

Four Nines Gold Inc.

Condensed Interim Financial Statements

For the nine months ended October 31, 2018

Expressed in Canadian dollars

Four Nines Gold Inc.

**Unaudited Condensed Interim Financial Statements
For the nine months ended October 31, 2018**

Notice of No Auditor Review of Interim Condensed Financial Statements

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these condensed financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Four Nines Gold Inc.
Condensed Interim Statements of Financial Position
As at
(Unaudited) (Expressed in Canadian dollars)

	Note	October 31, 2018	January 31, 2018
ASSETS			
Current Assets			
Cash		\$ 792,734	\$ 228,458
Refundable amounts		27,802	21,384
		<u>820,536</u>	<u>249,842</u>
Exploration and evaluation assets	5	434,397	392,032
Total assets		\$ 1,254,933	\$ 641,874
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 97,253	\$ 33,988
		<u>97,253</u>	<u>33,988</u>
SHAREHOLDERS' EQUITY			
Share capital	6	759,486	759,486
Share subscriptions	6, 10	681,250	-
Contributed surplus		18,800	18,800
Deficit		(301,856)	(170,400)
		<u>1,157,680</u>	<u>607,886</u>
Total liabilities and shareholders' equity		\$ 1,254,933	\$ 641,874

"Jim Mustard"

 Director

"Casey Forward"

 Director

Four Nines Gold Inc.
Condensed Interim Statements of Comprehensive Loss
(Unaudited) (Expressed in Canadian dollars)

	Note	For the three months ended October 31, 2018	For the three months ended October 31, 2017	For the nine months ended October 31, 2018	For the nine months ended October 31, 2017
Expenses					
Bank charges and interest		\$ 18	\$ 77	\$ 80	\$ 203
Consulting		19,048	-	19,048	-
Filing and transfer agent		8,397	15,879	16,236	24,589
Management fees	7	22,500	20,000	52,500	20,000
Office		2,990	189	5,373	189
Professional fees	7	23,602	35,263	36,252	36,607
Promotion		582	-	1,967	-
		(77,137)	(71,408)	(131,456)	(81,588)
Loss and comprehensive loss		\$ (77,137)	\$ (71,408)	\$ (131,456)	\$ (81,588)
Loss per share, basic and diluted		\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.03)
Weighted average number of shares outstanding		2,530,900	2,490,900	2,530,900	2,490,900

Four Nines Gold Inc.
Condensed Intertim Statements of Cash Flows
For the nine months ended
(Unaudited) (Expressed in Canadian dollars)

	Note	October 31, 2018	October 31, 2017
Cash Flows from Operating Activities			
Loss for the period		\$ (131,456)	\$ (10,180)
Items not affecting cash:			
		(131,456)	(10,180)
Changes in non-cash working capital:			
Refundable GST		(6,418)	(1,218)
Prepaid expenses		-	1,500
Accounts payable and accrued liabilities		63,265	(10,065)
Net cash provided by (used in) operating activities		(74,609)	(19,963)
Cash Flows from Financing Activities			
Share subscriptions	6,10	681,250	-
Deferred finance fees		-	(40,555)
Net cash provided by financing activities		681,250	(40,555)
Cash Flows from Investing Activities			
Mineral property option payment		(42,365)	-
Deferred exploration and evaluation costs		-	(18,686)
Net cash used in investing activities		(42,365)	(18,686)
Change in cash and cash equivalents		564,276	(79,204)
Cash and cash equivalents at beginning of period		228,458	106,112
Cash and cash equivalents at end of period		\$ 792,734	\$ 26,908
Cash and cash equivalents consist of:			
Cash		\$ 792,734	\$ 26,908
		\$ 792,734	\$ 26,908
Interest paid		\$ -	\$ -
Income taxes paid		\$ -	\$ -

Four Nines Gold Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited) (Expressed in Canadian dollars)

	Note	Share Capital		Share Subscriptions	Contributed Surplus	Deficit	Total
		Shares	Amount				
Balance, January 31, 2017		970,900	\$ 126,725	\$ -	\$ -	\$ (34,662)	\$ 92,063
Issuance of shares on IPO		1,500,000	750,000	-	-	-	750,000
Issue costs		-	(128,439)	-	-	-	(128,439)
Mineral property option		20,000	10,000	-	-	-	10,000
Loss for the period		-	-	-	-	(81,588)	(81,588)
Balance, October 31, 2017		2,490,900	\$ 758,286	\$ -	\$ -	\$ (116,250)	\$ 642,036
Balance, January 31, 2017		2,530,900	\$ 759,486	\$ -	\$ 18,800	\$ (170,400)	\$ 607,886
Share consolidation on October 22, 2018	1, 6	-	-	-	-	-	-
Share subscriptions	6, 10	-	-	681,250	-	-	681,250
Loss for the period		-	-	-	-	(131,456)	(131,456)
Balance, October 31, 2018		2,530,900	\$ 759,486	\$ 681,250	\$ 18,800	\$ (301,856)	\$ 1,157,680

The accompanying notes form an integral part of these financial statements

Four Nines Gold Inc.
Notes to the Condensed Interim Financial Statements
For the nine months ended October 31, 2018
(Unaudited) (Expressed in Canadian dollars)

1. CORPORATE INFORMATION

The Company was incorporated on March 19, 2015 in British Columbia. The head office, principal address and records office of the Company are located at 488 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6.

The Company has listed on the Canadian Securities Exchange ("Exchange") by completing an initial public offering ("IPO"). On August 24, 2017, the Company announced it had completed its initial public offering of 7,500,000 units (post-consolidation 1,500,000) (the "Units"), each Unit comprising one common share of the Company and one-half common share purchase warrant (each whole warrant, a "Warrant") of the Company, at a price of \$0.10 (post consolidation \$0.50) per Unit for gross proceeds of \$750,000 (the "Offering") with each Warrant exercisable into one share for a period of 24 months following the closing of the Offering at a price of \$0.20 (post-consolidation \$1.00) in the first year and \$0.30 (post-consolidation \$1.50) in the second year. The Company commenced trading on the CSE on August 31, 2017 under the symbol "FNAU".

On October 22, 2018, the Company completed a share consolidation of the basis of one post-consolidation common share for every five pre-consolidation common shares. There was no name change or symbol change. The Company did obtain a new CUSIP number (securities identification number). There was a total of 12,654,500 pre-consolidation common shares issued and outstanding. Upon completion of the consolidation, there was 2,530,900 post-consolidation common shares issued and outstanding. All share capital numbers in these financial statements reflect post-consolidated common shares.

The Company is in the process of acquiring and exploring its resource properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed interim financial information for the nine months ended October 31, 2018 have been prepared in accordance with IAS 34 "Interim financial reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended January 31, 2018, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Going Concern of Operations

The Company incurred a loss of \$131,456 for the nine months ended October 31, 2018 (January 31, 2018: \$135,738) and has an accumulated deficit of \$301,856 (January 31, 2018: \$170,400) and working capital of \$723,283 at October 31, 2018 (January 31, 2018: \$215,854). These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Four Nines Gold Inc.
Notes to the Condensed Interim Financial Statements
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4. SEGMENTED INFORMATION

The Company operates in one segment – the acquisition, exploration and development of resource properties. As at July 31, 2018 and January 31, 2018, all of the Company's operations and assets were held in Canada.

5. EXPLORATION AND EVALUATION ASSETS

Mariposa

On September 12, 2016, the Company entered into an option agreement to purchase an aggregate of 70% interest in the Mariposa Property comprised of 1311 mineral claims in the White Gold region located in the Dawson Mining District, Yukon. The agreement has been amended on February 7, 2017, July 31, 2017 and January 1, 2018. The terms of the agreement are as follows:

First option to earn 51%:

Pay the optionor an aggregate of \$200,000 as follows:

- (1) the payment of \$10,000 (paid) on signing;
- (2) the payment of \$10,000 (paid) on or before December 31, 2016;
- (3) the payment of \$nil on or before December 31, 2017;
- (4) the payment of \$30,000 on or before December 31, 2018;
- (5) the payment of \$50,000 on or before December 31, 2019; and
- (6) the payment of \$80,000 on or before December 31, 2020;

Incur expenditures in the aggregate amount of not less than \$2,500,000 as follows

- (1) in the amount of \$50,000 (completed) on or before December 31, 2016;
- (2) in the amount of \$250,000 (completed) on or before December 31, 2017;
- (3) in the amount of \$200,000 on or before December 31, 2018;
- (4) in the amount of \$500,000 on or before December 31, 2019; and
- (5) in the amount of \$1,500,000 on or before December 31, 2020;

Issue an aggregate of 240,000 common shares and 30,000 warrants as follows:

- (1) 20,000 common shares and 20,000 warrants within 5 business days of listing of the Company's stock on the CSE at prices as set out in the IPO (issued);
- (2) 40,000 common shares and 100,000 warrants on or before December 31, 2017 at prices as set out in the IPO (issued);
- (3) 60,000 common shares on or before December 31, 2018;
- (4) 60,000 common shares on or before December 31, 2019; and
- (5) 60,000 common shares on or before December 31, 2020.

Second option to earn an additional 19%:

Pay the optionor an aggregate of \$200,000 as follows:

- (1) the payment of \$100,000 on or before December 31, 2021; and
- (2) the payment of \$200,000 on or before December 31, 2022;

Incur expenditures in the aggregate amount of not less than \$2,500,000 as follows

- (1) in the amount of \$1,250,000 on or before December 31, 2021; and
- (2) in the amount of \$1,250,000 on or before December 31, 2022;

Issue an aggregate of 100,000 common shares as follows:

- (1) 50,000 common shares on or before December 31, 2021; and
- (2) 50,000 common shares on or before December 31, 2022.

The Vendor will retain a 2% gross royalty of which 1% of the royalty can be purchased for \$1,000,000.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

	Nine months ended July 31, 2018	Year ended January 31, 2018
Acquisition costs:		
Balance, beginning of the period	\$ 60,000	\$ 20,000
Additions	-	40,000
Balance, end of the period	60,000	60,000
Exploration costs:		
Balance, beginning of the period	332,032	48,091
Additions	42,365	283,941
Balance, end of the period	374,397	332,032
Total Expenditures on mineral properties	\$ 434,397	\$ 392,032

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares with no par value.

(b) Issued

For the nine months ended October 31, 2018

- a) On October 22, 2018, completed a share consolidation of the basis of one post-consolidation common share for every five pre-consolidation common shares. There was no name change or symbol change. The Company did obtain a new CUSIP number (securities identification number). There was a total of 12,654,500 pre-consolidation common shares issued and outstanding. Upon completion of the consolidation, there was 2,530,900 post-consolidation common shares issued and outstanding.
- b) Pursuant to a non-brokered private placement financing and a private placement offering, the Company received subscription proceeds of \$681,250 as at October 31, 2018. See note 10, Subsequent Events for details of financings.

For the year ended January 31, 2018

- c) In December, pursuant to a mineral property option agreement, the Company issued 200,000 shares at \$0.10 per share.
- d) In August, pursuant to the IPO, the Company issued 7,500,000 Units at \$0.10 per share. Each Unit comprising one common share of the Company and one-half common share purchase warrant (each whole warrant, a "Warrant") of the Company, at a price of \$0.10 per Unit for gross proceeds of \$750,000 (the "Offering") with each Warrant exercisable into one share until August 24, 2019 at a price of \$0.20 each or until August 24, 2019 at a price of \$0.30 each.
- e) PI Financial Corp. (the "Agent") acted as the Company's agent in connection with the IPO, pursuant to which, the Agent received a cash commission of \$52,500, a corporate finance fee of \$22,500, costs of \$20,629 and 525,000 compensation options, each option exercisable into one common share for a period of 24 months following the Listing Date, at a price of \$0.20 in the first year and \$0.30 in the second year. Additional costs associated with the offering were legal of \$26,021 and other costs of \$6,789. The compensation options were valued at \$18,800 using the Black-Scholes option pricing model with an average risk-free interest rate of 0.76%, expected life of 2 years, volatility of 100.00% and a dividend yield of 0%.
- f) Pursuant to a mineral property option agreement, the Company issued 100,000 shares at \$0.10 per share in August and issued 200,000 common shares at \$0.10 in December.

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6. SHARE CAPITAL (continued)

(c) Warrants and Compensation Options:

Pursuant to the IPO, 750,000 warrants were issued as of August 24, 2017, to purchase one common share of the Company at \$1.00 each by August 24, 2018, or at \$1.50 each by August 24, 2019.

Pursuant to the IPO, 105,000 compensation options were issued to the Agent as of August 24, 2017, to purchase one common share of the Company at \$1.00 each by August 24, 2018, or at \$1.50 each by August 24, 2019.

Pursuant to the mineral property option agreement, 20,000 warrants were issued as of August 24, 2017, to purchase one common share of the Company at \$1.00 each by August 24, 2018, or at \$0.30 each by August 24, 2019.

Pursuant to the mineral property option agreement, 10,000 warrants were issued as of December 31, 2017, to purchase one common share of the Company at \$1.00 each by December 31, 2018, or at \$1.50 each by December 31, 2019.

7. RELATED PARTY TRANSACTIONS

During the nine months ended October 31, 2018, the Company entered into the following transactions with related parties:

- (a) Management fees of \$52,500 were paid or accrued to be paid to Jim Mustard, CEO and a director of the Company;
- (b) Professional fees of \$22,500 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;

During the nine months ended October 31, 2017 the following transactions were entered into:

- (c) Management fees of \$20,000 were paid or accrued to be paid to Jim Mustard, CEO and a director of the Company;
- (d) Professional fees of \$5,500 were paid or accrued to be paid to Casey Forward, CFO and a director of the Company;
- (e) Pursuant to exploration costs incurred on the Mariposa project, Chris Verrico, a director of the Company was paid or accrued to be paid, \$21,500 for project management and implementation, and \$50,500 for rental fees of a Hitachi Excavator used on the mineral property.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties. As at October 31, 2018, \$28,000 (January 31, 2018, \$13,767) was owing to related parties.

8. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of resource properties, to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the year.

9. FINANCIAL INSTRUMENTS AND RISKS

The company is exposed through its operations to the following financial risks:

- Liquidity risk
- Market risk
- Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined in Note 8.

The Company monitors its ability to meet its short-term administrative expenditures by matching investment income received to expenditures to be incurred, and by disposing of its investments when required. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

As at October 31, 2018, the Company had a cash balance of \$792,734 to settle current liabilities of \$97,253.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, investment fluctuations, and commodity and equity prices. Market conditions will cause fluctuations in the fair values of financial assets classified as held-for-trading and available-for-sale and cause fluctuations in the fair value of future cash flows for assets or liabilities classified as held-to-maturity, available-for-sale, loans and receivables and other financial liabilities.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and US dollar or other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign currency rate fluctuations.

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. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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(Unaudited) (Expressed in Canadian dollars)

9. FINANCIAL INSTRUMENTS AND RISKS (continued)

Credit Risk

Financial instruments that potentially expose the Company to credit risk are cash and cash equivalents. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

Fair Values

The Company's financial instruments include cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. It is impractical to determine the fair value of these financial instruments with sufficient reliability due to the nature of these financial instruments, the absence of secondary market and the significant cost of obtaining external appraisals. The fair value of these financial instruments approximates their carrying value under the effective interest method.

Fair Value Hierarchy

The Company classifies its fair value measurements in accordance with the three level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy as follows:

At October 31, 2018	Level 1	Level 2	Level 3	Total
Cash	\$ 792,734	\$ -	\$ -	\$ 792,734
At January 31, 2018	Level 1	Level 2	Level 3	Total
Cash	\$ 228,458	\$ -	\$ -	\$ 228,458

10. SUBSEQUENT EVENTS

On November 9, 2018 the Company closed a non-brokered private placement financing (the "Debenture Financing") of secured convertible debentures (each, a "Debenture") for gross proceeds of \$375,000, and a further non-brokered private placement offering (the "Unit Offering") of 5,000,000 units (each, a "Unit") at a price per Unit of \$0.075 for additional gross proceeds of \$375,000.05.

The terms of the Debentures include:

- a maturity date of one year from the date of issuance (the "Maturity Date") and the principal amount of the Debenture, together with any accrued and unpaid interest, will be payable on the Maturity Date, unless earlier converted in accordance with its terms;
- the Debentures bear interest (the "Interest") at the rate of 10% per annum, which Interest will be payable on maturity, unless earlier converted; and

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(Unaudited) (Expressed in Canadian dollars)

- the principal amount of the Debenture, together with all accrued and unpaid interest thereon, is convertible into units of the Company at the option of the holder (each, a “Debenture Unit”) at a conversion price of \$0.10 per Debenture Unit, with each Debenture Unit comprised of one Class A common share of the Company (each, a “Debenture Share”) and one transferable share purchase warrant (each, a “Debenture Warrant”), with each Debenture Warrant exercisable into one additional Debenture Share (each, a “Debenture Warrant Share”) at an exercise price of \$0.10 per Debenture Warrant Share for a period of five (5) years from the date of conversion.

Repayment by the Company of amounts owing under the Debentures are secured by a charge over all of the assets of the Company. All subscribers to the Debenture Financing entered into an agency and inter-lender agreement with the Company and a designated subscriber to the Debenture Financing (the “Agent”), pursuant to which the subscribers appointed the Agent to act on their behalf as to certain matters relating to the Debentures, including with respect to enforcement of the security interest.

The terms of the Units include:

- each Unit is comprised of one Class A common share in the capital of the Company (each, a “Unit Share”) and one transferable common share purchase warrant (each, a “Unit Warrant”); and
- each Unit Warrant being exercisable into one Unit Share at a price of \$0.10 per Share for a period of five (5) years from the closing of the Unit Offering.