LE MARE GOLD CORP.

Condensed Interim Financial Statements

Three Months and Nine Months Ended September 30, 2018 and 2017

(Expressed in Canadian dollars)

NOTICE OF NON AUDITOR'S REVIEW OF

CONDENSED INTERIM FINANCIAL STATEMENTS

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 an auditor has not reviewed the financial statements.

The accompanying Condensed Interim financial statements for Le Mare Gold Corp. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The accompanying condensed interim unaudited financial statements of the Company have been prepared by and are the responsibility of the Company's management.

LE MARE GOLD CORP.

Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2018 $	December 31, 2017 Audited $
Assets		
Current assets		
Cash	284,866	54,857
GST receivable	71,884	75,126
Prepaid expenses	46,500	112,441
Total current assets	403,250	242,424
Non-current assets		
Exploration and evaluation (note 3)	61,000	-
Total assets	464,250	242,424
Current liabilities		
Accounts payable and accrued liabilities	101,445	119,867
Due to related parties	27,678	-
Loans	268,000	185,000
Total current liabilities	397,123	304,867
Shareholders' equity (deficit)		
Share capital	5,551,093	5,402,750
Share capital - flow through	-	-
Shares issuable (note 6)	883,131	-
Share based payment reserve	588,321	588,320
Warrant reserve	1,310,162	1,310,162
Deficit	(8,265,580)	(7,363,675)
Total shareholders' equity (deficit)	67,127	(62,443)
Total liabilities and shareholders' equity (deficit)	464,250	242,424

Nature and continuance of operations (Note 1)
Subsequent events (Note 11)

Approved and authorized for issuance by the Board of Directors on November 26, 2018:

/s/ "Yari Nieken"
Yari Nieken, Director

/s/ "David Alexander"
David Alexander, Director

(The accompanying notes are an integral part of these condensed Interim financial statements)

LE MARE GOLD CORP.

Condensed Interim Statements of Operations and Comprehensive Loss
Unaudited
(Expressed in Canadian dollars)

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
	$	$	$	$
Expenses				
Consulting fees	134,000	822,978	181,000	1,193,029
General and administrative	2,524	4,388	9,280	24,948
Investor and awareness	16,460	977,389	65,343	1,156,114
Impairment of exploration and evaluation	-	2,289,910	-	2,289,910
Management fees	70,400	40,000	272,400	185,245
Professional fees	17,159	19,732	50,886	90,836
Rent	25,000	32,232	104,000	60,426
Share-based compensation	-	72,813	58,843	532,456
Transfer agent and filing fees	11,889	1,978	23,399	22,576
Travel expenses	21,717	7,936	131,306	73,102
Total expenses	299,149	4,269,356	896,457	5,628,642
Loss before other income (expense)	(299,149)	(4,269,356)	(896,457)	(5,628,642)
Other income (expense)				
Bank and interests	92	503	5,525	1,360
Exchange loss (gain)	(78)	(54,693)	(78)	(54,693)
Total other income (expense)	14	(54,190)	5,447	(53,333)
Net loss and comprehensive loss	299,163	4,215,166	901,904	5,575,309
Basic and diluted loss per common share	0.05	0.14	0.15	0.12
Weighted average number of common shares outstanding	6,263,400	30,692,196	6,212,118	45,505,531

(The accompanying notes are an integral part of these condensed Interim financial statements)

LE MARE GOLD CORP.

Condensed Interim Statements of Changes in Equity
Unaudited
(Expressed in Canadian dollars)

	Share capital Number	Amount	Share-based payment	Warrants reserve	Shares issuable	Share subscription	Deficit	Total shareholders'
Balance, December 31, 2016	34,870,000	1,732,712	122,671	428,335	112,000	(67,000)	(1,547,607)	781,111
Shares issued for cash	8,824,000	2,001,152	(460,528)	665,376	-	22,000	-	2,228,000
Share issuance costs	-	(89,720)	-	-	-	-	-	(89,720)
Warrants issued as finder's fee	-	(15,694)	-	15,694	-	-	-	-
Shares issued for warrants exercised	5,200,000	208,800	-	(26,800)	(112,000)	-	-	70,000
Shares issued for property	3,540,000	890,400	-	-	-	-	-	890,400
Fair value of stock options granted	-	-	905,277	-	-	-	-	905,277
Shares issued for options exercised	6,200,000	905,500	-	-	-	45,000	-	950,500
Net loss for the period	-	-	-	-	-	-	(5,575,309)	(5,575,309)
Balance September 30, 2017	58,634,000	5,633,150	567,420	1,082,605	-	-	(7,122,916)	160,259
Balance December 31, 2017	5,863,400	5,402,750	588,321	1,310,162	-	-	(7,363,676)	(62,443)
Shares issued for options exercised	400,000	148,343	-	-	-	-	-	148,343
Shares issuable	-	-	-	-	883,131	-	-	883,131
Net loss for the period	-	-	-	-	-	-	(901,904)	(901,904)
Balance September 30, 2018	6,263,400	5,551,093	588,321	1,310,162	883,131	-	(8,265,580)	67,127

(The accompanying notes are an integral part of these condensed Interim financial statements)

LE MARE GOLD CORP.

Condensed Interim Statements of Cash Flows
Unaudited
(Expressed in Canadian dollars)

	Nine months ended September 30	
	2018	2017
	$	$
Operating activities		
Net loss and comprehensive loss	(901,904)	(5,575,309)
Items not involving cash:		
Impairment of exploration and evaluation assets	-	2,289,910
Share-based compensation	-	22,576
Changes in non-cash working capital items:		
GST receivable	3,242	(58,933)
Prepaid expenses	65,941	123,531
Accounts payable and accrued liabilities	92,256	(375,248)
Net cash used in operating activities	(740,465)	(3,573,473)
Investing activities		
Exploration and evaluation	(61,000)	(1,063,150)
Net cash used in investing activities	(61,000)	(1,063,150)
Financing activities		
Proceeds from issuance of common shares	-	3,155,700
Proceeds from exercise of stock options	148,343	905,500
Proceeds from exercise of warrants	-	70,000
Shares issuable	883,131	-
Share issuance costs	-	(89,720)
Net cash provided by financing activities	1,031,474	4,041,480
Increase (decrease) in cash	230,009	(595,143)
Cash, beginning of the period	54,857	780,711
Cash, ending of the period	284,866	185,568

(The accompanying notes are an integral part of these condensed Interim financial statements)

1. Nature and Continuance of Operations

Le Mare Gold Corp. (the “Company”) was incorporated in the province of British Columbia on March 9, 2010. The Company is a resource exploration company that is in the business of acquiring and exploring mineral properties. The Company’s registered address is 310-221 West Esplanade, North Vancouver, BC, V7M 3J3.

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at September 30, 2018, the Company has not generated any revenue from operations, has a working capital deficit of $6,127, and has an accumulated deficit of $8,265,580. The Company’s continuation as a going concern is dependent on its ability to generate future cash flows and/or obtain additional financing. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and companies controlled by directors, and/or private placements of common stock. There is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Preparation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim financial statements prepared in conjunction of with the Company annual audited financial statements for the year ended December 31, 2017. As such, these condensed interim financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

These condensed interim financial statements were authorized for issue by the board of directors on November 26, 2018.

(b) Use of Estimates and Judgments

The preparation of the Company’s condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. 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 statement of operations in the period when the new information becomes available.

The application of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(e) Exploration and Evaluation Expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

2. Significant Accounting Policies (continued)

(e) Exploration and Evaluation Expenditures (continued)

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Farm outs

The Company does not record any expenditures made by the farmee in its accounts. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but re-designates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

(f) Restoration, Rehabilitation, and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged in the statement of operations over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The obligation is increased for the accretion and the corresponding amount is recognized in the statement of operations.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the statement of operations.

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

As at September 30, 2018 and December 31, 2017, the Company has no material restoration, rehabilitation, and environmental obligations.

2. Significant Accounting Policies (continued)

(g) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Flow-Through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced to flow through share investors, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

(i) Reclassifications

Certain of the prior period amounts have been reclassified to conform to the current period’s presentation.

2. Significant Accounting Policies (continued)

(j) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk 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.

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.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, 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 the statement of operations. The Company does not have any assets classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of GST receivable.

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance

2. Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire.

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.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities, and loans payable.

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.

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

2. Significant Accounting Policies (continued)

(k) Loss Per Share

Basic loss per share is calculated by dividing net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is determined by adjusting the net loss attributable to common shares and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares.

(l) Share-based Payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of comprehensive loss with a corresponding entry within equity, against contributed surplus. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

(l) Comprehensive Loss

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. The Company does not have items representing comprehensive income or loss.

(m) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2018 and have not been applied in preparing these financial statements.

New standard IFRS 9, "Financial Instruments"
Amendments to IFRS 2, "Share-based Payments"

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets

Le Mare Property

On March 11, 2018, the Company entered into a mineral property option agreement to acquire a 100% interest in 12 mineral claims located in the Nanaimo Mining Division. Under the terms of the agreement, the Company will issue 5,000,000 common shares and pay $50,000 to the optionor. In addition, the Company agreed to pay an additional $200,000 and incur at least $100,000 in exploration expenditures on the property on or before March 11, 2021. The optionor retains a 3% net smelter return ("NSR") royalty on the property. The Company may purchase one-half of the NSR royalty by paying the optionor $1,500,000.

4. Loans Payable

As at September 30, 2018, the Company owed $268,000 (2017 - $185,000) to a non-related party which is unsecured, non-interest bearing, and due on demand.

5. Related Party Transactions

		September 30, 2018		September 30, 2017
Management fees - CEO	$	180,000	$	76,000
Management fees - President	$	-	$	11,745
Management fees - CFO	$	90,000	$	60,000
Management fees - Director	$	-	$	12,500
Share-based compensation	$	-	$	532,456

Due to (from) related parties		September 30, 2018		December 31, 2017
CEO	$	8,313	$	-
CFO	$	19,365	$	16,321
Director	$	-	$	15,750
	$	27,678	$	32,071

6. Share Capital

Common shares

Authorized: Unlimited common shares without par value

Share transactions for the period ended September 30, 2018:

(a) On February 4, 2018, the Company issued 100,000 common shares to one consultant with a fair value of $22,000 pursuant to the consulting agreement.

6. Share Capital (continued)

(b) On February 16, 2018, the Company issued 300,000 common shares to three consultants with a fair value of $67,500 pursuant to the consulting agreements.

Share transactions for the year ended December 31, 2017:

(a) During the year ended December 31, 2017, the Company received share subscription proceeds of $67,000 which was receivable as at December 31, 2016.

(b) On February 6, 2017, the Company issued 300,000 common shares with a fair value of $750,000 pursuant to the terms of the mineral option agreement for the East Fault Property.

(c) On February 27, 2017, the Company issued 54,000 common shares with a fair value of $140,400 pursuant to the terms of the mineral option agreement for the Cruz Property.

(d) On May 23, 2017, the Company issued 413,800 units at $2.50 per unit for proceeds of $1,034,500. Each unit consisted of one common share and one share purchase warrant entitling the holder to acquire an additional common share at $3.50 per share expiring on November 23, 2018. The fair value of the share purchase warrants issued of $447,889 was allocated to warrants reserve. Pursuant to the issuance, the Company incurred $24,400 and issued 9,760 finders' warrants with a fair value of $17,140 as share issuance costs. The finders' warrants are exercisable at $3.50 per common share and expire on November 23, 2018.

(e) On August 18, 2017, the Company issued 468,600 units at $2.50 per unit for proceeds of $1,171,500. Each unit consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at $3.50 for a period expiring on February 18, 2019. The fair value of the share purchase warrants issued of $416,283 was allocated to warrants reserve. Pursuant to the issuance, the Company incurred $77,320 and issued 30,928 finders' warrants with a fair value of $35,463 as share issuance costs. The finders' warrants are exercisable at $3.50 per common share and expire on February 18, 2019.

(f) During the year ended December 31, 2017, the Company issued 540,000 common shares for proceeds of $705,500 and 80,000 common shares for settlement of accounts payable of $200,000 pursuant to the exercise of stock options. The fair value of the stock options exercised of $469,685 was reallocated from share-based payment reserve to share capital.

(g) During the year ended December 31, 2017, the Company issued 520,000 common shares for proceeds of $182,000 pursuant to the exercise of share purchase warrants, of which $112,000 had been received as at December 31, 2016. The fair value of the share purchase warrants exercised of $32,410 was reallocated from warrants reserve to share capital.

(h) On December 11, 2017, the Company consolidated its common shares on the basis of 1 new share for every 10 existing shares. All share and per share numbers have been retroactively restated for all periods presented.

(Expressed in Canadian dollars)

6. Share Capital (continued)

Reserves

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

7. Stock Options

Pursuant to the Company's stock option plan dated June 30, 2011, the Company may grant stock options to directors, senior officers, employees, and consultants. The maximum aggregate number of common shares which may be reserved for issuance as optioned shares at any time is 10% of the issued common shares. The exercise price of any stock options granted under the plan shall be determined by the Board, but may not be less than the market price of the common shares on the TSX-V on the date of grant (less any discount permissible under TSX-V rules), subject to a minimum exercise price of $0.10 per share. The term of any stock options granted under the plan shall be determined by the Board at the time of grant but may not exceed five years. The plan contains no vesting requirements, but permits the Board to specify a vesting schedule at its discretion.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2016	180,000	1.05
Granted	952,500	1.77
Exercised	(620,000)	1.46
Canceled	(60,000)	2.63
Outstanding December 31, 2017	452,500	1.80
Granted	400,000	0.22
Exercised	(400,000)	0.22
Canceled/Expired	(130,000)	2.56
Balance September 30, 2018	322,500	1.49

Additional information regarding stock options outstanding as at September 30, 2018, is as follows:

	Outstanding and exercisable		
Exercise prices $	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price $
1.20	250,000	(0.03)	1.20
2.50	72,500	(0.36)	2.50
	322,500	0.4	1.81

(Expressed in Canadian dollars)

7. Stock Options (continued)

During the period ended September 30, 2018, the Company recorded share-based compensation of $58,550(2017 - $356,523). The weighted average grant date fair value of stock options granted during the period ended September 30, 2018 was $1.81 (2016 - $0.98) per option.

The fair values for stock options granted have been estimated using the Black-Scholes option-pricing model assuming no expected dividends, no forfeitures, and the following weighted average assumptions:

	September 30, 2018	December 31, 2017
Risk-free interest rate	1.63%	1.17%
Expected life (in years)	1.00	1.00
Expected volatility	150%	145%

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

		Weighted average exercise price
Balance, December 31, 2016	876,680	$ 2.20
Issued	923,088	$ 3.50
Exercised	(520,000)	$ 3.50
Balance September 30, 2018 and December 31, 2017	1,279,768	$ 3.50

As at September 30, 2018, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
351,880	$ 3.50	June 9, 2018
4,800	$ 3.50	June 23, 2018
423,560	$ 3.50	November 23, 2018
499,528	$ 3.50	February 18, 2019
1,279,768		

9. Financial Instruments and Risks

(a) Fair Values

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

9. Financial Instruments and Risks (continued)

(a) Fair Values (continued)

As at September 30, 2018 and December 31, 2017, the fair value of financial instruments, measured on a recurring basis includes cash determined based on Level 1 inputs, consisting of quoted prices in active markets for identical assets. The fair values of other financial instruments, which consist of GST receivable, accounts payable and accrued liabilities, and loans payable, approximate their carrying values due to the short-term to maturities of these financial instruments.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(c) 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 in its cash and GST receivable. The risk in cash is managed through the use of a major financial institution which has a high credit quality as determined by rating agencies. GST receivable consists of GST refunds due from the Government of Canada.

(d) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. A portion of the Company's cash and accounts payable and accrued liabilities is denominated in US dollars. The Company has not entered into foreign exchange rate contracts to mitigate this risk. As at September 30, 2018, the Company is not exposed to any significant foreign exchange rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company requires funds to finance its business development activities. In addition, the Company needs to raise equity financing to carry out its exploration programs. There is no assurance that financing will be available or, if available, that such financings will be on terms acceptable to the Company.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

10. Capital Management

The Company's capital structure consists of cash and equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support acquisition and exploration of mineral properties. The Board of Directors does not establish 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. The properties in which the Company currently has interests are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management since inception. The Company is not subject to externally imposed capital requirements.

11. Subsequent Events

On November 9, 2018, the Company has entered into private placement agreements to issue 1,334,334 flow through units ("FT Units") and 4,554,207 units ("NFT Units") raising $883,131. Each unit was issued for $0.15 and consisted of one share and one share purchase warrant which is exercisable at $0.20 for two years. The Company has the right to accelerate the expiry of the warrants comprised under the NFT Units should the closing price of its common shares exceed $0.50 per share for a period of 10 consecutive trading days with respect to the warrants comprised in the NFT units. In such event, the Issuer may within five days, provide notice by way of news release of early expiry, in which event the Warrants will expire 30 days from the date of such news release (the "Acceleration Clause"). The TSX Venture is currently reviewing this transaction.