McLaren Resources

Financial Statements

For the years ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

McLaren Resources

INDEX

Management's Responsibility for Financial Reporting

The accompanying financial statements of McLaren Resources Inc. (the "Company") are the responsibility of management and the Board of Directors. The 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 the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") appropriate in the circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the 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 periods presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the financial statements.

The Board of Directors is responsible for reviewing and approving the 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 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 financial statements together with other financial information of the Company for issuance to the shareholders.

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

The Audit Committee has met with the Company's independent auditor to review the scope and results of the annual audit and to review the financial statements and related financial reporting matters prior to recommending the financial statements be approved.

(signed) *"Radovan Danilovsky"*
Radovan Danilovsky
President

January 23, 2018

INDEPENDENT AUDITORS' REPORT

To the shareholders of McLaren Resources Inc.

We have audited the accompanying financial statements of McLaren Resources Inc. (the "Company"), which comprise the statement of financial position as at September 30, 2017 and 2016, the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of McLaren Resources Inc. as at September 30, 2017 and 2016 and its results of operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion we draw attention to Note 1 in the financial statements which indicate the Company has limited working capital, no current sources of revenue and is dependent upon its ability to secure new sources of financing. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

MS Partners LLP

January 23, 2018
Toronto, Canada

MS Partners LLP
Licensed Public Accountants

McLaren Resources

(An Exploration Stage Enterprise)
Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	Note	**September 30, 2017**	September 30, 2016
		$	$
Assets			
Current			
Cash and cash equivalents	4	**474,143**	4,285
Marketable securities	5	**7,092**	5,233
Amounts receivable	6	**1,637**	3,735
		482,872	**13,253**
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	8, 11	**20,948**	45,205
Flow-through share premium liability	12(b)(ii)	**63,720**	26,815
Loan payable	9	**-**	100,000
		84,668	172,020
Shareholders' equity (deficiency)			
Capital stock	12(b)	**6,255,629**	5,797,221
Warrants	12(c)	**258,830**	-
Contributed surplus	13	**874,103**	712,998
Deficit		**(6,990,358)**	(6,668,986)
		398,204	(158,767)
		482,872	**13,253**

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations (Notes 10)

On behalf of the Board of Directors on January 23, 2018;

"*John Heslop*" (signed)
Director

"*Michael Meredith*" (signed)
Director

(An Exploration Stage Enterprise)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended,	Note	**September 30, 2017**	September 30, 2016
		$	$
Professional fees		**19,773**	55,595
Office, general and administrative		**12,278**	10,332
Director fees		**-**	6,000
Interest on short term loan		**2,000**	4,775
Investor relations		**21,725**	3,715
Management fees	11	**22,000**	3,000
Consulting fees		**88,750**	-
Flow-through (recovery) expenditure Part XII.6 tax		**(2,284)**	-
Stock-based compensation		**161,105**	-
Exploration and evaluation	7	**15,137**	1,055
		(340,484)	(84,472)
Gain on settlement of accounts payable and accrued liabilities		**15,000**	161,940
Flow-through share premium recovery		**2,253**	-
Net (loss) income from operations		**(323,231)**	77,468
Gain in value of marketable securities held for trading		**1,859**	2,358
Net (loss) income and comprehensive (loss) income for the year		**(321,372)**	79,826
(Loss) income per share			
Weighted average number of shares - basic and diluted		**38,662,785**	30,002,774
Net (loss) income per share-basic and fully diluted		**(0.01)**	0.01

The accompanying notes form an integral part of these unaudited condensed interim financial statements

McLaren Resources

(An Exploration Stage Enterprise)
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Amount $	Warrants $	Contributed Surplus $	Accumulated Deficit $	Total $
Balance at September 30, 2015	**28,094,281**	**5,775,721**	**-**	**712,998**	**(6,748,812)**	**(260,093)**
Shares issued on settlement of debt	1,000,000	10,000	-	-	-	10,000
Shares issued for Management fees	300,000	3,000	-	-	-	3,000
Shares issued for Director fees	600,000	6,000	-	-	-	6,000
Shares issued on CFO debt settlement	250,000	2,500	-	-	-	2,500
Net loss for the year	-	-	-	-	79,826	79,826
Balance a September 30, 2016	**30,244,281**	**5,797,221**	**-**	**712,998**	**(6,668,986)**	**(158,767)**
Balance at September 30, 2016	**30,244,281**	**5,797,221**	**-**	**712,998**	**(6,668,986)**	**(158,767)**
Shares issued on Property option renewal	300,000	15,000	-	-	-	15,000
Private placement	2,500,000	125,000	-	-	-	125,000
Issuance of warrants	-	(94,099)	94,099	-	-	-
Private placement flow-through	3,500,000	175,000	-	-	-	175,000
Issuance of warrants	-	(65,842)	65,842	-	-	-
Flow-through share premium	-	(39,158)	-	-	-	(39,158)
Finders shares	280,000	14,000	-	-	-	14,000
Private placement	1,301,500	104,120	-	-	-	104,120
Issuance of warrants	-	(39,797)	39,797	-	-	-
Private placement flow-through	3,865,000	309,200	-	-	-	309,200
Issuance of warrants	-	(59,092)	59,092	-	-	-
Finders shares	65,730	5,258	-	-	-	5,258
Share issued for services	625,000	50,000	-	-	-	50,000
Share issue costs	-	(41,182)	-	-	-	(41,182)
Stock-based compensation	-	-	-	161,105	-	161,105
Net loss for the year	-	-	-	-	(321,372)	(321,372)
Balance at September 30, 2017	**42,681,511**	**6,255,629**	**258,830**	**874,103**	**(6,990,358)**	**398,204**

The accompanying notes form an integral part of these unaudited condensed interim financial statements

McLaren Resources

(An Exploration Stage Enterprise)
Statements of Cash Flows

(Expressed in Canadian Dollars)

For the years ended,	September 30, 2017 **$**	September 30, 2016 $
Operating		
Net Income (loss) for the year	**(321,372)**	79,826
Items not affecting cash		
Common shares issued for Director services	**-**	9,000
Gain on settlement of accounts payable and accrued liabilities	**(15,000)**	(161,940)
Stock-based Compensation	**161,105**	**-**
Common shares issued for services	**65,000**	**-**
(Gain) Loss on value of marketable securities	**(1,859)**	(2,358)
	(112,126)	(75,472)
Decrease (Increase) in amounts receivable	**2,098**	(6,025)
Increase (Decrease) in accounts payable and accrued liabilities	**23,698**	(15,698)
Net changes in non-cash working capital balances:	**25,796**	(21,723)
Cash and cash equivalents used in operating activities	**(86,330)**	(97,195)
Financing		
(Repayment) Proceeds from Bridge Loan	**(75,000)**	100,000
Proceeds from issuance of common shares	**672,370**	-
Share issue costs	**(41,182)**	-
Cash and cash equivalents used in financing activities	**556,188**	**100,000**
Net increase in cash position	**469,858**	2,805
Cash, and cash equivalents, beginning of year	**4,285**	1,480
Cash and cash equivalents, end of year	**474,143**	4,285

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for:		
Income taxes	**$ -**	$ -

The accompanying notes form an integral part of these unaudited condensed interim financial statements

1. NATURE OF OPERATIONS

McLaren Resources Inc. (CSE:MCL) (the "Company") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company's head office is located at 44 Victoria Street, Suite 1616, Toronto, Ontario M5C 1Y2.

On September 26, 2011, the Company announced it had entered into an option agreement with Orla Mining Ltd. ("Orla") (formerly Red Mile Minerals Corp.) whereby Orla has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ Extension") which is owned 100% by the Company. Upon completion of the option agreement, the Company and Orla will each own 50% of the entire Blue Quartz BQ-Extension Property package.

On November 8, 2011 the Company signed a binding Letter of Intent ("LOI") with TimGinn Exploration Limited ("TimGinn") to earn 60% in a past producing gold Property located in the heart of the Timmins Gold Camp and adjacent to Goldcorp's Hollinger and McIntyre mines (Note 7).

These 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 and commitments in the normal course of business for the foreseeable future. As at September 30, 2017, the Company has been incurring losses and has an accumulated deficit of $6,990,358 (September 30, 2016 - $6,668,986). The Company has not yet achieved profitable operations and expects to incur further losses in the development of its business. Management intends to obtain further financing through the issuance of flow through shares and private placements. While management has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent on future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These three month interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Board of Directors on January 23, 2018. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The comparative figures presented in these financial statements are in accordance with IFRS. The functional currency of the Company and its subsidiaries is expressed in Canadian dollar.

(c) Use of estimates and judgments

The preparation of financial statements in compliance with IFRS requires the Company's management to make certain estimates and assumptions that they consider reasonable and realistic. Despite regular reviews of these estimates and assumptions, based in particular on past achievements or anticipations, facts and circumstances may lead to changes in these estimates and assumptions which could impact the reported amount of the Company's assets, liabilities, equity or earnings. These estimates and assumptions notably relate to the following items:

Impairment in mineral properties and related deferred costs - Management uses significant judgment in determining whether there is any indication that mineral properties and related deferred costs may be impaired.

Measurement of impairment in available-for-sale financial assets - The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statements of operations. The impairment loss recognized in the statements of operations is a reclassification of unrealized losses resulting from decline in fair value previously recorded in other comprehensive loss.

Significant or prolonged decline is defined by management as a decline in fair value of at least 50% below original cost or a decline in fair value below original cost for at least 24 months.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The policies applied in these financial statements are based upon IFRS issued and outstanding as of September 30, 2017.

(a) Exploration and Evaluation expenditures

Exploration expenditures typically include costs of prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore. Evaluation expenditures reflect costs incurred at the exploration projects related to establishing the technical and commercial viability of mineral deposits identified through exploration. Evaluation expenditures include the costs of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource of a proven probable reserve, (ii) determining the optimal methods of extraction and metallurgical and treatment processes, (iii) studies related to surveying, transportation and infrastructure requirements, (iv) permitting activities, and (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, pre-feasibility and final feasibility studies.

(b) Rehabilitation and Restoration

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. Provision for the rehabilitation and restoration is recorded when an obligation is incurred with a corresponding increase in related asset. At each date of the statement of financial position, the provision for rehabilitation and restoration is re-measured in line with changes in discount rates, timing and other costs to be incurred. The provision amount is periodically reviewed and updated based on the facts and circumstances available. As at September 30, 2017 the Company did not incur any rehabilitation and restoration obligation.

(c) Financial instruments

(i) Financial assets

Financial assets are classified into four categories: fair value through profit or loss (“FVTPL”), held-to-maturity (“HTM”), loans and receivables and available-for-sale (“AFS”).

• Fair value through profit or loss (“FVTPL”)

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in the statement of income (loss).

• Held-to-maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of income (loss).

• Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Company classified its financial assets which consisted of trade and other receivables as loans and receivables.

• Available-for-sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

(ii) Financial liabilities

Financial liabilities are classified into one of two categories: fair value through profit or loss and other financial liabilities.

• Fair value through profit or loss

This category comprises of derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried on the statement of financial position at fair value, with the changes in fair value recognized in the statement of income (loss).

• Other financial liabilities

This category includes trade and other payables and due to related party, which are recognized at amortized cost.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, note payable, and other current liabilities. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Impairment of financial assets

The Company's financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, or indications that a debtor or issuer will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and recorded in general and administrative expense. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through the statement of income (loss).

(c) Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase. Cash consists of cash on deposit with a major Canadian bank. Cash is designated as FVTPL and are carried at fair value.

(d) Marketable securities

Marketable securities include publicly traded equity shares and warrants which have been classified as held-for-trading and are carried at fair value based on quoted market prices. The increase or decrease in fair value is reported as income or loss.

(e) Prepaid expense

Prepaid expense represents advance payments made to vendors for expenses applicable to a future period. They include an advance payment made to a consultant.

(f) Property and equipment

Property and equipment are carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of the property and equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rate, which is used to estimate the useful lives of the assets:

Computer and office equipment	20%

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

(g) Evaluation and exploration expenditures

Evaluation and exploration expenditures are costs incurred to source a mineral property and determine technical feasibility and commercial viability of developing the project. Exploration costs typically include costs associated with sampling, drilling, geological surveys and other activities directed at confirmed gold mineral zones. Evaluation costs are directed at determining the feasibility and commercial viability of developing the claim.

Evaluation and exploration expenditures are charged to operations in the period until the Company determines that the development is technically feasible and commercially viable. At such point, expenditures are capitalized as mining interests.

(h) Decommissioning obligations

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows. As at September 30, 2017, the Company has determined that it does not have material decommissioning obligations.

(i) Share Capital

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue. The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned nil value and included in capital stock with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transaction costs are accounted for as share-based payments.

(j) Stock-based compensation

The Company offers a share option plan. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. Fair value of each tranche is measured using the Black-Scholes option pricing model. Compensation expense is recognized as a charge to net loss or mineral property and related deferred costs over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. Any consideration paid on exercise of share option is credited to capital stock. The contributed surplus resulting from stock-based payment is transferred to capital stock when the options are exercised.

For equity settled transactions with non-employees, the Company measures goods or services received at their fair value, unless that fair value cannot be estimated reliably, in which case, the Company measures their value by reference to the fair value of the equity instruments granted.

(k) Flow-through shares

Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Common shares issued on a flow-through basis typically include a premium because of the tax benefits provided to the investor. At the time of issue, the Company estimates the proportion of the proceeds attributable to the premium and the common shares. The premium is estimated as the excess of the subscription price over the value of common shares on the date of the transaction and is recorded as a deferred liability. The Company recognizes a pro-rata amount of the premium through the statement of loss and comprehensive loss as other income with a corresponding reduction to the deferred tax liability as the flow-through expenditures are incurred and renounced.

When the flow-through expenditures are incurred and renounced, the Company records the tax effect as a change to profit or loss and an increase to deferred income tax liabilities. To the extent that the Company has deferred income tax assets that were not recognized in previous periods, a deferred income tax recovery is recorded to offset the liability resulting from the renunciation.

(l) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except for items recognized in equity or in other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of an assets or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in net earnings in the year of change.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) Loss per share

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the years ended September 30, 2017 and September 30, 2016, basic loss per share is equal to dilutive loss per share for the periods presented.

4. CASH AND CASH EQUIVALENTS

The balance at September 30, 2017 consists of cash on deposit with a major Canadian bank in general interest-bearing accounts totaling $474,143 (September 30, 2016 - $4,285).

(Expressed in Canadian Dollars)

5. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

	September 30, 2017	September 30, 2016
	$	$
Held-for-trading:		
Shoal Point Energy common shares (200,000 shares @ $0.005 per share)	1,000	1,000
Osisko Mining Inc. (formerly Northern Gold Mining Inc.) 1,388 - common shares @ $4.39)	6,092	4,233
	7,092	5,233

In 2016, Osisko Mining Inc. purchased Northern Gold Mining Inc. in an all stock transaction.

The shares have been classified as held-for-trading.

6. AMOUNTS RECEIVABLE

The Company's trade and other receivables includes harmonized services tax ("HST") due from the Canadian government and other receivables. These are broken down as follows:

	September 30, 2017	September 30, 2016
	$	$
HST receivable	1,637	3,735

At September 30, 2017, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 16 (Financial Instruments).

The Company holds no collateral for any receivable amounts outstanding as at September 30, 2017.

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	September 30, 2017 $	September 30, 2016 $	Cumulative to date $
Northern Ontario, Canada			
Blue Quartz			
Exploration and evaluation expenditures	1,225	105	213,603
BQ-Extension			
Acquisition	-	-	68,000
Property tax 50%	1,621	950	5,014
TimGinn			
Acquisition	5,000	-	5,000
Exploration and evaluation expenditures	2,531	-	654,354
Property tax	3,260	-	3,260
Augdome			
Exploration and evaluation expenditures	-	-	18,896
Property tax	1,500	-	1,500
	$ 15,137	$ 1,055	$ 969,627

Northern Ontario, Canada

Blue Quartz

On December 6, 2010, the Company and Orla Mining Ltd. ("Orla") (formerly Red Mile Minerals Corp.), entered into an Option Agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property, with the Company having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid $10,000 cash and issued 100,000 common shares with a deemed price of $0.14 per share and is required to spend $200,000 on exploration and development.

On July 26, 2011, the Company purchased additional property "BQ-Extension" from 2285944 Ontario Limited consisting of 8 unpatented claims totaling 240 hectares or approximately 600 acres for a purchase price of $68,000.

Blue Quartz (Continued)

During the calendar year ended December 31, 2011, the Company completed the $200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz property holding 25 patented mining claims. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz property, the Company has the right to purchase 50% (.05%) of the NSR from the predecessor companies for $250,000.

On September 26, 2011, the Company entered into an option agreement with Orla whereby Orla has the option to earn 50% interest in the Blue Quartz Property Extension ("BQ Extension") which is owned 100% by the Company. The BQ-Extension property consists of 8 unpatented claims totaling 240 hectares or approximately 600 acres. Upon completion of the option agreement the Company and Orla will each own 50% of the entire Blue Quartz and BQ-Extension Property package.

TimGinn

On November 7, 2011 the Company announced that it had signed a binding Letter of Intent ("LOI") with TimGinn Exploration Limited to earn a 60% interest in a past producing gold property located in the heart of the Timmins Gold Camp adjacent to Goldcorp's Hollinger and McIntyre mines which have combined production of over 30 million ounces of gold to date.

On December 7, 2016, the Company announced the signing of an agreement with TimGinn Exploration Limited to renew the TimGinn Property option agreement for a term of five years with an effective start date of January 1, 2017. McLaren can earn a 50% interest in the TimGinn Property by spending $1.4 million over five years, of which $200,000 is committed to be spent on or before April 30, 2018.

Augdome

The Company controls a 100% interest in the 414-hectare Augdome Gold Property located in Tisdale and Whitney Townships in the prolific Timmins Gold District, Northeastern Ontario. The Property is located immediately east of the Dome Mine operated by Goldcorp Canada Ltd. ("Goldcorp").

(Expressed in Canadian Dollars)

8. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the periods. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms. The Company has the following contractual maturities:

	September 30, 2017 $	September 30, 2016 $
0 - 3 months	18,518	17,941
3 - 6 months	2,430	-
6 - 9 months	-	-
9 - 12 months	-	-
Greater than 12 months	-	27,264
	20,948	45,205

9. LOANS PAYABLE

On December 10, 2015, the Company arranged Bridge Loans totaling $100,000 (the "Bridge Loans") to be used by the Company to fund its proposed share exchange transaction as previously announced on December 2, 2015. The Bridge Loans are unsecured, charge a 6% annual interest rate paid monthly, and were payable on October 8, 2016. The Bridge Loans were settled with a repayment of $75,000 in cash and $25,000 converted into common shares at a price of $0.08 per share.

10. COMMITMENTS AND CONTINGENCIES:

As at September 30, 2017, under the flow-through shares issuance as described under note 13(b) to the Financial Statements, the Company is obligated to incur $175,000 of eligible Canadian exploration expenditures for renunciation to the flow-through shares subscribers on or before December 31, 2017 and $309,200 before December 31, 2018.

The Company has committed to spend $1.4 million in exploration over five years on the TimGinn property as follows;

	April 30, 2018	Dec 31, 2018	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Total
TimGinn	$200,000	$300,000	$300,000	$300,000	$300,000	$1,400,000

The Company's operations were partly financed by the issuance of flow-through shares. However, there is no assurance that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value.

(a) The Company entered into the following transactions with related parties:

	September 30, 2017	September 30, 2016
Management and consulting fees paid to officers and directors	22,000	9,000
Paid to a law firm which an officer is a partner	9,680	38,595
Other remuneration to officers and directors	23,000	-
Amount outstanding at end of year	4,000	15,000
Director fees	-	6,000
Amount outstanding at end of year	-	-

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(Expressed in Canadian Dollars)

12. CAPITAL STOCK

(a) Authorized

An unlimited number of one class of voting shares, designated common shares, with no par value.

(b) Issued and outstanding

	September 30, 2017		September 30, 2016	
	Number of shares	Amount $	Number of shares	Amount $
Beginning balance	30,244,281	$ 5,797,221	28,094,281	$ 5,775,721
Private placement flow-through (i)	3,500,000	175,000	-	-
Issuance of warrants (i)	-	(65,842)	-	-
Shares issued on CEO debt settlement	-	-	1,000,000	10,000
Shares issued for management fees	-	-	300,000	3,000
Shares issued for Director fees	-	-	600,000	6,000
Shares issued on CFO debt settlement	-	-	250,000	2,500
Flow-through share premium (ii)	-	(39,158)	-	-
Issued on Property option renewal (iii)	300,000	15,000	-	-
Private placement (iv)	2,500,000	125,000	-	-
Shares issued for finder fees (v)	280,000	14,000	-	-
Private placement (vi)	1,301,500	104,120	-	-
Private placement flow-through (vii)	3,865,000	309,200	-	-
Share issued for services (viii)	625,000	50,000	-	-
Shares issued for finder fees (ix)	65,730	5,258	-	-
Issuance of warrants (vii)	-	(59,092)	-	-
Issuance of warrants (vi)	-	(39,797)	-	-
Issuance of warrants (iv)	-	(94,099)	-	-
Share issue costs	-	(41,182)	-	-
Ending balance	42,681,511	$ 6,255,629	30,244,281	$ 5,797,221

During the year the following transactions occurred:

(i) On December 30th, 2016 the Company issued 3,500,000 flow-through common share units at $0.05 per share for gross proceeds of $175,000. Each unit consists of one flow-through common share and one half (1/2) common share purchase warrant, exercisable at $0.10 for a period of 24 months. Warrants were valued at $65,842 using the Black Scholes pricing model.

(ii) A flow-through premium of $39,158 is calculated based on the residual value of flow-through shares (excess of subscription price over closing price multiplied by the number of shares subscribed).

(iii) On December 7th, 2016, the Company announced the issuance of 300,000 common shares as a payment valued at $15,000 on the renewal of the TimGinn option agreement.

(iv) On January 19th, 2017, the Company announced the issuance of 2,500,000 common share units at $0.05 per share unit raising $125,000. Each unit consists of one common share and one common share purchase warrant, with each warrant being exercisable at $0.10 per share for 24 months from the date of issuance. Warrants were valued at $94,099 using the Black Scholes pricing model.

(v) On January 19th, 2017, the Company announced the issuance of 280,000 common shares at a price of $0.05 per share for payment of a finder fee.

(vi) On February 16th, 2017, the Company announced the issuance of 1,301,500 common share units at $0.08 per share unit raising $104,120. Each unit consists of one common share and one common share purchase warrant, with each warrant being exercisable at $0.125 per share for 18 months from the date of issuance. Warrants were valued at $39,797 using the Black Scholes pricing model.

(vii) On February 16th, 2017, the Company announced the issuance of 3,865,000 flow-through common share units at $0.08 per share unit raising $309,200. Each unit consists of one common share issued on a flow-through basis and one-half (1/2) common share purchase warrant, with each full warrant being exercisable at $0.125 per share for 18 months from the date of issuance. A flow-through premium was not calculated as the issue was equal to the market price of common shares on the closing date. Warrants were valued at $59,092 using the Black Scholes pricing model.

(viii) On February 16th, 2017, the Company announced the issuance of 625,000 common shares at $0.08 per share as payment for $50,000 of services provided by several service providers.

(ix) On February 16th, 2017, the Company announced the issuance of 65,730 common shares at $0.08 per share as payment of finders fees.

(Expressed in Canadian Dollars)

c) Warrants:

These warrants are outstanding as at September 30, 2017:

Date issued	Number of Warrants	Fair Value of Warrants $	Exercise Price $	Expiry Date
December 30, 2016	1,750,000	$ 65,842	$0.10	December 30, 2018
January 04, 2017	500,000	$ 18,820	$0.10	January 04, 2019
January 17, 2017	2,000,000	$ 75,279	$0.125	January 17, 2019
February 02, 2017	2,984,000	$ 91,245	$0.125	August 02, 2019
February 15, 2017	250,000	$ 7,644	$0.125	August 15, 2019
Totals	7,484,000	$ 258,830		

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated on December 30th 2016, based on the following assumptions:

	Dec 30	Jan 04	Jan 17	Feb 02	Feb 15
Risk free interest rate	0.75 %	0.75 %	0.75 %	0.75 %	0.75 %
Expected volatility	100 %	100 %	100 %	100 %	100 %
Expected life (in months)	24	24	24	18	18
Stock price	$ 0.05	$ 0.05	$ 0.10	$ 0.10	$ 0.10
Exercise price	$ 0.10	$ 0.10	$ 0.125	$ 0.125	$ 0.125

d) Stock option plan:

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

(Expressed in Canadian Dollars)

As at September 30, 2017, common share options held by directors, officers, and consultants are as follows:

Number of options outstanding	Exercise Price $	Expiry Date	Number of options exercisable
1,225,000	0.125	February 24, 2022	1,225,000
500,000	0.125	February 24, 2020	500,000
300,000	0.125	May 18, 2022	300,000
2,025,000	0.125		2,025,000

The following table outlines the transactions of stock options occurred during the year:

	September 30, 2017	September 30, 2016
Weighted average exercise price	$ 0.125	$ -
Balance, beginning of the year	-	725,000
Options granted during the year (i)	1,725,000	-
Options granted during the year (ii)	300,000	-
Options expired during the year (iii)	-	(725,000)
Balance, end of the year	2,025,000	-

(i) On February 24th, 2017, the Company granted 1,225,000 stock options to its officers and directors with an exercise price of $0.125 per share, for terms of 5 years and 500,000 stock options to consultants with a term of 3 years.

(ii) On May 18th, 2017, the Company granted 300,000 stock options to a director with an exercise price of $0.125 per share, for terms of 5 years.

(iii) During the year ended September 30, 2016, 725,000 options expired.

(Expressed in Canadian Dollars)

In calculating the fair value of the options, the Company follows the Black-Scholes option pricing model. The following table summarizes the underlying assumptions that the Company used to determine the share-based compensation cost for the Company's option awards during the year.

	September 30, 2017	September 30, 2017
Number of options (2,025,000)	500,000	1,525,000
Risk-free interest rate	0.75 %	0.75 %
Expected life (in years)	3	5
Expected volatility	100 %	100 %
Weighted average exercise price	$ 0.125	$ 0.125

The share-based compensation recorded during the period year amounted to $161,105 (2016 - $-) and credited to Contributed Surplus.

13. CONTRIBUTED SURPLUS

The following table summarizes the changes of Contributed Surplus during the period:

	September 30, 2017	September 30, 2016
	$	$
Balance - beginning of the year	712,998	712,998
Share-based payments (Note 12(d))	161,105	-
Balance - end of the year	874,103	712,998

14. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as a going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

(Expressed in Canadian Dollars)

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. 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 the capital structure, the Company may issue new debt or equity or similar instruments to obtain additional financing.

The Company's over-all strategy with respect to capital risk management remained unchanged during the period. The Company is not subject to any externally imposed capital requirements as at September 30, 2017.

15. INCOME TAXES

Deferred Income Tax Recovery

The Company`s income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company`s effective tax rates for the years ended September 30, 2017 and 2016 is as follows:

	September 30, 2017	September 30, 2016
Combined statutory income tax rates (%)	26.50	26.50
Net loss	(321,372)	79,826
Expected recovery of income taxes based on statutory rates.	(85,164)	21,154
Adjustments to tax (benefit) expense resulting from:		
Non-deductible permanent differences	47,160	(625)
Timing differences	(14)	(24)
Valuation allowance	38,018	(20,505)
Current tax expense	Nil	Nil

The tax benefit of the following unused tax losses have not been recognized in the financial statements due to the unpredictability of future earnings.

(Expressed in Canadian Dollars)

If not utilized, the non-capital losses will expire as follows:

Year of Expiry	Amount $
2027	487,834
2028	392,527
2029	949,478
2030	245,636
2031	419,660
2032	1,197,614
2033	678,130
2034	337,342
2035	108,240
2037	214,120
	5,030,581

16. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk though its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and to up-to-date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative, financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

(Expressed in Canadian Dollars)

Commodity risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices as they relate to gold and the stock market to determine the appropriate course of action to be taken.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, dividends and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash and cash equivalents. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short-term timing fluctuations.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

Fair value

The carrying value and fair value of these financial instruments at September 30, 2017 is disclosed below by financial instrument category, as well as any related interest expense for the year ended.

	September 30, 2017			September 30, 2016		
Financial Instrument	Carrying Value $	Fair Value $	Interest Expense $	Carrying Value $	Fair Value $	Interest Expense $
Held-for-trading						
Cash	474,143	474,143	-	4,285	4,285	-
Marketable Securities	7,092	7,092	-	5,233	5,233	-
Loan and receivable						
HST Recoverable	1,637	1,637	-	3,755	3,755	-
Financial liabilities						
Accounts payable and accrued liabilities	20,948	20,948	-	45,205	45,205	-
Loan payable	-	-	-	100,000	100,000	-
Interest	-	-	2,000	-	-	4,500

The fair value of the Company's financial assets and liabilities approximates their respective carrying values as at the balance sheet dates because of the short term maturity of these instruments. The fair value of the financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalent is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. The Company does not have any Level 2 or Level 3 fair value measurements and thus no continuity schedule has been presented. In addition, there have been no significant transfers between levels.

17. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The effect of stock options and warrants was anti-dilutive and hence, the diluted loss per share equals the basic loss per share.

18. SUBSEQUENT EVENTS

On January 2, 2018, the Company announced that it had completed a non-brokered private placement financing for $350,000. The financing consisted of flow-through share units in the amount of $310,000 and common share units in the amount of $40,000 for aggregated gross proceeds of $350,000. Each flow-through share unit consists of a common share issued on a flow-through basis pursuant to the *Income Tax Act* (Canada) and one-half of a common share purchase warrant with each whole warrant exercisable by the holder at a price of $0.15 per common share for a period of 18 months from the date of issuance. Each common share unit consists of one common share and one common share purchase warrant which entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.15 per share for a period of 18 months from the date of issuance.

On January 4, 2018, the Company announced that it had completed an eleven-hole, 1,727 metre diamond drill program that was successful in intersecting gold mineralization on the west boundary of the Augdome Gold Property which is situated in Timmins, Ontario adjacent to the Dome Mine operated by Goldcorp Inc.

On January 15, 2018, the Company announced that it had increased the non-brokered private placement financing previously announced on January 2, 2018 from $350,000 to $565,000. With respect to the increased financing, the Company has issued a total of 2,150,000 common share units at a price of $0.10 per unit. Each common share unit consists of one common share and one common share purchase warrant which entitles the holder to purchase one common share in the capital of the Company at an exercise price of $0.15 per share for a period of 18 months from the date of issuance.