EVERTON RESOURCES INC.

Condensed Consolidated Interim Financial Statements

For the three and six months ended April 30, 2018

(Expressed in Canadian Dollars)

Everton Resources Inc.

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Management's Responsibility for the consolidated financial statements

The condensed consolidated interim financial statements of Everton Resources Inc. are the responsibility of the Board of Directors. Management has developed and is maintaining a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable.

The condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of directors, in accordance with the accounting policies disclosed in the notes to these financial statements. Where necessary management has made informed judgements and estimates in accounting for transactions which were not complete at the financial position date. In the opinion of management, the condensed consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Established processes are in place to provide management with sufficient knowledge to support it in its representations in exercising reasonable diligence that: i) the condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by, the condensed consolidated interim financial statements, and: ii) the condensed consolidated interim financial statements fairly present, in all material respects the financial condition, results of operations and cash flows of the Company as at the date of and for the period presented by the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed consolidated interim financial statements together with other financial information of the Company for issuance to shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"André Audet"
Chief Executive Officer
June 27, 2018

"Lucie Letellier"
Chief Financial Officer

Notice of no review or audit

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

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

The Company's independent auditor has not performed a review or audit of these condensed consolidated interim financial statements.

Everton Resources Inc.
Condensed Consolidated Interim Statement of Financial Position
(Expressed in Canadian dollars)

As at	**April 30, 2018**	October 31, 2017
	$	$
ASSETS		
Current assets		
Cash (Note 4)	**6,260**	172,097
Marketable securities and warrants (Note 5)	**13,000**	16,825
Accounts receivable	**11,949**	7,929
Prepaid expenses	**4,718**	28,845
Total current assets	**35,927**	225,696
Non-current assets		
Mineral exploration properties (Note 6)	**346,440**	346,440
Exploration and evaluation assets (Note 6)	**3,666,705**	3,497,472
Total non-current assets	**4,013,145**	3,843,912
Total assets	**4,049,072**	4,069,608
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**422,530**	292,667
Flow through premium (Note 7)	**-**	15,904
Total current liabilities	**422,530**	308,571
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**42,152,701**	42,152,701
Subscriptions receivabe	**-**	(10,000)
Warrants (Note 9)	**358,669**	358,669
Finder's warrants (Note 10)	**91,651**	91,651
Contributed surplus (Note 10)	**10,405,834**	10,405,834
Accumulated deficit	**(49,382,313)**	(49,237,818)
Total shareholders' equity	**3,626,542**	3,761,037
Total liabilities and shareholders' equity	**4,049,072**	4,069,608

Contingencies and commitments (Note 18)
Events after the reporting date (Note 19)
Going concern (Note 1)

On behalf of the Board

(signed) "Andre Audet"	(signed) "Steven Mintz"
Andre Audet, Director	Steven Mintz, Director

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

Everton Resources Inc.

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Three months ended April 30,		Six months ended April 30	
	2018	2017	**2018**	2017
	$	$	**$**	$
Operating expenses				
Management fees	**43,500**	41,000	**87,000**	70,500
Salaries and benefits	**-**	9,352	**972**	20,668
Stock based compensation	**-**	13,520	**-**	13,520
Travel and promotion expense	**2,500**	20,274	**10,500**	104,991
Professional fees	**8,732**	4,965	**19,811**	18,512
General and administrative expense	**21,727**	60,828	**38,334**	103,943
	(76,459)	(149,939)	**(156,617)**	(332,134)
Other income (loss):				
Interest and other income	**16**	(1,393)	**43**	(2,845)
Loss on disposal of marketable securities	**-**		**-**	
Unrealized loss on financial assets at fair value through profit or loss	**(22,375)**	(1,994)	**(3,825)**	13,478
Write-down of mineral exploration properties and exploration and evaluation assets (Note 5)				
	(22,359)	(3,387)	**(3,782)**	10,633
Net loss before tax	**(98,818)**	(153,326)	**(160,399)**	(321,501)
Flow through premium recovery		-		-
Tax recovery		-	**(15,904)**	(853)
Loss and comprehensive loss after tax	**(98,818)**	(153,326)	**(144,495)**	(320,648)
Basic and diluted loss per common share	**(0.00)**	(0.00)	**0.00**	(0.00)
Common shares outstanding	**93,134,470**	89,515,054	**89,260,231**	93,134,470

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

Everton Resources Inc.

Condensed Consolidated Interim Statement of Changes in Equity

(Expressed in Canadian dollars)

	Share capital		Subscriptions receivable	Warrants	Finders Warrants	Contributed surplus	Accumulated Deficit	Total
	# of shares	$	$	$	$	$	$	$
Balance, October 31, 2016	**70,771,470**	**41,466,821**	**-**	**61,000**	**26,350**	**10,392,314**	**(38,528,847)**	**13,417,638**
Shares issued on private placements	22,065,000	805,581	-	297,669	65,301	-	-	1,103,250
Shares issued on exercise of warrants	150,000	10,500	-		-	-	-	10,500
Shares issued as finder's fees	148,000	7,400	-	-	-	-	-	-
Share issue costs	-	(137,601)	-	-	-	-	-	(64,900)
Stock-based compensation	-	-	-	-	-	13,520	-	13,520
Loss and Comprehensive loss after tax	-	-	-	-	-		(320,648)	(320,648)
Balance, April 30, 2017	93,134,470	42,152,701	-	358,669	91,651	10,405,834	(38,849,495)	14,159,360
Shares issued on private placements	-	-	(10,000)		-	-	-	(10,000)
Shares issued on exercise of warrants	-	-	-	-	-	-	-	
Shares issued as finder's fees	-	-	-	-	-	-	-	
Share issue costs	-	-	-	-		-	-	
Stock-based compensation	-	-	-	-	-		-	
Loss and Comprehensive loss after tax	-	-	-	-	-	-	(10,388,323)	(10,388,323)
Balance, October 31, 2017	**93,134,470**	**42,152,701**	**(10,000)**	**358,669**	**91,651**	**10,405,834**	**(49,237,818)**	**3,761,037**
Shares issued on private placements			10,000					10,000
Loss and Comprehensive loss after tax							(144,495)	(144,495)
Balance, April 30, 2018	**93,134,470**	**42,152,701**	**-**	**358,669**	**91,651**	**10,405,834**	**(49,382,313)**	**3,626,542**

Everton Resources Inc.				
Condensed Consolidated Interim Statement of Cash Flows				
(Expressed in Canadian dollars)				
	Three months ended April 30, 2018	Three months ended April 30, 2017	**Six months ended April 30, 2018**	Six months ended April 30, 2017
	$	$	**$**	$
OPERATING ACTIVITIES				
Net loss for the period	**(98,818)**	(153,326)	**(144,495)**	(320,648)
Adjustments for:				
Income tax recovery	**-**		**(15,904)**	(853)
Stock based compensation	**-**	13,520	**-**	13,520
Write-down of mineral exploration properties and				-
exploration and evaluations assets	**-**		**-**	-
Unrealized loss on financial assets at fair value through profit and	**22,375**	1,994	**3,825**	(13,478)
Loss on disposal of marketable securities				-
Changes in working capital items (Note 12)	**68,476**	(261,554)	**149,970**	(37,076)
Net cash from (used in) operating activities	**(7,967)**	(399,366)	**(6,604)**	(358,535)
INVESTING ACTIVITIES				
Proceeds on sale of marketable securities			**-**	-
Purchase of office equipment	**-**	(1,417)	**-**	(1,417)
Exploration and evaluation costs	**(0)**	(321,994)	**(169,233)**	(421,242)
Option payments received	**-**	0	**-**	-
Net cash (used in) from investing activities	(0)	(323,411)	**(169,233)**	(422,659)
FINANCING ACTIVITIES				
Proceeds from subscription receivable				
Proceeds from issuance of flow through shares	**-**	-	**10,000**	-
Proceeds from common shares issued, net of costs	**-**	1,038,350	**-**	1,038,350
Share issue costs	**-**	-	**-**	-
Proceeds from exercised warrants, net of costs	**-**	10,500	**-**	10,500
Net cash from financing activities	**-**	1,048,850	**10,000**	1,048,850
Change in cash	**(7,967)**	326,073	**(165,837)**	267,656
Cash, beginning of the period	**14,227**	213,787	**172,097**	272,204
Cash, end of the period	**6,260**	539,860	**6,260**	539,860

Supplemental cash flow information is provided in Note 12

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Everton Resources Inc. ("Everton", or the "Company") was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. In November 2002, the Company commenced its current nature of operations which involves the acquisition, exploration, and evaluation of mineral resource properties. Everton and its subsidiaries (the "Company") are in the exploration stage and do not derive any revenue from the exploration and evaluation of their properties. The address of the Company's corporate office is 5460 Canotek Road, Suite 99, Ottawa, Ontario, Canada, K1J9G9. The Company's common shares are listed for trading on the TSX Venture Exchange ("TSX-V"') under the symbol "EVR".

During the three and six month periods ended April 30, 2018, the Company incurred a loss of $98,818 and $160,399 and, as at April 30, 2018, had negative working capital of $399,603 and an accumulated deficit of $49,382,313. To date the Company has not earned any revenues and is considered to be in the exploration stage. The Company's operations have been primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. The Company will continue to require additional funding to maintain its ongoing levels of operations and administration, retire its indebtedness as they come due, and meet its payment commitments and property maintenance payments for the next fiscal year. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business operations for the foreseeable future. Realization values may be substantially different from carrying values as shown and these condensed consolidated interim financial statements do not give effect to the adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to develop properties and to establish future profitable production.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 27, 2018.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations, using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended October 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended October 31, 2017.

2. BASIS OF PRESENTATION (Cont'd)

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the available-for-sale financial instruments and financial assets at fair value through profit or loss which are measured at fair value and are expressed in Canadian dollars.

3. SUBSIDIARIES

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries. Everton Resources Inc. is the ultimate parent company of the consolidated group. Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest thus exists, any losses of that subsidiary are attributed to the non-controlling interests even if that results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

An associate is an entity in which the Company or its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in, without having control over, the financial and operating policy decisions of the entity, and generally exists where between 20% and 50% of the voting power of the entity is held by the Company. As at April 30, 2018 and October 31, 2017, the Company did not have any associates.

During the year ended October 31, 2015, the Company transferred the ownership of Tropical Resources S.A. to an arms-length company for no consideration. At the time of the transfer the Company had no assets or liabilities, or concessions under renewal in it.

The subsidiaries of the Company at April 30, 2018, and their principal activities are described below:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Everton Minera Dominicana S.A.	Dominican Republic	100%	Exploration Company
Pan Caribbean Metals Inc.	British Virgin Islands	100%	Holding Company
Dominican Metals Inc.	British Virgin Islands	100%	Holding Company
Everton Dominicana (2014) Inc.	Canada	100%	Exploration Company
Linear Gold Caribe S.A.	Dominican Republic	100%	Exploration Company
Hays Lake Gold Inc.	Canada	100%	Exploration Company

Everton Dominicana (2014) Inc., Linear Gold Caribe S.A. and Hays Lake Gold Inc. remain inactive exploration companies.

(Expressed in Canadian dollars)

4. CASH

On June 24, 2016 and July 14, 2016, the Company completed two private placements that included proceeds of $365,500 from the issuance of flow through shares. These proceeds are subject to the tax rules which require the money to be spent on eligible exploration expenditures (Note 18).

During the month of December 2017, the Company incurred $146,808 of eligible expenditures and is required to incur an additional $0.

As at April 30, 2018, the Company's had a cash balance of $6,260 (October 31, 2017 - $172,097).

5. MARKETABLE SECURITIES AND WARRANTS

All of the listed securities held by Everton, with the exception of the common shares and warrants in Albert Inc. Inc. ("Albert"), were acquired through prior year's property option and sales transactions with the below listed companies. The Company does not normally purchase shares of publicly listed companies on the open market.

The following securities were included in marketable securities and warrants:

	April 30, 2018 Fair Value	October 31, 2017 Fair value
	$	$
Albert Mining Inc. - 250,000 common shares	**12,500**	12,500
Marketable securities	**12,500**	12,500
Albert Mining Inc. - 250,000 warrants	**500**	4,325
Marketable securities and warrants	**13,000**	16,825

On July 29, 2015, Albert Mining Inc. extended the 250,000 warrants for a period of three years. The warrants are exercisable at $0.10 and expire on August 12, 2018.

6. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS

	April 30, 2018		October 31, 2017	
	Mineral exploration properties	**Exploration and evaluation assets**	Mineral exploration properties	Exploration and evaluation assets
	$	**$**	$	$
Dominican Republic				
a) Cabirma del Cerro	**1**	**-**	1	
b) Arroyo Carpintero	**-**	**528,153**	-	506.902
	1	**528,153**	1	506,902
Canada Quebec				
c) Opinaca	**260 450**	**2,842,085**	260,450	2,842,085
d) Detour Lake	**85 989**	**176,585**	85,989	148,485
e) Chapais	**-**	**119,882**	-	-
	346,439	**3,138,552**	346,439	2,990,570
	346,440	**3,666,705**	346,440	3,497,472

6. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS (Cont'd)

Dominican Republic

a) Cabirma del Cerro ("CdC") (Formerly Ampliación Pueblo Viejo, La Lechoza), Dominican Republic

The Company holds 100% of the Cabirma de Cerro concession.

During the year ended October 31, 2017, the Company incurred exploration and evaluation expenditures of $16,494 (2016 - $Nil) on this property. The Company also wrote off $52,363 of prior years' payables which had been capitalized to this property.

During the year ended October 31, 2017 the Company wrote this property down to $1, incurring a write-down on mineral exploration properties and exploration and evaluation assets of $10,167,657.

During the three and six month periods ended April 30, 2018, the Company incurred exploration and evaluation expenditures of $Nil and $Nil (2017 - $Nil and $Nil).

b) Arroyo Carpintero (Formerly Ponton), Dominican Republic

The Company holds 100% of the Arroyo Carpintero concession.

During the year ended October 31, 2017, the Company incurred exploration and evaluation expenditures of $506,902 (2017 - $Nil) on this property.

During the three and six month periods ended April 30, 2018, the Company incurred exploration and evaluation expenditures of $Nil and $21,251 (2017 - $369,894 and $439,938).

Canada, Quebec

c) Opinaca

On December 9, 2004, the Company signed an option agreement with Azimut Exploration Inc. ("Azimut") to initially earn a 50% undivided interest in the Opinaca property by incurring a minimum $2,800,000 in exploration work and making cash payments totaling $180,000 over 5 years. The Company has earned 50% of the property to date.

On November 15, 2011 (amended on November 1, 2013), the Company and Azimut executed an option agreement with Hecla Mining Company, formerly Aurizon Mines Ltd., ("Hecla") whereby Hecla can acquire an initial 50% ownership interest in the Opinaca property (leaving each of the Company and Azimut with 25%), by making total cash payments of $580,000, ($290,000 payable to both the Company and to Azimut), and incurring exploration expenditures of $6,000,000, including a minimum of 3,800 metres of drilling prior to November 15, 2013 and 1,200 metres of drilling prior to November 15, 2014. Hecla may then elect to earn an additional interest of 10%, for a total interest of 60% (leaving each of the Company and Azimut with 20%), by making cash payments totaling $300,000 ($150,000 payable to both the Company and to Azimut) and incurring exploration expenditures totaling $3,000,000 over three years from the election date, and delivering an independent pre-feasibility study on or before the fourth anniversary of the second option.

(Expressed in Canadian dollars)

6. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS (Cont'd)

<u>Canada, Quebec</u> (Cont'd)

c) Opinaca (Cont'd)

On December 9, 2004, the Company signed an option agreement with Azimut Exploration Inc. ("Azimut") to initially earn a 50% undivided interest in the Opinaca property by incurring a minimum $2,800,000 in exploration work and making cash payments totaling $180,000 over 5 years. The Company has earned 50% of the property to date.

On November 15, 2011 (amended on November 1, 2013), the Company and Azimut executed an option agreement with Hecla Mining Company, formerly Aurizon Mines Ltd., ("Hecla") whereby Hecla can acquire an initial 50% ownership interest in the Opinaca property (leaving each of the Company and Azimut with 25%), by making total cash payments of $580,000, ($290,000 payable to both the Company and to Azimut), and incurring exploration expenditures of $6,000,000, including a minimum of 3,800 metres of drilling prior to November 15, 2013 and 1,200 metres of drilling prior to November 15, 2014. Hecla may then elect to earn an additional interest of 10%, for a total interest of 60% (leaving each of the Company and Azimut with 20%), by making cash payments totaling $300,000 ($150,000 payable to both the Company and to Azimut) and incurring exploration expenditures totaling $3,000,000 over three years from the election date, and delivering an independent pre-feasibility study on or before the fourth anniversary of the second option.

Hecla will be the operator during the earn-in period for the initial 50% interest in the property after which a joint venture will be formed.

In addition, in the event that, prior to the end of the eighth year of the initial option agreement, mineral resources of at least 2,000,000 ounces of gold, at an average grade of at least 6.0 g/t Au, are estimated with at least 1,000,000 ounces as measured or indicated, Hecla shall make a payment of $1,500,000 ($750,000 to the Company), payable in Hecla common shares, subject to regulatory approval.

Date		Cash payments		Exploration expenditures	Meters of drilling
On approval from the TSX Venture Exchange (received)	$	50,000	$	-	-
On November 15, 2012 (received and expenses incurred)	$	60,000	$	1,000,000	-
On November 15, 2013 (received and expenses incurred)	$	60,000	$	2,190,000	3,800
On November 15, 2014 (received and expenses incurred)	$	60,000	$	350,000	1,200
On November 15, 2015 (received and expenses incurred)	$	60,000	$	820,000	-
On November 15, 2016 (expenses incurred)	$	-	$	820,000	-
On November 15, 2017 (expenses incurred)	$	-	$	820,000	-
	$	290,000	$	6,000,000	5,000

The cash payments in the table relate to the cash payments to be made by Hecla to the Company and do not include cash payments made by Hecla to Azimut.

During the three and six month periods ended April 30, 2018, the Company incurred exploration and evaluation expenditures of $Nil and $Nil (2017 - $Nil and $7,874) on this property. The Company also paid $Nil and $Nil (2017 - $Nil and $17,004) for the renewal of licenses and permits related to this property.

(Expressed in Canadian dollars)

6. MINERAL EXPLORATION PROPERTIES AND EXPLORATION AND EVALUATION ASSETS (Cont'd)

Canada, Quebec (Cont'd)

d) Detour Lake

This property was initially made up of 134 claims in the James Bay Region of Quebec, staked by the Company on May 26, 2016. On October 12, 2016, the Company staked an additional 25 claims related to this property, bringing the total number of claims to 159.

In fiscal 2016, the Company purchased a list of targets on the areas of interest by issuing 1,700,000 common shares valued at $76,000 and by paying $50,000 to Diagnos Inc. ("Diagnos"). The Company also granted Diagnos a 2.0% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the concessions identified by Diagnos. The purchase agreement stipulates that the Company may, at any time, reduce the royalty from 2.0% to 1.0% by paying $1,000,000 to Diagnos.

During the three and six month periods ended April 30, 2018, the Company incurred exploration expenditures of $Nil and $28,100 (2017- $Nil and $Nil) on the property.

e) Chapais

On December 5, 2017 the Company entered into an option agreement with Albert Mining Inc. ("Albert Mining") to earn up to a 75% interest in seven mining claims located in the Chapais mining district of Quebec. To earn the 75% interest, the Company will pay $30,000 in cash, incur exploration expenditures totaling $370,000 over a three year period, and will issue to Albert Mining a total of 2,500,000 common shares at two separate dates during the three year period. Albert Mining will retain a 2% NSR on the property. The Company reserves the right to purchase half of the NSR (1%) at any time by paying $1,000,000 to Albert Mining. The Company and Albert Mining share common management.

During the three and six month periods ended April 30, 2018, the Company incurred exploration expenditures of $Nil and $119,882 (2017- $Nil and $Nil) on the property.

The following table reflects the changes to mineral exploration properties and exploration and evaluation assets for the three and six month periods ended April 30, 2018, and the year ended October 31 2017:

	Three months ended April 30, 2018	**Six months ended April 30, 2018**	**Year ended October 31, 2017**
	$	**$**	$
Balance, beginning of the year	**4,173,145**	**3,843,912**	13,508,472
Additions			
Drilling		**142,055**	263,532
Assaying			13,775
Project consulting		**650**	878
Geological survey			69,705
Geophysical Survey			3,373
Geochemical survey			5,688
Date and report preparation			7,185
Renewal of licenses and permits		**3,428**	21,329
General field expenses		**23,100**	117,632
	-	**169,233**	503,097
Acquisition of mineral exploration properties	**-**	**-**	-
Write-down of exploration properties and evaluation assets	**-**	**-**	(10,167,657)
	-	**-**	(10,167,657)
Balance, end of the year	**4,173,145**	**4,013,145**	3,843,912
Mineral exploration properties	**346,440**	**346,440**	346,440
Exploration and evaluation assets	**3,666,705**	**3,666,705**	3,497,472
Exploration properties and evaluation assets	**4,013,145**	**4,013,145**	3,843,912

(Expressed in Canadian dollars)

7. FLOW THROUGH SHARE PREMIUM LIABILITY

The Company periodically issues flow through shares, to fund Canadian exploration programs, with any resulting flow through premium recorded as a flow through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow through premium is recorded as income. Based on Canadian tax law, the Company is required to spend the amounts raised on eligible exploration expenditures by the end of the year subsequent to the date the expenditures were renounced.

The following is a continuity schedule of the liability portion of the flow-through share issuances:

Flow through premium liability	Issued on July 14, 2016	Total
Balance October 31, 2016	**$ 17,535**	**$ 17,535**
Reduction of flow-through share liability on incurring qualifying expenditures	(1,631)	(1,631)
Balance October 31, 2017	**$ 15,904**	**$ 15,904**
Reduction of flow-through share liability on incurring qualifying expenditures	(15,904)	(15,904)
Balance April 30, 2018	**$ -**	**$ -**

8. SHARE CAPITAL

Authorized

The authorized capital of the company consists of unlimited common shares without par value.

<u>2017 Issuances</u>

I. On February 6, 2017, the Company announced the closing of the 1st tranche of its non-brokered private placement by issuing 9,995,000 units of the Company for gross proceeds of $499,750. Each Unit consisted of one common share (the “Common Share”) of the Company at a price of $0.05 per Common Share and one-half common share purchase warrant (the “Warrant”). Each whole Warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of $0.07 per common share for a period of two years until February 6, 2019.

In connection with the closing of the 1st tranche of this private placement, the Company paid finder’s fees of $23,700. A total of 148,000 Common Shares, valued at $7,400, and 252,000 finder’s warrants were also issued. Each finder’s warrant entitles the finder to purchase one common share of the Company at a price of $0.07 for a period of two years until February 6, 2019.

The 4,997,500 warrants issued in connection with the private placements have been recorded at a value of $129,565 based on the proportional method, using the Black-Scholes option pricing model with the following assumptions: share price of $0.055, an average exercise price of $0.07,risk free interest rate of 0.72%, expected life of warrants of two years, annualized volatility rate of 154.20% and dividend rate of 0%.

8. SHARE CAPITAL (Cont'd)

2017 Issuances (Cont'd)

The 252,000 finder's warrants issued in connection to the February 6, 2017 private placements listed above have been recorded at a value of $13,255 based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0526, an average exercise price of $0.07, risk free interest rate of 0.74%, expected life of warrants of two years, annualized volatility rate of 223.12% and dividend rate of 0%.

II. On February 21, 2017, the Company announced the closing of the 2nd tranche of its non-brokered private placement by issuing 12,070,000 units of the Company for gross proceeds of $603,500. Each Unit consisted of one Common Share of the Company at a price of $0.05 per Common Share and one-half common share purchase warrant. Each whole Warrant entitles the holder thereof to acquire one additional common share in the capital of the Company at a price of $0.07 per common share for a period of two years until February 21, 2019.

In connection with the closing of the 2nd tranche of this private placement, the Company paid finder's fees of $41,200. A total of 24,000 finder's warrants were also issued. Each finder's warrant entitles the finder to purchase one common share of the Company at a price of $0.07 for a period of two years until February 21, 2019. An additional 800,000 finders' warrants were also issued with each finder warrant entitling the finder to purchase a finder unit of the Company at a price of $0.05 per finder unit for a period of two years from the date of closing of the private placement. Each finder unit comprises one common share and one-half of a finder unit warrant. Each finder unit warrant entitles the finder to purchase one common share at an exercise price of $0.07 per common share for a period of two years from the closing date.

The 6,035,000 Warrants issued in connection with the private placements have been recorded at a value of $169,104 based on the proportional method, using the Black-Scholes option pricing model with the following assumptions: share price of $0.07, an average exercise price of $0.07,risk free interest rate of 0.78%, expected life of warrants of two years,
Annualized volatility rate of 172.38% and dividend rate of 0%.

The 24,000 finder's warrants issued in connection to the February 21, 2017 private placements listed above have been recorded at a value of $1,486 based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0619, an average exercise price of $0.07, risk free interest rate of 0.78%, expected life of warrants of two years, annualized volatility rate of 222.33% and dividend rate of 0%.

The 800,000 finder's warrants issued in connection to the February 21, 2017 private placements listed above have been recorded at a value of $50,560 based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0632, an average exercise price of $0.05, risk free interest rate of 0.78%, expected life of warrants of two years, annualized volatility rate of 222.33% and dividend rate of 0%.

III. In March 2017, 150,000 commons share purchase warrants were exercised for gross proceeds of $10,500.

2016 Issuances

I. On April 27, 2016, the Company issued 1,700,000 common shares as part of the purchase price of a list of exploration targets on the areas of interest on the Detour Lake property (Note 5(d)).

8. SHARE CAPITAL (Cont'd)

2016 Issuances (Cont'd)

II. On June 24, 2016, the Company announced the closing of the 1st tranche of its non-brokered private placement by issuing 8,070,000 units for gross proceeds of $403,500. Each unit consisted of one common share at a price of $0.05 and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $0.07 per common share for a period of two years.

The 4,035,000 warrants issued in connection to the private placements listed above have been recorded at a value of $48,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0375, an average exercise price of $0.07, risk free interest rate of 0.57%, expected life of warrants of two years, annualized volatility rate of 151.90% and dividend rate of 0%.

The Company has also issued 1,210,000 flow-through common shares at a price of $0.05 per share for gross proceeds of $60,500 of which $48,400 was recorded in share capital and the remaining $12,100 was recorded as a flow through share premium liability (Note 6).

In connection with the private placement, the Company paid a cash finder's fee of $36,120. A total of 722,400 finder's warrants were issued to the finders, with each finder's warrant entitling the finder to purchase a finder's unit of the Company at a price of $0.05 per finder's unit for a period of two years from the date of closing of the private placement. Each finder's unit comprises one common share and one half of a finder's unit warrant. Each finder's unit warrant entitles the finder to purchase one common share at an exercise price of $0.07 per common share for a period of two years from the closing date.

The finders' warrants have been recorded at a value of $26,000 based on the proportional method based on the Black Scholes option pricing model, using the following assumptions: share price of $0.036, an average exercise price of $0.05, risk free interest rate of 0.57%, expected life of warrants of two years, annualized volatility rate of 151.90% and dividend rate of 0%.

III. On June 30, 2016, the Company issued 400,000 common shares as part of the Blue Sky Jackpot Lithium option agreement.

IV. On July 14, 2016, the Company announced the closing of the second and final tranche of its non-brokered private placement by issuing 2,400,000 units for gross proceeds of $120,000. Each unit consisted of one Common Share at a price of $0.05 and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $0.07 per common share for a period of two years.

The 1,200,000 warrants issued in connection to the private placements listed above have been recorded at a value of $13,000 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: share price of $0.0384, an average exercise price of $0.07, risk free interest rate of 0.58%, expected life of warrants of two years, annualized volatility rate of 132.10% and dividend rate of 0%.

The Company has also issued 6,100,000 flow-through common shares at a price of $0.05 per share for gross proceeds of $305,000 of which $240,400 was recorded in share capital and the remaining $60,100 was recorded as a flow through share premium liability (Note 6).

(Expressed in Canadian dollars)

8. SHARE CAPITAL (Cont'd)

2016 Issuances (Cont'd)

V. On August 4, 2016, the Company announced the closing of its non-brokered private placement by issuing 300,000 units for gross proceeds of $15,000. Each unit consisted of one common share at a price of $0.05 and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of $0.07 per common share for a period of two years.

In connection with the private placement, the Company paid a cash finder's fee of $1,200. A total of 24,000 finder's warrants were issued to the finders, with each finder's warrant entitling the finder to purchase a finder's unit of the Company at a price of $0.07 per finder unit for a period of two years from the date of closing of the private placement. Each finder's unit comprises one common share and one half of a finder's unit warrant. Each finder's unit warrant entitles the finder to purchase one common share at an exercise price of $0.07 per common share for a period of two years from the closing date.

The finders' warrants have been recorded at a value of $350 based on the proportional method based on the Black Scholes option pricing model, using the following assumptions: share price of $0.037, an average exercise price of $0.07, risk free interest rate of 0.58%, expected life of warrants of two years, annualized volatility rate of 166.53% and dividend rate of 0%.

VI. On August 10, 2016, 203,125 common share purchase warrants were exercised for gross proceeds of $16,250.

9. WARRANTS

The following table reflects the continuity of warrants:

	Warrants	Exercise price
		$
Balance, October 31, 2015	**2,301,250**	**0.30**
Issued as part of a private placement (Note 8)	5,385,000	0.07
Exercised	(203,125)	0.08
Expired	(203,125)	0.08
Balance, October 31, 2016	**7,280,000**	**0.10**
Exercised	(150,000)	0.07
Issued as part of a private placement (Note 8)	11,032,500	0.07
Balance, October 31, 2017	**18,162,500**	**0.07**
Expired	**(1,895,000)**	**0.10**
Balance, April 30, 2018	**16,267,500**	**0.07**

On March 6, 2016, the Company extended and repriced 1,895,000 common share purchase warrants with a new expiry date of March 6, 2018. The warrants were originally set to expire on March 6, 2016 and had an exercise price of $0.35. Of the 1,895,000 warrants, a total of 1,319,500 of the warrants have been repriced and have a new exercise price of $0.10, while the remaining 575,500 warrants remain exercisable at $0.35. On March 6, 2018 these warrants expired.

(Expressed in Canadian dollars)

9. WARRANTS (Cont'd)

As at April 30, 2018, the following warrants were issued and outstanding:

Number of warrants	Carrying Value	Exercise price	Expiry date
	$	$	
4,035,000	48,000	0.07	June 24, 2018
1,200,000	13,000	0.07	July 14, 2018
4,997,500	128,565	0.07	February 6, 2019
6,035,000	169,104	0.07	February 21, 2019
16,267,500	**358,669**	**0.07**	

10. FINDER'S WARRANTS

A summary of changes of the Company's finder's warrants issued as compensation is presented below:

	April 30, 2018		October 31, 2017	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance, beginning of the year	1,822,400	0.05	746,400	0.07
Expired	-	-	-	-
Issued on private placement	-	-	1,076,000	0.06
Balance, end of period	**1,822,400**	**0.05**	**1,822,400**	**0.05**

As at April 30, 2018, the following warrants will expire at:

Number of Finders' warrants	Expiry date
722,400	June 24, 2018
24,000	August 4, 2018
252,000	February 6, 2019
824,000	February 21, 2019
1,822,400	

11. STOCK OPTION PLAN

Under the terms of the Company's stock option plan (the "Plan"), all options are granted with an exercise price not lower than the closing market price on the day immediately preceding the date of grant. The term of options is determined by the Board of Directors with a maximum term of 5 years. These options may be granted to the Company's employees, officers, directors, and persons providing ongoing services to the Company, and are subject to regulatory approval.

(Expressed in Canadian dollars)

11. STOCK OPTION PLAN (Cont'd)

On August 21, 2017 the shareholders approved an amendment to the stock option plan. Under the "rolling" 10% Stock Option Plan, the number of common shares which may be reserved under the Plan is limited to 10% of the aggregate number of common shares of the Company issued and outstanding, as the case may be.

Options are cancelled 12 months following the termination of the optionee's employment, office, directorship, or consulting arrangement. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted. A summary of changes of the Company's options is presented below:

	April 30, 2018		October 31, 2017	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		$		**$**
Balance at beginning of the period	5,465,000	0.14	5,545,000	0.18
Expired	(495,000)	(0.26)	(280,000)	0.82
Issued	-	-	200,000	0.07
Balance at end of the period	4,970,000	0.14	5,465,000	0.14

On April 14, 2016, the Company granted 1,000,000 stock options to directors, officers and consultants of the Company. The options have an exercise price of $0.05 and expire on April 14, 2021. The stock options have a Black-Scholes option pricing value of $60,500.

On August 16, 2016, the Company granted 2,960,000 stock options to officers, directors, consultant, and an employee of the Company at a price of $0.13 per share for a period of five years ending August 15, 2021. The stock options have a Black-Scholes option pricing value of $358,900.

On February 24, 2017, the Company granted 200,000 stock options to an officer at a price of $0.07 per share for a period of five years ending February 24, 2022. The stock options have a Black-Scholes option pricing value of $13,250.

On November 30, 2017, 80,000 stock options expired unexercised.

On February 28, 2018, 315,000 stock options expired unexercised.

On March 21, 2018, 100,000 stock options expired unexercised.

During the six month period ended April 30, 2018, the Company realized $Nil (2017 - $13,520) of stock based compensation expense.

The Company records charges to the statement of comprehensive loss using the Black-Scholes fair valuation option pricing model. The valuation was dependent on a number of estimates, including the risk-free interest rate, the level of stock volatility, together with an estimate of the level of forfeiture. The level of stock volatility is calculated with reference to historic traded daily closing share prices at the date of issuance.

Option pricing models require the inputs of highly subjective assumptions including the expected price volatility. Changes to the subjective input assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

(Expressed in Canadian dollars)

11. STOCK OPTION PLAN (Cont'd)

The underlying expected stock price volatility is based on historical data of the Company's shares over a period the same length as the life of the stock options issued. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the options.

The following table shows the stock options which were outstanding and exercisable as at April 30, 2018:

Outstanding			Exercisable	
Exercise price	**Options**	**Remaining contractual life** (in years)	**Options vested**	**Expiry date**
0.20	1,085,000	0.86	1,085,000	3/11/2019
0.05	925,000	2.96	925,000	4/14/2021
0.13	2,760,000	3.29	2,760,000	08/15/2021
0.07	200,000	3.82	200,000	02/24/2022
$ 0.13	**4,970,000**	**2.72**	**4,970,000**	

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended April 30,		Six months ended April 30,	
	2018	2017	**2018**	2017
	$	**$**	**$**	$
Changes in working capital are as follows:				
Accounts receivable	**18,303**	(8,714)	**(4,020)**	4,264
Prepaid expenses	**(1,748)**	(8,778)	**24,127**	14,284
Accounts payable and accrued liabilities	**51,921**	(244,062)	**129,863**	(55,624)
	68,476	(261,554)	**149,970**	(37,076)
Exploration and evaluation costs included in accounts payable	**231,715**	366,010	**231,715**	366,010
Shares issued for acquisition and exploration data	-	-	**-**	-
Shares issued for mineral exploration properties	-	-	**-**	-

13. SEGMENT REPORTING

The Company has one reportable operating segment being that of acquisition and exploration and evaluation activities. The Company has the following noncurrent assets located in the Dominican Republic and in Canada:

	April 30, 2018	October 31, 2017
Canada	**$**	$
Mineral exploration properties	**346,439**	**346,439**
Exploration and evaluation assets	**3,138,552**	**2,990,570**
Total	**3,484,991**	**3,337,009**
Dominican Republic		
Mineral exploration properties	**1**	**1**
Exploration and evaluation assets	**528,153**	**506,902**
Total	**528,154**	**506,903**

13. SEGMENT REPORTING (Cont'd)

All Dominican Republic exploration mineral claims are held by the Company's Dominican Republic subsidiaries with all costs incurred in the subsidiaries capitalized to exploration and evaluation properties.

14. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk management

The nature of the exploration process exposes the Company to risks associated with fluctuations in commodity prices and foreign currency exchange rates. To date, the Company has not used derivative financial instruments to manage these risks. Other risks include credit risk, liquidity risk, interest rate risk, and political risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash and accounts receivable, and maximum exposure is equal to the carrying values of these assets. The Company's cash is held at several large financial institutions. It is management's opinion that the Company is not exposed to significant credit risk. None of the Company's financial assets are secured by collateral or other credit enhancements.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company's financial liabilities are all due within 12 months. The Company anticipates raising sufficient funds to discharge its current liabilities.

All current liabilities are due on demand.

(iii) Foreign currency risk

The Company has exposure to financial risk arising from fluctuations in exchange rates (US dollars "US$" and Dominican Peso "DOP") and the degree of volatility of these rates. The Company currently does not have significant future commitments denominated in foreign currencies. The Company does not use forward exchange contracts to reduce exposure to foreign currency risk. As at April 30, 2018 the Company did not hold significant assets or liabilities in foreign currencies and, as a result, a reasonably possible change in US dollars or DOP's with all other variables held constant would not have a material impact on the net loss.

Risk management (Cont'd)

(iv) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as investment savings accounts and guaranteed investment certificates) with maturities of 360 days or less from the original date of acquisition. The Company has limited exposure to financial risk arising from fluctuations in interest rates earned on cash and short-term investments and the volatility of these rates.

14. RISK MANAGEMENT AND CAPITAL MANAGEMENT (Cont'd)

(v) Market risk

The Company holds shares and warrants of a publicly listed company in the mineral exploration industry. The Company is exposed to market risk in the value of these shares and warrants and unfavourable market conditions could result in the disposal at less than their value.

Investments in common shares of publicly listed companies are subject to fluctuation as a result of market volatility. As such, the fair value of the investments may increase or decrease materially in subsequent periods resulting in material gains or losses in comprehensive income (loss).

(vi) Political risk

The Company carries out some of its exploration activities in the Dominican Republic. These activities may be subject to political, economic, or other risks that could influence the Company's exploration activities and future financial situation.

(vii) Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices, as it relates to silver and gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Commodity price risk is remote as the Company is currently not a producing entity.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern in order to maintain its properties in good standing, support normal operating requirements, continue the exploration and evaluation of its mineral properties and support any expansionary plans, and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity.

As long as the Company is exploring and evaluating its mining properties, it is not the intention of the Company to contract additional debt obligations to finance its work programs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. In order to facilitate the management of its capital requirements, management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company prepares interim budgets that are updated as necessary depending on various factors including successful capital deployment and general industry conditions.

As at April 30, 2018, the Company's optioned properties are in the exploration and evaluation stage, as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and evaluation and pay for administrative costs, the Company will be required to raise additional financing. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

There were no significant changes to capital management policies of the Company during the period ended April 30, 2018.

(Expressed in Canadian dollars)

14. RISK MANAGEMENT AND CAPITAL MANAGEMENT (Cont'd)

Capital management (Cont'd)

The Company and its subsidiaries are not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months.

As at April 30, 2018, the Company was in violation of the above TSXV requirement. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, marketable securities and warrants and accounts payable and accrued liabilities. The fair value of cash and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

IFRS 7 Financial Instruments: Disclosure requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – includes unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – includes inputs other than quoted prices in level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – includes inputs for the asset or liability that are not based on observable market data.

The fair value of marketable securities are classified as level 1 and warrants are classified as level 2 and valued using the Black-Scholes option pricing model. There were no transfers between levels during the periods ended April 30, 2018 and April 30, 2017.

The classification of financial instruments is as follows:

	April 30, 2018	October 31, 2017
	$	$
Financial assets		
Financial assets at FVTPL		
Marketable securities (non-derivative)	**12,500**	12,500
Warrants	**500**	4,325
Cash	**6,260**	172,097
	19,260	188,922
Financial liabilities		
Other financial liabilities		
Accounts payable accrued liabilities	**(422,530)**	(292,667)
Net financial instruments	**(403,270)**	(103,745)

(Expressed in Canadian dollars)

16. RELATED PARTY TRANSACTIONS

Key management compensation

The following table reflects compensation of key management personnel, including the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and Directors:

	Three months ended		Six months ended	
	April 30, 2018	April 30, 2017	**April 30, 2018**	April 30, 2017
	$	$	**$**	$
Salaries and contractor fees [(1)]	**43,500**	62,613	**87,000**	108,139
Benefits	**-**	1,385	**972**	2,733
Share-based compensation	**-**	13,520	**-**	13,520
	43,500	77,518	**87,972**	124,392

[(1)] Includes directors' fees which have been included in *Management fees* in the consolidated statements of loss and comprehensive loss.

Transactions with related companies

The Company entered into the following transactions with related companies:

a) Under an agreement which was signed on March 25, 2013 between Albert Mining Inc. (formerly Majescor Resources Inc.) ("Albert") and the Company, Albert reimbursed the cost of shared salaries and benefits, rent and office expenses paid by the Company (which shares common management). During the three and six month periods ended April 30, 2018, Albert reimbursed the Company $3,496 and $6,166 of shared costs (2017 - $5,541 and $9,840).

b) During the three and six month periods ended April 30, 2018, Tetra reimbursed the Company $Nil and $Nil of shared costs (2017 - $668 and $6,176). During the year ended October 31, 2017, the Company ceased sharing expenses with Tetra Bio-Pharma Inc.

Amounts owing to related parties

At April 30, 2018, $73,450 is owing to a company controlled by the Company's CEO for unpaid management fees.

17. CONTINGENCIES AND COMMITMENTS

The Company's operations are governed by governmental laws and regulations regarding environmental protection. These laws and regulations are continually changing and generally becoming more restrictive. At the present time, and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the condensed consolidated interim financial statements only when they will be reasonably estimated and will be charged to the exploration and evaluation assets at the time.

Flow through expenditure commitment

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work which must be performed no later than the earlier of the following dates:
– Two years following the flow-through placements;

17. CONTINGENCIES AND COMMITMENTS (Cont'd)

Flow through expenditure commitment (Cont'd)

- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

During the year ended October 31, 2016, the Company raised $365,500 through flow-through placements. Management is required to fulfill its commitment within the stipulated deadline of December 31, 2017. As of October 31, 2017, Management has incurred $218,692 of this commitment leaving $146,808 to be spent by December 31, 2017.

During the month of December 2017, the Company spent the balance of $146,808 of flow-through funds on qualified exploration work.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Management commitments

The Company is party to certain management and employee contracts. These contracts contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. As the triggering events have not taken place, the contingent payments have not been reflected in these condensed consolidated interim financial statements.

Lease Commitments

On February 26, 2018, the Company entered into a new twelve-month lease agreement starting July 1, 2018 and ending June 30, 2019 to rent office space for the Company's head office in Ottawa. The total lease obligation is $24,064.

Promissory Note

The Company issued Primero Mining Corp. ("Primero") a promissory note equal to the greater of $5 million or the value of 1,000,000 common shares of the Company payable in cash. The promissory note is subject to completion of a National Instrument 43-101 ("NI 43-101") compliant measured and indicated resource estimate on the concessions in the Dominican Republic of a minimum 1 million ounces of gold equivalent ("AuEq") (at an average grade of 2.5 g/t AuEq or higher for APV and 1.5 g/t AuEq or higher for Ponton and La Cueva) or actual gold production from the concessions in the Dominican Republic plus an NI 43-101 compliant measured and indicated resource estimate (at an average grade of 2.5 g/t AuEq or higher for APV and 1.5 g/t AuEq or higher for Ponton and La Cueva) exceeding 1 million ounces of gold equivalent

18. EVENTS AFTER THE REPORTING DATE

The Company has no after reporting date events.