BLACK TUSK RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED OCTOBER 31, 2018

AND OCTOBER 31, 2017

(UNAUDITED)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited 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 financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditors.

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	October 31, 2018 (Unaudited)	April 30, 2018 (Audited)
ASSETS		
Current		
Cash	$ 86,324	$ 152,615
Other receivables	20,726	11,365
Prepaid expenses	206,700	172,448
	313,750	336,428
Exploration and evaluation assets (Note 5)	177,732	132,990
	$ 491,482	$ 469,418
LIABILITIES		
Current		
Accounts payable	$ 50,160	$ 43,028
	50,160	43,028
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	1,459,052	860,412
Share subscription	–	(5,097)
Reserves	181,385	146,457
Deficit	(1,199,115)	(575,382)
	441,322	426,390
	$ 491,482	$ 469,418

NATURE OF CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the board on December 19, 2018:

"Richard Penn" Director

"Roman Rubin" Director

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended October 31, 2018	Three months ended October 31, 2017	Six months ended October 31, 2018	Six month ended October 31, 2017
EXPENSES				
Consulting fees	$ 195,931	$ –	$ 258,704	$ –
Investor Communication	85,210	–	85,210	–
Management fees	20,000	15,000	58,000	30,000
Office and miscellaneous	19,683	2,198	21,881	2,583
Professional fees	37,599	30,724	68,549	36,324
Stock based compensation	–	–	35,518	–
Transfer agent and filing fees	12,467	1,549	16,678	9,226
Travel and promotion	34,498	4,580	79,193	6,833
Net loss and comprehensive loss, end of period	$ 405,388	$ 54,051	$ 623,733	$ 84,966
Loss per share (basic and diluted)	$ (0.02)	$ (0.00)	$ (0.04)	$ (0.01)
Weighted average number of common share outstanding	14,571,229	10,466,003	14,571,229	10,466,003

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars) UNAUDITED

	Number of Shares	Amount	Share Subscription	Reserves	Deficit	Total
		$	$	$	$	$
Balance, April 30, 2018	13,758,658	860,412	(5,097)	146,457	(575,382)	426,390
Issued for cash	3,149,500	598,640	–	(590)	–	598,050
Stock based compensation	–	–	–	35,518	–	35,518
Share subscription	–	–	5,097	–	–	5,097
Comprehensive loss for for the period	–	–	–	–	(623,733)	(623,733)
Balance, October 31, 2018	16,908,158	1,459,052	–	181,385	(1199,115)	441,322
Balances, April 30, 2016	10,466,003	282,621		37,500	(98,182)	221,939
Comprehensive loss for the period	–	–		–	(84,966)	(84,966)
Balance, October 31, 2017	10,466,003	282,621		37,500	(183,148)	136,973

BLACK TUSK RESOURCES INC.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars) UNAUDITED

	Three months ended October 31, 2018	Three months ended October 31, 2017	Six months ended October 31, 2018	Six month ended October 31, 2017
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss for the period	$ (405,388)	$ (54,051)	$ (623,733)	$ (84,966)
Items not involving cash:				
Stock - based payments	–	–	35,518	–
	(405,388)	(54,051)	(588,215)	(84,966)
Changes in non-cash working capital balances:				
Other receivable	(11,897)	(584)	(9,361)	(1,044)
Prepaid expenses	(86,500)	–	(34,252)	–
Accounts payable and accrued liabilities	(21,807)	23,416	7,132	28,280
Cash used in operating activities	(525,592)	(31,219)	(624,696)	(57,730)
INVESTING ACTIVITY				
Mineral property acquisition and exploration costs	(29,598)	–	(44,742)	–
Cash used in investing activity	(29,598)	–	(44,742)	–
FINANCING ACTIVITIES				
Share subscription	(36,194)	–	5,097	–
Shares issued for cash	503,121	–	598,050	–
Cash used in by financing activity	466,927	–	603,147	–
INCREASE IN CASH DURING THE PERIOD	(88,263)	(31,219)	(66,291)	(57,730)
CASH, BEGINNING OF PERIOD	174,587	87,046	152,615	113,557
CASH, END OF PERIOD	$ 86,324	$ 55,827	$ 86,324	$ 55,827
SUPPLEMENTAL DISCLOSURES				
Interest paid	$ –	$ –	$ –	$ –
Income taxes paid	$ –	$ –	$ –	$ –
Shares issued for and evaluation and exploration costs	$ –	$ –	$ –	$ –

1. NATURE OF OPERATIONS

Black Tusk Resources Inc. ("the Company") was incorporated on November 18, 2016 under the laws of British Columbia. The address of the Company's corporate office and its principal place of business is 200-666 Burrard Street, Vancouver, British Columbia, Canada.

The Company's principal business activities include the acquisition and exploration of mineral property assets. As at October 31, 2018, the Company had not yet determined whether the Company's mineral property asset contains ore reserves that are economically recoverable. The recoverability of amount shown for exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time and the uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

The Company had a deficit of $1,199,115 as at October 31, 2018, which has been funded by the issuance of equity. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These financial statements do not give affect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be 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 these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial 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, 2018.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretation of the International Financial Reporting Interpretation Committee ("IFRIC").

The financial statements were authorized for issue by the Board of Directors on December 19, 2018.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

There have been no material revisions to the nature of judgments and estimates of amounts reported in the Company's April 30, 2018 annual financial statements.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued, but not yet effective, up to the date of issuance of the Company's financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after January 1, 2018:

IFRS 9 – *Financial Instruments*

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013 the standard was revised to add the new general hedge accounting requirements. The standard was finalized in July 2014 and was revised to add a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVOTCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

The standard is effective for annual periods beginning on or after January 1, 2019:

IFRS 16 – *Leases*

In June 2016, the IASB issued IFRS 16 – Leases. IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019.

The extent of the impact of adoption of these standards and interpretations on the financial statements of the Company has not been determined.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRIC *Interpretation 22 Foreign Currency Transactions and Advance Consideration* ("IFRIC 22"): On December 8, 2016, the IASB issued IFRIC 22, which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency. The Standard provides guidance on how to determine the date of the transaction for the purpose of determining the spot exchange rate used to translate the asset, expense or income on initial recognition that relates to, and is recognized on the de-recognition of, a non-monetary prepayment asset or a non-monetary deferred income liability. It is effective January 1, 2018. The Company is currently assessing the impact on the adoption of this interpretation.

5. EXPLORATION AND EVALUATION ASSET

Goldsmith Property

On November 30, 2016, the Company entered into an option agreement to purchase the claims in Goldsmith Property. In order to exercise its option, the Company must make cash payment of $100,000 as follows:

- $5,000 upon execution of the agreement; (paid)
- an additional $7,000 on the Initial Public Offering of the Company; (paid)
- an additional $13,000 on or before November 30, 2017; (paid)
- an additional $20,000 on or before November 30, 2018;
- an additional $25,000 on or before November 30, 2019; and
- an additional $30,000 on or before November 30, 2020.

The Company must also issue 400,000 common shares of the Company as follows:

- 200,000 common shares on the Initial Public Offering of the Company; (issued) and
- an additional 200,000 common shares on or before November 30, 2020.

The Company must make all government payments in order to maintain the mineral claims in good standing. The Optionors retain a 2% net smelter royalty ("NSR") on the Goldsmith Property. The Company may purchase the first 1% of the NSR by paying the Optionors $500,000.

As at October 31, 2018, the project is still at an early exploration stage. The Company has incurred the following exploration expenditures as at April 30, 2018:

(Expressed in Canadian Dollars) UNAUDITED

4. EXPLORATION AND EVALUATION ASSETS *(continued)*

Goldsmith Property *(continued)*

	Acquisition Costs	**Exploration Costs**	**Total**
	$	$	$
Balance, April 30, 2018	45,000	87,990	132,990
Additions	–	44,742	44,742
Balance, October 31, 2018	45,000	132,732	177,732

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and the expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

6. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Escrow Shares:

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six month from date of listing. At October 31, 2018, there were 3,800,037 common shares held in escrow.

c) Issued and Outstanding:

As at October 31, 2010 there were 16,908,158 common shares issued and outstanding.

During the period ended October 31, 2018, the Company had the following share capital transactions:

(i) The Company issued 625,000 common shares at a price of $0.15 per share for gross proceeds of $93,750 pursuant to a private placement.
(ii) The Company issued 2,514,500 common shares at a price of $0.20 per share for gross proceeds of $502,900 pursuant to a private placement.
(iii) The Company issued 10,000 common shares pursuant to the exercise of warrants for proceeds of $1,400.

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

d) Stock options

During the year ended April 30, 2018, the Company adopted a Stock Option Plan (the "Plan"). Under the Plan, the Company can issue up to 10% of the issued and outstanding common shares as incentive stock options to directors, officers, employees and consultants to the Company. The Plan limits the number of stock options which may be granted to any one individual to not more than 5% of the total issued common shares of the Company in any 12 month period. The Plan also limits the stock options which may be granted to any one individual if the exercise would result in the issuance of common shares more than 2% in any 12 month period. The number of options granted to any one consultant or a person employed to provide investor relations activities in any 12 month period must not exceed 2% of the total issued common shares of the Company. As well, stock options granted under the Plan may be subject to vesting provisions as determined by the Board of Directors.

During the year ended April 30, 2018, the Company granted 1,000,000 stock options to its officers and directors of the Company. The options are exercisable at $0.10 per share for 5 years from the date of Listing and vested on grant date.

During the period ended October 31, 2018, The Company granted 300,000 stock option to employee of the Company. The option are exercised at $0.20 per share for a period of 2 years.

As at October 31, 2018, the Company had options outstanding enabling holders to acquire the following:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)
		$	
Balance, April 30, 2018	1,000,000	0.10	4.02
Options granted	300,000	0.20	1.58
Outstanding and Exercisable, October 31, 2018	1,300,000	0.11	3.45

Details of stock options outstanding at October 31, 2018 are as follows:

Number of Stock Options	**Exercise Price ($)**	**Remaining Contractual Life (years)**	**Expiry Date**
1,000,000	0.10	4.02	November 9, 2022
300,000	0.20	1.58	May 11, 2020

(Expressed in Canadian Dollars) UNAUDITED

6. SHARE CAPITAL (continued)

The following assumptions were used for the Black-Scholes valuation of options issued:

	2018
Share price	$0.20
Risk – free interest rate	1.96%
Expected life of warrants	2 years
Dividend rate	0%
Annualized volatility	115%

The fair value per agent's warrant issued is $0.20.

e) Warrants

A Summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, April 30, 2018	4,495,715	$0.16
Granted	2,827,000	$0.20
Exercised	(10,000)	$(0.14)
Outstanding and exercisable, October 31, 2018	7,312,715	$0.16

A summary of warrants outstanding at October 31, 2018 is as follows:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Warrants Outstanding
March 31, 2019	0.67	$0.10	2,966,002
November 9, 2019	1.27	$0.14	156,880
February 1, 2020	1.50	$0.20	692,000
April 19, 2020	1.72	$0.20	670,833
May 11, 2020	1.58	$0.20	312,500
September 27, 2020	1.92	$0.30	2,514,500

The weighted average remaining contractual life of the warrants is 1.73 years.

(Expressed in Canadian Dollars) UNAUDITED

7. RELATED PARTY BALANCES AND TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following amounts are due to related parties and have been included in accounts payable and accrued liabilities:

	October 31, 2018	**April 30, 2018**
	$	$
Accounts payable and accrued liabilities	–	–

The amounts are due to a company controlled by the Chief Executive Officer ("CEO") of the Company. The amounts are non-interest bearing, unsecured and are due upon demand.

The Company had the following related party transactions for the six month period ended:

	October 31, 2018	**October 31, 2017**
	$	$
Management fees	58,000	30,000
Geological fees	18,594	–

Key management includes directors and key officers of the Company, including the President, CEO and Chief Financial Officer. Management fees were provided by a company owned or controlled by the CEO.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, contributed surplus and deficit as capital. 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 or dispose of assets or adjust the amount of cash.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position as at October 31, 2018 are as follows:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$	$	$	$
Cash	86,324	–	–	86,324

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at October 31, 2018 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

10. COMMITMENT

The Company is committed to certain cash payments, common share issuances and exploration expenditures as described in Note 5.