Canamex Gold Corp.

Condensed Consolidated Interim Financial Statements

For the Three Months Ended March 31, 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 condensed consolidated unaudited interim financial statements have been prepared by and are the responsibility of management.

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

VANCOUVER, BC
May 29, 2018

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Note	March 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash		$ 373,711	$ 458,709
Amounts receivable	4	11,269	24,438
Prepaid expenses		80,291	91,523
		465,271	574,670
Non-current assets			
Exploration and evaluation assets	5	10,781,862	10,677,667
Reclamation bond		28,067	27,290
		10,809,929	10,704,957
TOTAL ASSETS		**$ 11,275,200**	**$ 11,279,627**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6,9	$ 204,304	$ 335,180
Non-current liabilities			
Secured convertible debentures	7	4,094,795	3,893,649
Proceeds from Gold Royalty Tokens	12	265,500	-
TOTAL LIABILITIES		4,558,599	4,228,829
EQUITY			
Share capital	8	19,269,788	19,261,788
Reserves	7,8	3,607,517	3,536,721
Deficit		(16,166,704)	(15,747,711)
TOTAL EQUITY		6,710,601	7,050,798
TOTAL LIABILITIES AND EQUITY		**$ 11,275,200**	**$ 11,279,627**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board:

"David Vincent"

"Michael Stark"

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three months ended March 31, 2018	2017
Expenses			
Consulting	9	$ 7,500	$ 215,970
Interest and accretion expense	7	201,146	203,356
Management fees	9	46,500	79,741
Office and administrative		22,841	37,379
Professional fees		14,979	21,827
Share-based payments	8,9	70,796	106,477
Shareholder communications		27,153	42,436
Transfer agent and filing fees		17,402	16,610
Travel		10,676	9,331
Net loss and comprehensive loss		**$ (418,993)**	**$ (733,127)**
Loss per share – basic and diluted		**$ (0.01)**	**$ (0.02)**
Weighted average number of common shares outstanding		**61,402,343**	**39,308,371**

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Share capital					
	Number of shares	Amount	Subscription receivable	Reserves	Deficit	Total
Balance at December 31, 2016	**39,308,371**	**$ 16,811,353**	**$ (241,000)**	**$ 3,325,480**	**$(13,730,828)**	**$ 6,165,005**
Subscription receivable	-	-	241,000	-	-	241,000
Share-based payments	-	-	-	106,477	-	106,477
Net loss for the period	-	-	-	-	(733,127)	(733,127)
Balance at March 31, 2017	**39,308,371**	**$ 16,811,353**	**$ -**	**3,325,480**	**$(14,463,955)**	**$ 5,779,355**
Balance at December 31, 2017	**61,365,676**	**$ 19,261,788**	**$ -**	**$ 3,536,721**	**$(15,747,711)**	**$ 7,050,798**
Exercise of options	50,000	8,000	-	-	-	8,000
Share-based payments	-	-	-	70,796	-	70,796
Net loss for the period	-	-	-	-	(418,993)	(418,993)
Balance at March 31, 2018	**61,415,676**	**$ 19,269,788**	**$ -**	**$ 3,607,517**	**$(16,166,704)**	**$ 6,710,601**

The accompanying notes form an integral part of the condensed consolidated interim financial statements

Canamex Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2018	2017
Operating activities		
Net loss	$ (418,993)	$ (733,127)
Adjustments for non-cash items:		
Foreign exchange	(777)	-
Interest and accretion expense (Note 7)	201,146	203,356
Share-based payments (Note 8)	70,796	106,477
	(147,828)	(423,294)
Changes in non-cash working capital items:		
Amounts receivable	13,169	81,512
Prepaid expenses	11,232	42,435
Trade payables and accrued liabilities	(130,876)	(71,087)
Net cash flows used in operating activities	**(254,303)**	**(370,434)**
Investing activities		
Exploration and evaluation assets	(104,195)	(81,987)
Reclamation bond	-	212
Net cash flows used in investing activities	**(104,195)**	**(81,775)**
Financing activities		
Proceeds from issuance of common shares	8,000	-
Share subscriptions received	-	241,000
Proceeds from rights offering	265,500	-
Net cash flows from financing activities	**273,500**	**241,000**
Change in cash	(84,998)	(211,209)
Cash, beginning	458,709	1,449,508
Cash, ending	**$ 373,711**	**$ 1,238,299**
Supplemental disclosures		
Income taxes paid	**$ -**	**$ -**
Interest paid	**$ -**	**$ -**

The accompanying notes form an integral part of the condensed consolidated interim financial statements

1. Nature of operations and going concern

Canamex Gold Corp.'s (the "Company") head office and primary place of business is located at 750 West Pender Street, Suite 804, Vancouver, British Columbia, Canada, V6C 2T7. On April 23, 2018, the Company was accepted by the Canadian Securities Exchange (the "CSE") for its securities primary market listing in Canada. On May 2, 2018, the Company's common shares have been approved for listing on the CSE under the symbol of "CSQ".

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the shareholders approved both the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia) and the new articles of the Company.

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company is in the process of exploring mineral resource properties and has not yet determined whether the properties contain reserves that are economically recoverable. As at December 31, 2017, the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. As at March 31, 2018, the Company has incurred losses since its inception and has an accumulated deficit of $16,166,704 which has been funded primarily by the issuance of debt and equity. There is a material uncertainty related to these conditions that casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future. Although the Company has been successful in obtaining the necessary financing to continue operations in the past, there can be no assurance that it will be able to or do so on terms acceptable to the Company in the future.

2. Significant accounting policies and basis of preparation

The Company's consolidated financial statements were authorized for issuance on May 30, 2018 by the Board of Directors.

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretation Committee ("IFRIC"). The consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended December 31, 2017.

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified for specific financial instruments carried at fair value where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted. Certain comparative figures may have been reclassified to conform to the current period's presentation.

2. Significant accounting policies and basis of preparation (cont'd)

Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries, Canamex Resources US Inc. ("Canamex US") and Canamex Guyana Inc. ("Canamex Guyana"). Canamex US was incorporated in the State of Nevada, USA and Canamex Guyana was incorporated in Guyana. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from those estimates.

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

a) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Impairment

The carrying value of non-financial assets is reviewed each reporting period upon the occurrence of events or changes in circumstances indicating that the carrying value of assets may not be recoverable and when criteria of assets held for sale are met to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and an impairment loss is recognized in the consolidated statement of comprehensive loss. The assessment of fair values, including those of the cash generating units (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups of assets) ("CGUs") for purposes of testing goodwill, require the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, foreign exchange rates, future capital requirements and operating performance. Changes in any of the assumptions or estimates used in determining the fair value of goodwill or other assets could impact the impairment analysis.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

c) Site Closure and Reclamation Provisions

The Company assesses its mineral properties' rehabilitation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated.

Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future reclamation and remediation obligation. The actual future expenditures may differ from the amounts currently provided.

d) Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

e) Share-Based Payments and finders' warrants

Management uses valuation techniques in measuring the fair value of share options and finders' warrants granted. The fair value is determined using the Black-Scholes option pricing model which requires management to make certain estimates, judgments, and assumptions in relation to the expected life, expected volatility, expected risk-free rate, and expected forfeiture rate (Note 8). Changes to these assumptions could have a material impact on the Company's consolidated financial statements.

f) Deferred Income Taxes

Judgment is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgment is also required in determining whether deferred tax liabilities are recognized in the consolidated statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgment about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

2. Significant accounting policies and basis of preparation (cont'd)

Significant accounting judgments, estimates and assumptions *(cont'd)*

g) Discount rate used for convertible debt

The carrying value of the convertible debt is subject to management's estimates in determining an appropriate discount rate based on similar instruments with no conversion features.

Changes in accounting policies

a) IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and lost ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not have a material impact on the Company's financial statements.

b) IFRS 15 – Revenue from contracts with customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not have a material impact on the Company's financial statements.

3. New accounting standards not yet effective

New standard IFRS 16 Leases - IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties of a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company is currently assessing the impact of the adoption of IFRS 16.

4. Amounts receivable

	March 31, 2018	December 31, 2017
Government sales tax recoverable	$ 11,269	$ 22,438

5. Exploration and evaluation assets

Nye County, Nevada USA ("Bruner Property")

On May 28, 2010, the Company entered into a property option agreement ("Option Agreement") with Provex Resources Inc. ("Provex"), a company with a director in common with the Company at the time, granting an exclusive right and option to acquire up to a 75% interest in certain mineral claims in the Bruner Property.

During the year ended December 31, 2017, the Company completed its acquisition of a 100% interest in the claims comprising the Bruner Property for a payment of US $1,000,000.

Certain claims comprising the Bruner property are subject to a 2.0% - 3.5% net smelter return ("NSR") royalty upon production.

Silverton Property

On October 17, 2017, the Company entered into a lease and option agreement (the "Agreement") with Precious Metals LLC ("Precious Metals"), whereby Precious Metals agreed to lease the Silverton Property to the Company on an annual basis, on the following terms:

(a) Precious Metals will stake and record an additional 50 lode mining claims as directed by the Company around the original Silverton Property mining claims of Precious Metals, the cost of which will be covered by the Company.

(b) The Company will pay Precious Metals the following cash payments in U.S. dollars:

a. $15,000 on execution of the Agreement (paid);
b. $20,000 within 12 months from the date of the Agreement;
c. $25,000 within 24 months from the date of the Agreement;
d. $30,000 within 36 months from the date of the Agreement;
e. $30,000 on each anniversary date of the Agreement thereafter until the claims are in production; and
f. 2.0% NSR

The Company has the right to acquire a 100% interest in and to the Silverton Property from Precious Metals prior to production on the Silverton Property, by paying Precious Metals US$1,250,000 cash.

The Company has the option to purchase the 2% NSR, distinct and separate from the option to purchase the Silverton Property, by paying Precious Metals US$1,250,000 cash.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (cont'd)

For the three months ended March 31, 2018 and for the year ended December 31, 2017, the Company incurred the following expenditures on the properties:

Bruner Property, Nevada	**March 31, 2018**	**December 31, 2017**
Property acquisition costs		
Balance, beginning of the period	$ 1,040,698	$ 1,040,698
Additions during the period	-	-
	1,040,698	1,040,698
Exploration and evaluation costs		
Balance, beginning of the period	9,589,680	7,261,432
Costs incurred during the period:		
Drilling and related costs	54,993	426,470
Field work	-	44,584
Geological	44,491	511,697
Mineral rights options payment	-	1,337,270
Travel and accommodation	-	8,227
	9,689,164	9,589,680
Total - Bruner Property	$ 10,729,862	$ 10,630,378

Silverton Property, Nevada		
Exploration and evaluation costs		
Balance, beginning of the period	$ 47,288	$ -
Geological	4,711	-
Mineral rights options payment	-	47,288
Total - Silverton Property	$ 51,999	$ 47,288

Aranka North Property, Guyana		
Property acquisition costs		
Balance, beginning of the period	$ 1	$ 1
Total - Aranka North Property	$ 1	$ 1
Total exploration and evaluation assets	$ 10,781,862	$ 10,677,667

(Expressed in Canadian dollars)

6. Trade payables and accrued liabilities

	March 31, 2018	December 31, 2017
Trade payables	$ 142,986	$ 140,650
Amounts due to related parties (Note 9)	37,874	73,956
Accrued liabilities	23,444	81,444
Interest payable	-	39,130
	$ 204,304	$ 335,180

7. Secured convertible debentures

During 2016 the Company completed a non-brokered private placement of secured convertible debentures ("2016 Convertible Debentures") that were issued in two tranches. These 2016 Convertible Debentures have a first ranking security over the Company's interest in the Bruner Gold Property (see Note 5) and by the general assets of the Company.

a) In October 2016, the Company closed the first tranche of a non-brokered private placement for gross proceeds of $4,239,000, under which the Company issued an aggregate principal amount of $4,239,000 of secured convertible debentures (the "Debentures"), maturing in three years on October 25, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per Share (the "Conversion Price") until October 25, 2019.

   In addition, the holders of the Debentures received a total of 26,493,750 warrants ("Debenture Warrants"). Each Debenture Warrant is exercisable into a common share on or before October 25, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

   A finder was issued 307,125 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on October 25, 2019.

b) In December 2016, the Company closed the second tranche of a non-brokered private placement for gross proceeds of $559,000, under which the Company issued an aggregate principal amount of $559,000 of secured convertible debentures (the "Debentures"), maturing in three years on December 23, 2019. The Debentures are convertible into common shares at the option of the holder at a conversion price of $0.16 per share until December 23, 2019. As at December 31, 2016, $74,000 of the proceeds from the second tranche were recorded in amounts receivable and were received in 2017.

   In addition, the holders of Debentures received a total of 3,493,750 warrants ("Debenture Warrants"). Each Debenture Warrant will be exercisable into a common share on or before December 23, 2019 at an exercise price of $0.20 per share. Interest on the Debentures shall be paid annually in arrears, at an annual rate of interest of 7% per annum or alternatively, if paid in shares the rate would be 10%.

   A finder was issued 209,625 compensation warrants and each warrant is exercisable at $0.20 per common share until expiry on December 23, 2019.

(Expressed in Canadian dollars)

7. Secured convertible debentures (cont'd)

The following table summarizes accounting for the convertible debentures and the amounts recognized in respect of the liability and equity components during the years ended December 31, 2017 and 2016:

Principal		
Issued during year ended December 31, 2016	$	4,798,000
Liability		
Gross proceeds received	$	4,798,000
Issuance costs		(104,743)
Equity component less issue costs allocated		(1,334,959)
Liability component initially recognized		3,358,298
Accretion and interest expense recognized during 2016		118,203
Balance at December 31, 2016		3,476,501
Accretion and interest expense recognized during 2017		753,008
Interest paid and payable during 2017		(335,860)
Balance at December 31, 2017	$	3,893,649
Accretion and interest expense recognized during the period		201,146
Balance at March 31, 2018	$	4,094,795

Equity		
Equity component initially recognized in reserves	$	1,334,959
Issuance costs		(40,377)
Deferred income tax recovery		(358,287)
Balance at March 31, 2018 and December 31, 2017	$	936,295

For accounting purposes, the convertible debentures were separated into their liability and equity components using the residual method. The fair value of the liability component at the time of issue was determined based on an estimated rate of 20% for debentures without the conversion feature. The fair value of the equity component was determined as the difference between the face value of the debentures and the fair value of the liability component. After initial recognition the liability component is carried on an amortized cost basis and is being accreted to its face value over the term to maturity of the debenture at an effective interest rate of approximately 21%. The Company also recorded a recovery of a deferred income tax liability of $358,287 that was recognized in equity relating to the difference between the Company's accounting and tax basis.

8. Share capital and reserves

Authorized share capital

The Company has authorized an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. On October 20, 2016, the Company consolidated its issued and outstanding shares on a 4:1 basis. The share consolidation has been retroactively presented in the consolidated financial statements and accompanying notes and all share amounts including per share amounts reflect the consolidation.

Shares issued during the three months ended March 31, 2018

On January 24, 2018, the Company issued 50,000 common shares for gross proceeds of $8,000 pursuant to the exercise of stock options.

Shares issued during the year ended December 31, 2017

On May 12, 2017, the Company closed a non-brokered private placement of 20,741,350 units for gross proceeds of $2,488,960 at a price of $0.12 per unit. In connection with the private placement, the Company issued 1,315,955 units to finders and incurred cash share issuance costs of $38,525. Each unit is comprised of one common share and one warrant exercisable into a common share for $0.20 per share for a period of five years.

Stock options

The Company has adopted a 10% rolling stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant options to directors, officers, employees, and consultants of the Company, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Options granted vest at the discretion of the Board of Directors.

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

Stock option transactions during the three months ended March 31, 2018

On January 5, 2018, the Company granted 250,000 stock options to certain consultants. The options vested immediately. The options have an exercise price of $0.215 per share and expire in five years.

On January 22, 2018, the Company granted 150,000 stock options to a director. The options vested immediately. The options have an exercise price of $0.21 per share and expire in five years.

Stock option transactions during the year ended December 31, 2017

During the year ended December 31, 2017, the Company granted 2,135,000 stock options to certain directors, officers and consultants of the Company. The options granted vested immediately and are exercisable for a period of five years from the date of grant at varying prices.

During the year ended December 31, 2017, 1,143,750 stock options expired unexercised.

(Expressed in Canadian dollars)

8. Share capital and reserves (cont'd)

***Stock options** (cont'd)*

Stock option summary

The changes in options during the three months ended March 31, 2018 and the year ended December 31, 2017 are summarized as follow:

	March 31, 2018		December 31, 2017	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning of period	3,800,669	$ 0.26	2,809,419	$ 0.52
Options granted	400,000	0.21	2,135,000	0.16
Options exercised	(50,000)	0.16	-	-
Options expired/cancelled	-	-	(1,143,750)	0.70
Options outstanding and exercisable, end of period	4,150,669	$ 0.26	3,800,669	$ 0.26

During the three months ended March 31, 2018, the Company recorded share-based payment expense of $70,796, representing the fair value of the stock options granted during the year. The fair value of the stock options granted was calculated using the Black-Scholes option pricing model with following weighted average assumptions:

	March 31, 2018	**December 31, 2017**
Risk-free interest rate	2.00%	1.31%
Expected dividend yield	0.00%	0.00%
Expected forfeiture rate	0.00%	0.00%
Expected option life (years)	5.00 years	5.00 years
Expected stock price volatility	126%	136%

Details of options outstanding and exercisable at March 31, 2018 are as follows:

Date of expiry	**Exercise price**	**Number of options**	**Weighted Average Remaining Contractual life, years**	**Weighted Average Exercise Price**
March 13, 2019	$0.52	631,250	0.95	$0.52
January 26, 2020	$0.64	250,000	1.82	$0.64
October 21, 2020	$0.20	884,419	2.56	$0.20
February 23, 2022	$0.16	1,125,000	3.90	$0.16
September 5, 2022	$0.16	250,000	4.44	$0.16
November 24, 2022	$0.16	550,000	4.65	$0.16
December 8, 2022	$0.25	60,000	4.69	$0.25
January 5, 2023	$0.215	250,000	4.77	$0.215
January 22, 2023	$0.21	150,000	4.82	$0.21
		4,150,669	2.81	$ 0.26

(Expressed in Canadian dollars)

8. Share capital and reserves (cont'd)

Warrants

The changes in warrants during the three months ended March 31, 2018 and the year ended December 31, 2017 are summarized as follow:

	March 31, 2018		December 31, 2017	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Warrants outstanding, beginning of year	59,072,093	$ 0.20	37,125,038	$ 0.20
Warrants issued	-	-	22,057,305	0.20
Warrants expired	-	-	(110,250)	0.00
Warrants outstanding, end of year	59,072,093	$ 0.20	59,072,093	$ 0.20

Included in the warrants issued are 1,315,955 warrants issued to finders as part of the units issued in the private placement completed during the year ended December 31, 2017. In 2016, the Company issued a total of 4,113,312 warrants to finders.

Details of warrants outstanding and exercisable at March 31, 2018 are as follows:

Date of expiry	**Exercise price**	**Number of warrants**	**Weighted Average Remaining Contractual life, years**	**Weighted Average Exercise Price**
October 25, 2019	$0.20	26,800,875	1.57	$ 0.20
December 23, 2019	$0.20	3,703,375	1.73	0.20
September 21, 2020	$0.28	399,238	2.48	0.28
October 24, 2021	$0.20	4,492,500	3.57	0.20
December 29, 2021	$0.20	1,618,800	3.75	0.20
May 12, 2022	$0.20	22,057,305	4.12	0.20
		59,072,093	2.75	$ 0.20

(Expressed in Canadian dollars)

9. Related party transactions and balances

Related party balances

Amounts due to related parties consist of charges accrued for office administration and management fees. These amounts are due to directors, officers, or companies controlled by directors or officers.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amounts due to related parties are included in trade payables and accrued liabilities:

	March 31, 2018	December 31, 2017
Directors and corporations controlled by directors of the Company	$ 37,874	$ 60,956
Survivor benefit[1]	-	13,000
	$ 37,874	$ 73,956

(1) Pursuant to a management services agreement, the Company has accrued a payable to the estate of the late CEO of the Company.

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel.

Key Management Compensation	Three months ended March 31, 2018	2017
Fees for outside/independent directors	$ 21,000	$ 32,000
Management and administrative fees	50,288	89,917
Share-based payments	24,026	58,458
	$ 95,314	$ 180,375

10. Financial risk and capital management

The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company’s cash is held by banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions, as determined by rating agencies.

10. Financial risk and capital management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. The Company has a working capital surplus of $260,967. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company's trade payables are generally due in terms ranging from 30 to 90 days.

Contractual undiscounted cash flow requirements for financial liabilities as at March 31, 2018 are as follows:

	Less Than 1 Year $	Years 2 and 3 $	Years 4 and 5 $	More Than 5 Years $	Total $
Accounts payable and accrued liabilities	204,304	–	–	–	204,304
Secured Convertible Debentures	–	4,798,000	–	–	4,798,000
	204,304	4,798,000	–	–	5,002,304

Foreign exchange risk

Foreign exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company's financial results are reported in Canadian dollars while it conducts a significant portion of its business activities in US dollars. The assets, liabilities and expenses that are denominated in US Dollars will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the period ended March 31, 2018.

The Company also conducts business in Guyanese Dollars. The assets, liabilities and expenses that are denominated in Guyanese Dollars will be affected by changes in the exchange rate between the Canadian dollar and the Guyanese Dollar. If the Canadian dollar changes by one percent against the Guyanese dollar, with all other variables held constant, the impact on the Company's foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $1,000 for the period ended March 31, 2018.

Interest rate risk

The Company is not currently exposed to significant interest rate risk.

(Expressed in Canadian dollars)

10. Financial risk and capital management (cont'd)

Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Classification of financial instruments

Financial assets classified as fair value through profit or loss:

	March 31, 2018	December 31, 2017
Cash	$ 373,711	$ 458,709

Financial liabilities at amortized costs:

	March 31, 2018	December 31, 2017
Trade payables	142,986	$ 140,650
Amounts due to related parties	37,874	73,956
Interest payable	-	39,130
Secured convertible debentures	4,094,795	3,893,649

Fair value

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

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The Company's financial assets measured at fair value on a recurring basis consist of cash which is classified as level 1. There are no financial liabilities measured at fair value on a recurring basis.

(Expressed in Canadian dollars)

11. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition and exploration of mining properties.

Geographic segments

The Company's non-current assets are located in the following countries:

	As at March 31, 2018		
	Guyana	**US**	**Total**
Exploration and evaluation assets	$ 1	$ 10,781,861	$ 10,781,862
	As at December 31, 2017		
	Guyana	**US**	**Total**
Exploration and evaluation assets	$ 1	$ 10,677,666	$ 10,677,667

12. Gold Royalty Tokens and Security Token Offering

On February 2, 2018, the Company announced a non-brokered private placement of Gold Royalty Tokens (the "Offering"), to accredited investors for up to 1,000,000 Gold Royalty Tokens at $6.25 (USD $5.00) per token for gross proceeds of up to $6,250,000. The minimum subscription is 200 Gold Royalty Tokens for $1,250 (USD $1,000). The Gold Royalty Tokens are redeemable in lots of 200 Gold Royalty Tokens in exchange for one fine ounce gold bar. The Gold Royalty Tokens have a term of 13 years, are not transferable and will not be listed for trading on any traditional stock exchange. The Gold Royalty Tokens will have no voting rights, nor do they have a right to participate in any residual equity of the Company. As at March 31, 2018, the Company received $265,500 for a total of 42,480 Gold Royalty Tokens subscribed for (Note 13).

The Gold Royalty Token holders will be offered to convert their subscriptions into STO for GOLDUSA Tokens at a discount to the STO price (Note 13).

13. Subsequent events

i. Subsequent to March 31, 2018, the Company received $2,500 for a total 400 Gold Royalty Tokens subscribed for (Note 12).

ii. On May 9, 2018, the Company announced a non-brokered private placement to accredited investors, via an initial Security Token Offering ("STO'"). Further general details of the proposed STO are as follows:

   a. Initial STO for GOLDUSA Tokens, Ethereum ERC20 Crypto Tokens, for only USD $4.00 per token, which represented a 38% discount to USD $6.50 value per token, based on USD $1,300 per oz gold price. On May 22, 2018, the Company elected to increase the STO subscription offer price to USD $4.125 per token.
   b. Exposure to gold-backed token, starting at USD $800 per oz instead of approx. USD $1,300 per oz spot price.
   c. Each token is an interest in 1/200 oz gold.
   d. Minimum subscription was 2,000 GOLDUSA Tokens. On May 24, 2018, the minimum subscription was increased to 25,000 GOLDUSA Tokens.

   The Gold Royalty Tokens Offering (Note 12) will remain open until the STO launch date, at which time it will be closed. Gold Royalty Tokens subscriptions received prior to this STO launch date, will be offered to convert into this STO at a discount to the STO price, by offering Gold Royalty Token holders an additional 25% in GOLDUSA tokens.