

CONDENSED INTERIM FINANCIAL STATEMENTS



**As at and for the three and nine-month periods ended September 30, 2018
(Unaudited – Expressed in Canadian dollars)**

NOTICE TO READER

The accompanying condensed interim financial statements of Auramex Resource Corp. as at and for the Three and Nine Months ended September 30, 2018, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

AURAMEX RESOURCE CORP.

Interim Statements of Financial Position

As at September 30 2018 and December 31, 2017

(Unaudited – Expressed in Canadian dollars)

	September 30 2018	December 31 2017
ASSETS		
Current		
Cash and cash equivalents	\$ 230,254	\$ 134,403
Receivable	20,524	2,422
Prepaid expenses	9,878	857
	<u>260,656</u>	137,862
Exploration and evaluation assets (Note 5)	<u>2,400,475</u>	2,204,110
	<u>\$ 2,661,131</u>	<u>\$ 2,341,792</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 119,252	\$ 826,907
Shareholder loans (Note 7)	-	62,983
	<u>119,252</u>	<u>889,890</u>
STOCKHOLDERS' EQUITY		
Share Capital (Note 6)	14,176,963	13,383,553
Subscription Receipts	22,800	-
Equity reserves	1,373,254	1,191,452
Deficit	<u>(13,031,138)</u>	<u>(13,123,103)</u>
	<u>2,541,879</u>	1,451,902
	<u>\$ 2,661,131</u>	<u>\$ 2,341,792</u>

Nature and continuance of operations (Note 1)

Approved, and authorized by the board of directors on November 28, 2018

"Lawrence Roulston"
Director

"Marie Brannstrom"
Director

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

AURAMEX RESOURCE CORP.

Interim Statements of Operations and Comprehensive Loss
For the three and nine months ended September 30, 2018 and 2017
(Unaudited – Expressed in Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Expenses				
Bank charges, interest and penalties	103	\$ 10	961	\$ 92
Currency exchange loss (gain)	17	(10,823)	(90)	74
Directors fees	-	-	450	2,150
Insurance	1,000	1,008	2,986	2,992
Management and consulting	51,000	12,440	136,353	35,497
Marketing and promotion	1,857	108	5,276	10,067
Office and sundry	1,314	553	2,939	1,892
Professional fees	15,712	4,777	43,026	19,062
Property expense	-	-	-	13,200
Stock-based compensation	27,703	-	27,703	23,755
Transfer agent and filing fees	2,132	1,109	21,339	14,607
Travel	1,038	14	1,968	1,323
	(101,876)	(9,196)	(242,911)	(124,711)
Interest Income	-	-	3	2
Sale of tax benefits	-	-	33,572	-
Gain on sale of subsidiary	-	-	301,301	-
Net income (loss) and comprehensive income (loss) for the period	(101,876)	(9,196)	91,965	(124,709)
Earnings (loss) per share – basic and diluted	(0.003)	(0.000)	0.002	(0.006)
Weighted average number of common shares outstanding – basic and diluted	37,832,899	21,827,149	37,832,899	21,747,561

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

AURAMEX RESOURCE CORP.

Interim Statements of Cash Flows

For the three and nine months ended September 30, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

	Nine Months ended September 30	
	2018	2017
Operating Activities		
Income (loss) for the period	\$ 91,965	\$ (124,709)
Items not involving cash:		
Debt Settlement	241,100	-
Stock-based compensation	27,702	23,755
	<u>360,767</u>	<u>(100,954)</u>
Changes in operating assets and liabilities		
Amounts receivable and prepaid expenses	(27,123)	4,202
Accounts payable and accrued liabilities	(743,177)	58,812
	<u>(409,533)</u>	<u>(37,940)</u>
Investing Activities		
Option payments received	75,000	-
Acquisition of exploration and evaluation assets	(263,615)	57,888
Reclamation deposits	-	-
	<u>(188,615)</u>	<u>57,888</u>
Financing Activities		
Shares issued for cash, net of share issuance costs	719,182	14,500
Subscription receipts	22,800	-
Shares issued on exercise of stock options	12,500	-
Shares issued on exercise of warrants	2,500	-
Repayment of shareholder loans	(62,983)	-
	<u>693,999</u>	<u>14,500</u>
Increase (decrease) in cash	95,851	34,448
Cash and cash equivalents, beginning of period	134,403	20,556
Cash and cash equivalents, end of period	\$ 230,254	\$ 55,004

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

AURAMEX RESOURCE CORP.

Interim Statement of Changes in Equity

For the nine-month periods ended September 30, 2018 and 2017

(Unaudited – Expressed in Canadian dollars)

Issued and outstanding	Capital Stock					
	Number of shares	Amount	Subscription Receipts	Equity reserves	Deficit	Total Equity
Balance as at December 31, 2016	21,499,149	\$ 13,274,153	\$ -	\$ 1,093,577	\$ (12,846,968)	\$ 1,520,762
Shares issued for cash	290,000	14,500	-	-	-	14,500
Bonus shares issued	38,000	-	-	-	-	-
Share based payments	-	-	-	23,755	-	23,755
Net comprehensive loss for the nine months ended September 30, 2017	-	-	-	-	(124,709)	(124,709)
Balance as at September 30, 2017	21,827,149	\$ 13,288,653	\$ -	\$ 1,117,332	\$ (12,971,677)	\$ 1,434,308
Balance as at December 31, 2017	24,327,149	\$ 13,383,553	\$ -	\$ 1,191,452	\$ (13,123,103)	\$ 1,451,902
Shares issued pursuant to private placements	10,042,000	733,250	-	-	-	733,250
Shares issued pursuant to property option agreements	150,000	7,750	-	-	-	7,750
Subscription receipts	-	-	22,800	-	-	22,800
Share issuance costs	-	(168,168)	-	154,100	-	(14,068)
Flow through tax liability recognised	-	(35,522)	-	-	-	(35,522)
Shares issued for debt	3,013,750	241,100	-	-	-	241,100
Shares issued pursuant warrant exercises	50,000	2,500	-	-	-	2,500
Shares issued pursuant stock option exercises	250,000	12,500	-	-	-	12,500
Share based payments	-	-	-	27,702	-	27,702
Net comprehensive income for the nine months ended September 30, 2018	-	-	-	-	91,965	91,965
Balance as at September 30, 2018	37,832,899	\$ 14,176,963	\$ 22,800	\$ 1,373,254	\$ (13,031,138)	\$ 2,541,879

The accompanying notes are an integral part of these financial statements

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and nine months ended September 30, 2018
(Unaudited – Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Auramex Resource Corp. (“Auramex” or the “Company”) is a Canadian company incorporated in the province of British Columbia and trades on the TSX Venture Exchange. The Company is currently active in the acquisition, exploration and evaluation of mineral properties.

The address of the Company’s registered and corporate office is 20th Floor, 250 Howe Street, Vancouver, British Columbia, Canada, V6C 3R8.

The Company is in the process of exploring its mineral properties and has not yet determined whether the reserves of its properties are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

The Company's condensed interim financial statements are prepared using International Financial Reporting Standards (“IFRS”) applicable to a going concern, which contemplates the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenue from operations and will require additional financing or outside participation to undertake further exploration and subsequent development of its exploration and evaluation assets. Future operations of the Company are dependent on its ability to raise additional equity financing and the attainment of profitable operations. These material uncertainties may cast a significant doubt on the Company’s ability to continue as a going concern.

		September 30, 2018		December 31, 2017
Working capital surplus / (deficiency)	\$	141,404	\$	(752,208)
Deficit		(13,031,138)		(13,123,103)

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparative balances, have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full annual financial statements and they should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017 and the notes to the financial statements.

The significant accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the preparation of the Company’s annual consolidated financial statements except that the results and financial position of the subsidiary have been excluded since its sale in January 2018.

Certain comparative period amounts have been reclassified to conform with the current year’s presentation. Comparatives are shown on a consolidated basis and include the results and financial position of the principal subsidiary Exploracion Auramex S.A de C.V. (“Exploracion”). The subsidiary was sold in January 2018 as further described in note 4.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and nine months ended September 30, 2018
(Unaudited – Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the accounting policies set out in Notes 2 and 3 of the Company's audited consolidated financial statements for the year ended December 31, 2017 to all the periods presented in these unaudited condensed interim consolidated financial statements.

New accounting standards and amendments adopted

The following standards have been adopted as at January 1, 2018. The Company has determined the impact of the new requirements to be not material.

IFRS 9, Financial Instruments ("IFRS 9") replaces IAS 39, Financial Instruments – Recognition and Measurement ("IAS 39") and some of the requirements of IFRS 7, Financial Instruments: Disclosures ("IFRS 7").

The objective of IFRS 9 is to establish principles for reporting of financial assets and financial liabilities in respect of the assessment of the amounts, timing and uncertainty of an entity's future cash flows.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15") replaces IAS 11, Construction Contracts ("IAS 11"), IAS 18, Revenue ("IAS 18") and some revenue-related interpretations. The objective of IFRS 15 is to provide a single comprehensive revenue recognition model that applies to contracts with customers using two approaches to recognizing revenue – at one point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of the revenue recognized.

Accounting standards and amendments issued but not yet adopted

IFRS 16, Leases ("IFRS 16") replaces IAS 17, Leases ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The Company is in the process of evaluating the impact.

4. SALE OF SUBSIDIARY

On January 22, 2018, the Company finalized the sale of Exploracion and transferred ownership of the subsidiary to the purchaser. As consideration for the transfer, the purchaser provided an indemnification to the Company against all of the debts of the subsidiary. Further, the Company is to receive 100,000 shares in a reporting issuer when the purchaser transfers mineral titles held by Exploracion to a reporting issuer.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Acquisition Costs

Balance, December 31, 2016	\$	410,623
Additions		1,137
Disposals		(60,000)
Balance, December 31, 2017	\$	351,760
Additions		17,750
Disposals		(75,000)
Balance, September 30, 2018	\$	294,510

Deferred Exploration

Balance, December 31, 2016	\$	1,846,251
Geological, mapping and field expenses		34,326
Permits, taxes and assessment fees		165
Government tax credit recovery		(28,392)
Balance December 31, 2017	\$	1,852,350
Geological, mapping and field expenses		212,275
Geophysics		40,050
Permits, taxes and assessment fees		1,290
Balance September 30, 2018	\$	2,105,965

Total Exploration and Evaluation Assets

Balance, December 31, 2016	\$	2,256,874
Balance, December 31, 2017	\$	2,204,110
Balance, September 30, 2018	\$	2,400,475

Stewart Properties, British Columbia

The Stewart Properties are located in the Skeena Mining Division, British Columbia. The properties have been acquired under various option agreements, purchase agreements and by staking.

Certain claims are subject to a net smelter royalty ranging from 1% - 2%.

Georgie River

In April 2017, the Company entered into an agreement by which Decade Resources Ltd. ("Decade") could earn a 75% interest in claims encompassing 161 hectares, or less than 3% of the overall property. The piece of the property optioned to Decade encompasses the past producing Georgia River mine.

Subsequent to this transaction, in order to make it clear that Auramex had optioned an interest in the Georgia River Mine, the Company changed the project name to that of the dominant geographical feature on the property, being the Georgie River.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements

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(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

On May 10, 2018, the Company expanded its Georgie River property holdings by acquiring the Exdale tenure in a non-related party transaction. The 654-hectare mineral tenure is located on the northern edge of the Company's Georgie River property. The 100% acquisition of the tenure is in consideration of 50,000 shares of Auramex and a retained 2% net smelter return royalty in favour of the vendor.

Bay Silver

On August 16 2018, the Company acquired an option to acquire the Bay Silver property, located in the Stewart Camp of BC's Golden Triangle. The 1393-hectare (13.9 square kilometres) property augments the Auramex Lower Bear property, extending west to the Alaska border and north to the Premier property of Ascot Resources Ltd.

The Company made an initial payment of \$10,000 and the issued 100,000 shares to the Vendors. To complete the option, payments aggregating a further \$110,000 and 400,000 shares are required over the next four years. The vendors will retain a 2% NSR, one half of which can be bought down for \$1 million, with a minimum advance annual royalty of \$50,000 to begin after 7 years.

Option Agreements Granted

Georgia River

On April 10, 2017, the Company granted an option to Decade Resources Ltd. ("Decade") to earn a 75% interest in mineral claims encompassing 161 hectares within the 6,044 hectare Georgia River area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$50,000 on execution of the agreement (received);
 - ii. \$75,000 on or before the first anniversary of the agreement (received);
 - iii. \$150,000 on or before the second anniversary of the agreement; and
 - iv. \$200,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$500,000 on or before the second anniversary of the agreement;
 - ii. \$750,000 on or before the third anniversary of the agreement; and
 - iii. \$1,000,000 on or before the fourth anniversary of the agreement.

Upon Decade earning the 75% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. A joint venture agreement provides for Decade to spend approximately \$13 million to earn an additional 20% if the Company does not contribute. At a 5% diluted interest, the Company will receive a 1.5% NSR for its 5% interest and Decade will hold a 100% property interest.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

West George Copper

On August 30, 2017, the Company granted an option to Mountain Boy Minerals Ltd. (“Mountain Boy”) to earn a 60% interest in certain mineral claims within the West George Copper area of the Stewart Properties. In order to exercise its option, Mountain Boy must:

- a) Make cash payments to the Company as follows:
 - i. \$10,000 on or before the second anniversary of the agreement; and
 - ii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$700,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$30,000 on or before the second anniversary of the agreement;
 - ii. \$50,000 on or before the third anniversary of the agreement; and

After earning 60% interest, each \$250,000 work expenditure performed will change the percentage ownership by 5%. If Mountain Boy earns 95% interest, the remaining 5% converts to a 1.5% NSR royalty. Once the option is exercised, the Company will receive a 2% NSR royalty of which 1% can be purchased for one million dollars.

Surprise Creek

On September 7, 2017, the Company granted an option to Decade to earn a 60% interest in certain mineral claims within the Surprise Creek area of the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$5,000 on execution of the agreement (received);
 - ii. \$15,000 on or before the second anniversary of the agreement; and
 - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$50,000 on or before the second anniversary of the agreement;
 - ii. \$70,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 60% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
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(Unaudited – Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Red Cliff

On September 7, 2017, the Company granted an option to Decade to earn an 80% interest in certain mineral claims adjacent to Decade's Red Cliff property within the Stewart Properties. In order to exercise its option, Decade must:

- a) Make cash payments to the Company as follows:
 - i. \$5,000 on execution of the agreement (received);
 - ii. \$10,000 on or before the second anniversary of the agreement; and
 - iii. \$20,000 on or before the third anniversary of the agreement.
- b) Provide \$300,000 in Portable Assessment Credits (received).
- c) Incur exploration expenditures on the property as follows:
 - i. \$30,000 on or before the second anniversary of the agreement;
 - ii. \$50,000 on or before the third anniversary of the agreement; and

Upon Decade earning the 80% interest, the Company will receive an NSR of 2%, half of which can be purchased for \$1 million. If either party to the agreement is diluted to 5%, that party will receive a 1.5% NSR for its 5% interest and the other party will hold a 100% property interest.

Portable Assessment Credits acquired from the foregoing transactions were used to extend the expiry dates of 39 tenures totalling 9,607 hectares by five years. As the Company applied the Portable Assessment Credits to the exploration and evaluation assets, the Company has recorded the transaction on a net basis which results in a \$nil impact on exploration and evaluation assets.

6. SHARE CAPITAL

- a) Authorized

Unlimited number of common shares without par value

During the nine-months ended September 30, 2018, the Company had the following share transactions:

The Company issued 2,337,000 flow-through shares at a price of \$0.05 per share for gross proceeds of \$116,850. The company paid \$1,109 finders fees in relation to the issue. A flow-through premium liability of \$35,522 was recognised in respect of these flow-through shares.

The Company issued 7,705,000 units in a private placement at \$0.08 per unit for gross proceeds of \$616,400. Each unit consists of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at a price of \$0.10 per share until February 16, 2020. The warrants were allocated a value of \$154,100 using the residual value allocation method. The Company paid \$12,960 finders fees in relation to the issue.

The Company issued 3,013,750 shares at a price of \$0.08 per share to settle debt in the amount of \$241,100 owing to related parties.

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and nine months ended September 30, 2018
(Unaudited – Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

The Company granted incentive stock options under the Company's stock option plan to directors, officers, employees and consultants of the Company to purchase up to an aggregate of 518,000 treasury shares. The options are exercisable at a price of \$0.055 per share for a period of 5 years, and are subject to the policies and approval of the TSX Venture Exchange, and the Company's stock option plan.

A total of 250,000 incentive stock options were exercised for total proceeds of \$12,500.

A total of 50,000 share purchase warrants were exercised for total proceeds of \$2,500.

b) Share Purchase Warrants

A summary of share purchase warrant activity for the nine-month period ended September 30, 2018 is as follows:

	Number of Warrants	Exercise Price
Balance outstanding at December 31, 2017	2,340,000	\$ 0.05
Issued	7,705,000	0.10
Exercised	(50,000)	0.05
Balance outstanding at September 30, 2018	9,995,000	\$ 0.09

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

Exercise Price	Number Outstanding	Remaining Years	Expiry Date
\$ 0.05	290,000	0.43	7 March 2019
\$ 0.05	2,000,000	1.23	22 December 2019
\$ 0.10	7,705,000	1.38	16 February 2020

c) Stock Options

In July 2018 the Company amended the stock option plan to increase the number of shares available for issuance to 3,534,588 common shares.

The Company's stock option plan provides for the grant of incentive stock options to employees, consultants, officers and directors of the Company. Options are granted for a term of up to ten years from the date granted. Stock options granted to directors, officers, employees and consultants for other than investor relations activities vest at the discretion of the directors. Options granted for investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period.

A summary of share options activity for the nine-month period ended September 30, 2018 is as follows:

	Number of Stock Options	Exercise Price
Balance outstanding at December 31, 2017	3,266,000	\$ 0.06
Granted	518,000	0.06
Exercised	(250,000)	0.05
Balance outstanding at September 30, 2018	3,534,000	\$ 0.06

AURAMEX RESOURCE CORP.

Notes to the Condensed Interim Financial Statements
For the three and nine months ended September 30, 2018
(Unaudited – Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

The following table summarizes information about the stock options outstanding at September 30, 2018:

Exercise price	Number outstanding and exercisable	Remaining years	Expiry date
\$ 0.05	150,000	0.18	December 4, 2018
\$ 0.05	1,050,000	0.52	April 6, 2019
\$ 0.10	350,000	0.52	April 6, 2019
\$ 0.05	150,000	0.81	July 23, 2019
\$ 0.055	518,000	4.78	July 12, 2023
\$ 0.05	400,000	5.99	September 24, 2024
\$ 0.05	500,000	8.36	February 8, 2027
\$ 0.05	416,000	9.22	December 19, 2027
	<u>3,534,000</u>		

7. SHAREHOLDER LOANS

On March 7, 2017, the Company borrowed \$12,000 from a small group of lenders. The loans were repaid on March 7, 2018, with 10% interest.

On August 2, 2011, certain related parties subscribed to a private placement that was not completed. In that regard, the deposits on shares of \$50,000 had been treated as shareholders' loans. These loans were repaid January 31, 2018 by shares for debt settlement.

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Remuneration attributed to key management personnel can be summarized as follows:

	Nine months ended September 30,	
	2018	2017
Directors' fees	\$ 450	\$ 1,000
Management and consulting fees	136,000	36,225
Geological consulting fees	16,550	-
Share based payments	27,703	23,755
	<u>\$ 180,703</u>	<u>\$ 60,980</u>

8. RELATED PARTY TRANSACTIONS (Continued)

AURAMEX RESOURCE CORP.

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(Unaudited – Expressed in Canadian Dollars)

At September 30, 2018, an amount of \$28,153 (December 31, 2017 - \$472,448) was included in accounts payable and accrued liabilities for unpaid amounts relating to fees and expenses owed to officers and directors, and to companies controlled by them.

As at September 30, 2018, there were no shareholder loans due. As at December 31, 2017, shareholder loans of \$50,000 were due to the former CFO and director and to the previous CEO and director of the Company (Note 8).

During the year ended December 31, 2017, the Company received loans totalling \$12,000 from directors of the Company (Note 8). During the nine months ended September 30, 2018, the principal and interest of \$12,983 was repaid.

9. FINANCIAL INSTRUMENTS

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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).

As at September 30, 2018, the Company's financial instruments comprise cash and cash equivalents, other receivables (excluding GST), accounts payable and accrued liabilities. The carrying value of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. Cash and cash equivalents are measured at fair value and categorised as Level 1 in the fair value hierarchy.

10. SEGMENT INFORMATION

The Company has one reportable operating segment in Canada, being the acquisition, exploration and evaluation of mineral resources. All the Company's long-term assets are located in Canada.