necessary to meet their commitments and continue their exploration programs from advances received.

Fair value

The fair value of the financial assets and liabilities approximates the carrying amount.

12. Subsequent event

In November 2018, 71,429 options, which were previously issued to a consultant of the Company at the exercise price of $0.2975 per share were cancelled after the consulting agreement was terminated.