MIDNIGHT STAR VENTURES CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED OCTOBER 31, 2017

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of Midnight Star Ventures Corp. (the “Company”) for the three and six months ended October 31, 2017 have been prepared by and are the responsibility of the Company’s management, and have not been reviewed by the Company’s auditors.

MIDNIGHT STAR VENTURES CORP.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	OCTOBER 31 2017	APRIL 30 2017
ASSETS		
Current		
Cash	$ 355,256	$ 2,526
Amounts recoverable	6,301	1,887
Total Current Assets	361,557	4,413
Computer Equipment	-	321
Exploration and Evaluation Assets (Note 5)	137,486	109,871
Total Assets	$ 499,043	$ 114,605
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$ 19,093	$ 74,850
Interest payable (Note 6)	279	10,571
Notes payable (Note 6)	10,000	140,000
Total Current Liabilities	29,372	225,421
Total Liabilities	29,372	225,421
EQUITY		
Share Capital (Note 7)	430,083	430,083
Shares to be Issued	236,250	-
Share Subscriptions Received	428,625	-
Reserves	17,900	17,900
Deficit	(643,187)	(558,799)
Total Equity (Deficiency)	469,671	(110,816)
Total Liabilities and Equity	$ 499,043	$ 114,605

The financial statements were approved and authorized for issue by the Board of Directors on December 13, 2017. They were signed on the Company's behalf by:

"David Ryan"
Director

"Bernie Hoing"
Director

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

MIDNIGHT STAR VENTURES CORP.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED OCTOBER 31		SIX MONTHS ENDED OCTOBER 31	
	2017	2016	**2017**	2016
Expenses				
Bank charges and interest	**$ 387**	$ 206	**$ 438**	$ 340
Communications	**175**	782	**1,142**	1,149
Consulting (Note 11)	**-**	-	**-**	900
Depreciation	**156**	165	**321**	330
Foreign exchange	**(148)**	(245)	**(148)**	(252)
Interest on notes payable	**1,868**	1,965	**4,669**	3,176
Management fees (Note 11)	**9,000**	9,000	**18,000**	18,000
Office and miscellaneous	**-**	861	**-**	2,176
Professional fees (Note 11)	**28,969**	14,806	**48,684**	21,847
Promotion	**-**	302	**-**	3,858
Regulatory and filing fees	**4,549**	5,550	**6,459**	8,598
Rent	**3,000**	3,000	**6,000**	6,000
Travel	**-**	35	**-**	594
	47,956	36,427	**85,565**	66,716
Net loss before other Item	**(47,956)**	(36,427)	**(85,565)**	(66,716)
Gain on settlement of notes payable and accrued interest and accounts payable and accrued liabilities	**1,177**	-	**1,177**	-
Net Loss and Comprehensive Loss for the Period	**$ (46,779)**	$ (36,427)	**$ (84,388)**	$ (66,716)
Loss Per Share, Basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted Average Number of Shares Outstanding	**14,561,935**	14,561,935	**14,561,935**	14,561,935

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

MIDNIGHT STAR VENTURES CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	SIX MONTHS ENDED JULY 31			
		2017		2016
Cash Provided By (Used In):				
Operating Activities				
Net loss for the year	**$**	**(84,388)**	$	(66,716)
Items not involving cash:				
Accrued interest		**4,669**		3,176
Depreciation		**321**		330
Foreign exchange		**(411)**		-
Gain on settlement of notes payable and accounts payable		**(1,177)**		-
Net changes in non-cash operating working capital items:				
Amounts recoverable		**(4,414)**		(824)
Prepaid expenses		**-**		1,689
Accounts payable and accrued liabilities		**(1,816)**		6,173
		(87,216)		(56,172)
Financing Activities				
Proceeds from notes payable		**38,936**		70,000
Share subscriptions received		**428,625**		-
		467,561		70,000
Investing Activity				
Exploration and evaluation assets		**(27,615)**		(25,772)
		(27,615)		(25,772)
Net Increase (Decrease) In Cash		**352,730**		(11,944)
Cash, Beginning of Period		**2,526**		26,518
Cash, End of Period	**$**	**355,256**	$	14,574
Supplemental cash flow information				
Interest Paid	**$**	**-**	$	-
Income Tax Paid	**$**	**-**	$	-
Supplementary disclosures for Non-Cash Financing and Investing Activities				
Fair value of common shares to be issued on settlement of notes payable and accrued interest	**$**	**174,532**	$	-
Fair value of shares to be issued on settlement of accounts payable and accrued liabilities	**$**	**61,718**	$	-

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

MIDNIGHT STAR VENTURES CORP
STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)

FOR THE PERIOD FROM MAY 1, 2016 TO OCTOBER 31, 2017
(Expressed in Canadian Dollars)

	SHARE CAPITAL		SHARES TO BE	SHARE SUBSCRIPTIONS			TOTAL
	SHARES	AMOUNT	RECEIVED	RESERVES	RESERVES	DEFICIT	EQUITY
Balance April 30, 2016	14,561,935	$ 430,083	$ -	$ -	$ 17,900	$ (422,610)	$ 25,373
Net loss for the period	-	-	-	-	-	(66,716)	(66,716)
Balance October 31, 2016	14,561,935	430,083	-	-	17,900	(489,326)	(41,343)
Net Loss for the period	-	-	-	-	-	(69,473)	(69,473)
Balance, April 30, 2017	14,561,935	430,083	-	-	17,900	(558,799)	(110,816)
Shares to be issued on settlement of notes payable and accrued interest and accounts payable and accrued liabilities	-	-	236,250	-	-	-	236,250
Share subscriptions received	-	-	-	428,625	-	-	428,625
Net Loss for the period	-	-	-	-	-	(84,388)	(84,388)
Balance October 31, 2017	**14,561,935**	**$ 430,083**	**$ 236,250**	**$ 428,625**	**$ 17,900**	**$ (643,187)**	**$ 469,671**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

Midnight Star Ventures Corp (the "Company") was originally incorporated under the Business Corporations Act of British Columbia on April 19, 2013. The principal business of the Company is the acquisition and exploration of resource properties in North America.

The address of the Company's corporate office and principal place of business is Suite 1085-555 Burrard Street, Two Bentall Centre, P.O. Box 201, Vancouver BC, V7X 1M8.

On August 4, 2015, the Company listed on the Canadian Securities Exchange, and trades under the symbol "STV" after the closing of a prospectus offering on August 5, 2015.

b) Going Concern

These statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown in these condensed interim financial statements and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

During the six month period ended October 31, 2017, the Company incurred a net loss of $84,388 (six months ended July 31, 2016 - $66,716) and at October 31, 2017 has an accumulated deficit of $643,187 (April 30, 2017 - $558,799). The operations of the Company have been funded by the issuance of common shares, convertible notes payable and notes payable. Continued operations of the Company are dependent on the Company's ability to complete equity financings and issue additional notes payable. Management's plan in this regard is primarily to secure additional funds through future equity financings, which may be unavailable or unavailable on reasonable terms. These factors may cast significant doubt on the use of the going concern basis of accounting.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended April 30, 2017.

2. BASIS OF PRESENTATION (Continued)

b) Statement of Compliance (Continued)

These condensed interim financial statements were authorized for issue by the Board of Directors on December 13, 2017.

b) Basis of Presentation

These financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar, being the currency of the economic environment of the Company's operations. The functional currency is also the presentation currency.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. See Note 4 for Critical Accounting Estimates and Judgments made by management in the application of IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at April 30, 2017. The accompanying condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended April 30, 2017.

Subsequent to October 31, 2017 there have been no new accounting policies adopted by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Issued but Not Yet Applied

International Financial Reporting Standard 9, Financial Instruments ("IFRS 9"), was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and Fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for accounting periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income.

International Financial Reporting Standard 15, Revenue from Contracts with Customers ("IFRS 15") replaces IAS 18 – Revenue and IAS 11 – Construction Contracts and establishes a five-step model industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 16, Leases ("IFRS 16") replaces IAS 17 – Leases and requires lessees to account for leases on the balance sheet by recognizing a right to use asset and lease liability. The standard is effective for annual reports beginning on or after January 1, 2019, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

i) Exploration and Evaluation Expenditures

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 will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off to net income in the period the new information becomes available.

ii) Impairment

At each reporting period, assets, specifically exploration and evaluation assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amount often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance.

iii) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield, and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7.

iv) Title to Mineral Property Interest

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

v) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law.

4. USE OF ESTIMATES AND JUDGEMENTS (Continued)

v) Income Taxes (Continued)

For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision.

Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

vi) Rehabilitation Provision

The application of the Company's accounting policy for rehabilitation is based on internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management.

Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time when the rehabilitation costs are actually incurred.

vii) Determination of Going Concern Assumption

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	FISH CLAIMS	
	OCTOBER 31 2017	APRIL 30 2017
Property Acquisition Costs		
Balance, beginning of period	$ 28,765	$ 15,482
Additions in the year	15,600	13,283
Balance, end of period	$ 44,365	$ 28,765
Deferred exploration expenditures		
Balance, beginning of year	$ 81,106	$ 68,644
Additions in the period		
Advances	-	874
Claim maintenance fees	12,015	11,588
	12,015	12,462
Balance, end of period	$ 93,121	$ 81,106
Total balance, end of period	$ 137,486	$ 109,871

Fish Claims

On August 28, 2013, the Company entered into an earn in agreement with Pengram Corporation ("Pengram") where Pengram agreed to grant to the Company an option to acquire an 80% interest in 56 unpatented lode mining claims covering approximately 1,275 acres located in the Lone Mountain Mining District of Esmeralda County, Nevada, USA. Pengram had an existing option to acquire the property through an underlying agreement with Claremont Nevada Mines LLC ("Optionor").

On August 28, 2016, the Company entered into a New Option Agreement with Claremont Nevada Mines LLC under the terms of which Midnight Star has an option to acquire up to a 100% interest in the Fish Project. This agreement replaces the original earn-in agreement between Midnight Star and Pengram Corporation

The agreement provides that the Company can acquire an 100% interest in the claims by making staged advance royalty payments as follows:

i) $2,860 (US$2,500) on or before February 28, 2014 (paid);
ii) $2,756 (US$2,500) on or before August 28, 2014 (paid);
iii) $9,866 (US$7,500) on or before August 28, 2015 (paid);
iv) $2,623 (US$2,000) on or before August 28, 2016 (paid);
v) $10,660 (US$8,000) on or before October 12, 2016 (paid);
vi) $15,600 (US$12,500) on or before August 28, 2017 (paid)
vii) $18,700 (US$15,000) on or before August 28, 2018.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

Should the Company not be able to meet the obligations noted above, the Company may extend the term for an additional five years by giving notice to the Optionor. In the event the option is extended, the Company will make an advance royalty payment of $18,700 (US$15,000) on August 28, of each year of the extended term.

In addition to the above, the Company has the obligation to maintain the mineral lode claims in good standing by payment of all Bureau of Land Management Fees, Claim Fees, Taxes and Rentals, and the performance of all other actions which may be necessary in that regard in order to keep the mineral claims free and clear of all liens and other charges arising from the Company's activities except those at the time contested in good faith by the Company.

The agreement is subject to a 3% Net Smelter Returns Royalty upon commencement of commercial production.

During the six months ended October 31, 2017, the company paid claim maintenance fees of $12,015 (US$10,485) on the property.

During the year ended April 30, 2017, the Company incurred $13,283 (US$10,000) in advance royalty payments and $11,588 (US$8,835) of claim maintenance fees on the property. The Company also made exploration advances of $874 (US$672).

6. NOTES PAYABLE

Note 1

On March 24, 2015, the Company issued a promissory note in the amount of $20,000. The note is unsecured, bears interest at 10% per annum which is to be paid annually on March 15, of each year, and is repayable upon demand. Interest charged on the note during the three and six months ended October 31, 2017 was $241 and $745 respectively. (three and six ended October 31, 2016 - $493 and $986). As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $4,208) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $24,882 by the issuance of 368,625 common shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $71. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 2

On April 25, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured, bears interest at 10% per annum which is to be paid annually on April 25 of each year, and is repayable upon demand. Interest charged on the note during the three and six months ended October 31, 2017 was $241 and $746 respectively. (three and six months ended October 31, 2016 - $504 and $1,008).

6. NOTES PAYABLE (Continued)

Note 2 (Continued)

As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $2,027) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $22,701 by the issuance of 336,317 common shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $72. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 3

On June 22, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured, bears interest at 10% per annum which is to be paid annually on June 22 of each year and is repayable on demand. Interest charged on the note during the three and six months ended October 31, 2017 was $240 and $745 respectively. (three and six months ended October 31, 2016 - $504 and $718). As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $1,709) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $22,384 by the issuance of 331,608 common shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $70. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 4

On August 23, 2016, the Company issued a promissory note in the amount of $20,000. The note is unsecured, bears interest at 10% per annum which is to be paid annually on August 23 of each year and is repayable on demand. Interest charged on the note during the three and six months ended October 31, 2017 was $241 and $745 respectively. (three and six months ended October 31, 2016 - $378). As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $1,370) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $22,044 by the issuance of 326,575 shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $71. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 5

On October 10, 2016, the Company issued a promissory note in the amount of $30,000. The note is unsecured, bears interest at 5% per annum which is to be paid annually on October 10 of each year and is repayable on demand. Interest charged on the note during the three and six months ended October 31, 2017 was $181 and $559 respectively. (three and six months ended October 31, 2016 - $86).

6. NOTES PAYABLE (Continued)

Note 5 (Continued)

As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $830) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $31,336 by the issuance of 464,231 shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $53. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 6

On January 16, 2017, the Company issued a promissory note in the amount of $30,000. The note is unsecured, bears interest at 5% per annum which is to be paid annually on January 16 of each year and is repayable on demand. Interest charged on the note during the three and six months ended October 31, 2017 was $181 and $559 respectively. (three and six months ended October 31,2016 - $nil). As at October, 31, 2017, accrued interest of $nil (April 30, 2017 - $427) has been recorded. On September 13, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $30,933 by the issuance of 458,265 shares with a deemed value of $0.0675 per share. As a result of this the Company has recorded a gain on settlement of $53. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

Note 7

On July 21, 2017, the Company issued a promissory note in the amount of $10,000. The note is unsecured and bears interest at 10% per annum which is to be paid annually on July 21, of each year. Interest charged on the note during the three and six months ended October 31, 2017 was $252 and $279 respectively. (three and six months ended October 31, 2016 - $nil). As at October 31, 2017, accrued interest of $279 (April 30, 2017 - $nil) has been recorded. The note is repayable on demand.

Note 8

On August 21, 2017, the Company issued a promissory note in the amount of $28,936 (US$23,000). The note is unsecured, bears interest at 10% per annum which is to be paid annually on August 21, of each year and is repayable on demand. Interest charged on the note during the three and six months ended October 31, 2017 was $291. (three and six months ended October 31, 2016 - $nil). As at October 31, 2017, accrued interest of $nil (April 30, 2017 - $nil) has been recorded. On September 27, 2017, the company entered into a settlement agreement to settle the note and accrued interest in the aggregate amount of $28,030 by the issuance of 300,031 shares with a deemed value of $0.0675 per share and a cash payment of $7,778.

(Expressed in Canadian Dollars)

6. NOTES PAYABLE (Continued)

Note 8 (Continued)

As a result of this the Company has recorded a foreign exchange adjustment of $411 and a gain on settlement of $786. As of October 31, 2017 the shares had not been issued and have been recorded as shares to be issued. Subsequent to the period end, on November 9, 2017 the shares were issued.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares, without par value.
Unlimited preferred shares, without par value (none issued).

b) Issued

During the six months ended October 31, 2017, the Company undertook no share issuance transactions.

During the year ended April 30, 2017, the Company undertook no share issuance transactions.

c) Agents options

As at October 31, 2017 and April 30, 2017, agent's options were outstanding for the purchase of common shares as follows:

NUMBER OF SHARE PURCHASE WARRANTS	EXERCISE PRICE	NUMBER EXERCISABLE AT OCTOBER 31, 2017	EXPIRY DATE
205,780	$ 0.10	205,780	August 4, 2018

As at October 31, 2017 the agent's options outstanding have a weighted average remaining contractual life of 0.76 years.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

c) Agents options (Continued)

A summary of changes in agent's options for the six month period ended October 31, 2017 and the year ended April 30, 2017 is presented below:

	SIX MONTHS ENDED OCTOBER 31, 2017		YEAR ENDED APRIL 30, 2017	
	NUMBER	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	**205,780**	**$ 0.10**	205,780	$ 0.10
Issued	**-**	**-**	-	-
Balance, end of period	**205,780**	**$ 0.10**	205,780	$ 0.10

d) Stock options

On December 22, 2014, the Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the requirements of the Canadian Securities Exchange, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company.

Compensation costs attributable to the granting and vesting of share purchase warrants and options are measured at fair value and expensed with a corresponding increase to share-based payment reserve. Upon exercise of the share purchase warrants and options, consideration paid by the option holder together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital. Upon expiry, the amounts recorded for share-based compensation are transferred to the deficit from the share-based payment reserve.

As at October 31, 2017 and April 30, 2017 no stock options have been granted pursuant to the plan.

e) Shares in Escrow

Pursuant to an escrow agreement dated March 9, 2015, upon the closing of the IPO 3,550,001 common shares and 750,000 warrants held by the directors were placed escrow. Pursuant to the agreement, upon the listing date 10% of the shares subject to the escrow agreement were released, and every 6 months thereafter 15% of the original securities taken to Escrow will be released.

(Expressed in Canadian Dollars)

7. SHARE CAPITAL (Continued)

e) Shares in Escrow (Continued)

Upon the exercise of 240,000 share purchase warrants by the President during April 2016, an additional 240,000 shares became subject to the escrow agreement, of which 52,500 were released immediately. The balance of the share purchase warrants that were subject to the escrow arrangement expired. As at October 31, 2017, 1,065,001 common shares and no share purchase warrants remain in escrow agreement.

8. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The disclosures in the notes to these financial statements describe how the categories of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized.

As at October 31, 2017 and April 30, 2017 the classification of the financial instruments, as well as their carrying values and fair values, are shown in the table below:

	LEVEL	FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	CARRYING VALUE	FAIR VALUE
AS AT OCTOBER 31, 2017					
Financial assets					
Cash	1	$ 355,256	$ -	$ 355,256	$ 355,256
Financial liabilities					
Accounts payable and accrued liabilities	1	$ -	$ 19,093	$ 19,093	$ 19,093
Note and interest payable	1	$ -	$ 10,279	$ 10,279	$ 10,279

	LEVEL	FAIR VALUE THROUGH PROFIT OR LOSS	OTHER FINANCIAL LIABILITIES	CARRYING VALUE	FAIR VALUE
AS AT APRIL 30, 2017					
Financial assets					
Cash	1	$ 2,526	$ -	$ 2,526	$ 2,526
Financial liabilities					
Accounts payable and accrued liabilities	1	$ -	$ 74,850	$ 74,850	$ 74,850
Note and interest payable	1	$ -	$ 150,571	$ 150,571	$ 150,571

8. FINANCIAL INSTRUMENTS (Continued)

At October 31, 2017 and April 30, 2017 the carrying values of cash, accounts payable and accrued liabilities and note and interest payable, approximate their fair values due to the short-term nature of these balances.

9. RISK MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the year.

The Company holds an interest in 58 unpatented mining claims located in the USA and the advance royalty agreement is denominated in the US Dollar ("USD$"). As a result the Company is subject to foreign currency and exchange risk on the translation of these transactions and year end balances to the reporting currency. Any gains or losses arising in the period are included in operations for the year.

As at October 31, 2017, a 1% strengthening in the USD relative to the CDN$ does not have a significant impact on the net loss for the year or the future estimated cash flows arising to complete the acquisition of the property.

b) Credit Risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is primary held in large Canadian financial institutions. Management believes that the credit risk concentration with respect to cash is remote.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and short-term investment is limited because the majority of the Company's cash and short-term investment balances are held by a Canadian chartered bank and the convertible notes payable are subject to a fixed interest rate.

9. RISK MANAGEMENT (Continued)

d) 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's approach to manage liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period and the Company had sufficient liquidity to meet these obligations.

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

10. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the 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 team to manage its capital.

The property in which the Company currently has an interest 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 an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management considers its approach to capital management to be appropriate given the relative size of the Company. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

Related party transactions were in the normal course of operations and measured at the exchange amount, which is the amount established and agreed to by the related parties. Key management personnel are the persons responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Related party transactions that have not been disclosed elsewhere in the financial statements include the following:

As at October 31, 2017, accounts payable and accrued liabilities include $3,150 (April 30, 2017 - $14.400) for management fees charged by the President, and $3,050 (April 30, 2017 - $20,265) for services rendered to the Company by a company controlled by an officer of the Company.

Amounts paid or accrued in the statements of operations for the six months ended October 31, 2017 and 2016:

	SIX MONTHS ENDED OCTOBER 31	
	2017	2016
Consulting fees	**$ -**	$ 900
Management fees	**18,000**	18,000
Professional fees	**10,500**	10,700
Total	**$ 28,500**	$ 29,600

12. SUBSEQUENT EVENTS

Subsequent to the year end, the Company:

a) The Company completed a Private Placement Offering and issued 8,500,000 common shares at a price of $0.0675 per Share for total proceeds of $573,750. Pursuant to the financing the Company paid commissions or finders fees to registered brokers of $44,181. The proceeds of the offering will be used for working capital purposes.

b) Pursuant to settlement agreements entered into on September 13, 2017 and September 27, 2017, to settle notes payable and accrued interest aggregating $183,486 and accounts payable and accrued liabilities of $61,718 the Company issued 3,499,992 common shares with a deemed price of $0.0675 and made a cash payment of $7,778.