



CONDENSED INTERIM FINANCIAL STATEMENTS

(Stated in Canadian dollars)

October 31, 2018

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management.

The corporation's independent auditors have not performed a review of these 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.

Gespeg Copper Resources Inc.
Statements of Financial Position

As at,	October 31, 2018	April 30, 2018
ASSETS		
Current assets		
Cash	\$ 72,564	\$ 50,378
Reclamation deposit	21,600	-
Other receivables and prepaid expenses	27,800	7,404
	121,964	57,782
Non-current assets		
Exploration and evaluation assets (Note 3)	44,282	39,713
Total assets	\$ 166,246	\$ 97,495
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 527,482	\$ 590,279
Flow-through premium liability (Note 4)	-	13,039
Total liabilities	527,482	603,318
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 4)	11,013,385	10,869,415
Contributed surplus (Note 4)	1,350,193	1,218,993
Deficit	(12,724,814)	(12,594,231)
	(361,236)	(505,823)
Total liabilities and shareholders' equity (deficiency)	\$ 166,246	\$ 97,495

Description of business and going concern (Note 1)
 Commitments (Note 6)

Approved and authorized on behalf of the Board of Directors on December 7, 2018:

 "Tim Termuende"

 "Sylvain Laberge"

The accompanying notes are an integral part of these financial statements

Gespeg Copper Resources Inc.
Statements of Loss and Comprehensive Loss

For the three and six months ended October 31,	For the three months ended October 31		For the six months ended October 31	
	2018	2017	2018	2017
Operating Expenses				
General and administration (Note 7)	\$ 9,145	\$ 6,896	\$ 31,923	\$ 12,165
Management fees (Note 7)	17,500	15,000	40,000	25,000
Professional fees	31,311	24,426	44,340	34,136
Property investigation costs	40,973	-	69,314	-
Share based compensation (Note 4)	-	-	-	95,000
Transfer agent and filing fees	1,779	6,713	4,782	9,162
	100,708	53,035	190,359	175,463
Loss from operating expenses	(100,708)	(53,035)	(190,359)	(175,463)
Gain on disposal of exploration and evaluation asset	46,737	-	46,737	-
Other income on settlement of flow-through premium liability (Note 4)	4,186	-	13,039	-
	\$ (49,785)	\$ (53,035)	\$ (130,583)	\$ (175,463)
Net loss and comprehensive loss				
	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic and diluted loss per common share				
	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding	82,401,681	73,413,733	80,593,576	73,413,733

The accompanying notes are an integral part of these financial statements

Gespeg Copper Resources Inc.
Statements of Changes in Shareholders' Equity (Deficiency)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, May 1, 2017	70,608,512	\$ 10,780,344	\$ 1,110,989	\$ (12,316,752)	\$ (425,419)
Private placements	1,358,083	82,000	12,000	-	94,000
Flow-through premium liability	-	(15,619)	-	-	(15,619)
Share issue costs	-	(4,638)	-	-	(4,638)
Broker warrants issued	-	(1,004)	1,004	-	-
Share-based compensation - warrant extension	-	-	95,000	-	95,000
Net loss	-	-	-	(175,463)	(175,463)
Balance, October 31, 2017	71,966,595	\$ 10,841,083	\$ 1,218,993	\$ (12,492,215)	\$ (432,139)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Shareholders' Equity (Deficiency)
Balance, May 1, 2018	72,666,845	\$ 10,869,415	\$ 1,218,993	\$ (12,594,231)	\$ (505,823)
Private placements	9,691,667	162,750	128,000	-	290,750
Share issue costs	-	(19,080)	-	-	(19,080)
Broker warrants issued	-	(3,200)	3,200	-	-
Shares issued for mineral property	100,000	3,500	-	-	3,500
Net loss	-	-	-	(130,583)	(130,583)
Balance, October 31, 2018	82,458,512	\$ 11,013,385	\$ 1,350,193	\$ (12,724,814)	\$ (361,236)

The accompanying notes are an integral part of these financial statements

Gespeg Copper Resources Inc.
Statements of Cash Flows

For the six months ended October 31,	2018	2017
Cash flows used in Operating Activities		
Net loss for the period	\$ (130,583)	\$ (175,463)
Items not affecting cash:		
Gain on disposal of exploration and evaluation asset	(46,737)	-
Other income on settlement of flow-through premium liability	(13,039)	-
Share-based compensation	-	95,000
Net changes in non-cash working capital items:		
(Increase) decrease in other receivables and prepaid expenses	(26,996)	(4,649)
Increase in accounts payable and accrued liabilities	(64,054)	46,400
Cash flows used in Operating Activities	(281,409)	(38,712)
Cash flows provided by Investing Activities		
Proceeds on disposal of exploration and evaluation asset	46,737	-
Quebec exploration income tax credit received	188	520
Cash flows provided by Investing Activities	46,925	520
Cash flows provided by Financing Activities		
Issuance of common shares and units	275,750	79,000
Share issue costs, net of tax	(19,080)	(4,638)
Cash flows provided by Financing Activities	256,670	74,362
Net change in cash during the period	22,186	36,170
Cash, beginning of period	50,378	43,398
Cash, end of period	\$ 72,564	\$ 79,568
Non-cash transactions		
Issuance of warrants and broker warrants	\$ 3,200	\$ -
Issuance of common shares for property	\$ 3,500	\$ -

The accompanying notes are an integral part of these financial statements

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

1. Description of business and going concern

Gespeg Copper Resources Inc. (the “Corporation”) was incorporated under the laws of British Columbia, Canada on May 31, 2006 and is listed on the TSX Venture Exchange (“TSX-V”). The principal business of the Corporation is the identification, exploration and development of mineral properties.

The address of the Corporation’s corporate office and principal place of business is Suite 602 – 224 4th Avenue South, Saskatoon, Saskatchewan S7K 5M5. These financial statements were approved by the Corporation’s board of directors on December 7, 2018.

Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operation. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. The use of these principles may not be appropriate.

To date, the Corporation has not earned significant revenue and is considered to be in the exploration and evaluation stage.

The investment in, and expenditures on, exploration and evaluation assets comprise a significant portion of the Corporation’s assets. Mineral exploration and development is highly speculative and involves inherent risks. Realization of the Corporation’s investment in these assets is dependent upon the renewed legal ownership of the claims and whether an economically viable operation can be established.

In addition, it has not yet been determined whether the Corporation’s properties contain ore reserves that are economically recoverable. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

As at October 31, 2018, the Corporation’s current cash resources are insufficient to cover the expected expenditures in fiscal 2019. The Corporation’s ability to continue as a going concern is dependent on being able to obtain the necessary financing to satisfy its liabilities as they become due. There can be no assurances that management will be successful in securing adequate financing.

The Corporation reported net losses in first three months of fiscal 2019 and fiscal 2018 of \$130,583 and \$277,479 respectively. These recurring losses and the need for continued financing to further successful exploration may cast significant doubt as to the Corporation’s ability to continue as a going concern.

These financial statements do not include any adjustments to the carrying values of assets and liabilities that might be necessary, if the Corporation is unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

The significant accounting policies used in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the periods presented.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

2. Significant accounting policies (continued)

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation and described in Note 2 of the annual audited financial statements as at and for the year ended April 30, 2018. Accordingly, these condensed interim financial statements for the three and six month periods ended October 31, 2018 and 2017 should be read together with the annual financial statements as at and for the year ended April 30, 2018.

Basis of preparation

These financial statements have been prepared on a historical cost basis and are prepared and presented in Canadian dollars, which is the Corporation’s functional currency. In addition, these financial statements are based on the accrual method of accounting, with the exception of cash flow information.

New and amended IFRS pronouncements

During the period, the Corporation adopted certain new and amended accounting pronouncements and standards, none of which had a material impact on the Corporation's financial statements.

3. Exploration and evaluation assets

Exploration and evaluation asset expenditures by nature are detailed as follows:

Period ended July 31,		2018		2017
Geology, technical reports, data compilation and maps	\$	1,257	\$	550
Property acquisition and rent		3,500		-
Resource tax credit (refund) repayment		(188)		4,188
	\$	4,569	\$	4,738

The Corporation considers property acquisition costs as tangible costs and all other exploration and evaluation expenditures are intangible.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

3. Exploration and evaluation assets (continued)

Exploration and evaluation assets by properties are detailed as follows:

	Balance as at		Additions	Impairment/		Balance as at
	May 1, 2017			Disposals		April 30, 2018
Vortex	\$ 1	\$	11,310	\$ (11,310)	\$	1
Port Daniel	1		39,711	-		39,712
Cap-Chat	1		-	(1)		-
Cascapedia extension	1		-	(1)		-
	\$ 4	\$	51,021	\$ (11,312)	\$	39,713

	Balance as at		Additions	Impairment/		Balance as at
	May 1, 2018			Disposals		October 31, 2018
Vortex	\$ 1	\$	-	\$ -	\$	1
Port Daniel	39,712		(188)	-		39,524
Lac Arsenault	-		4,757	-		4,757
	\$ 39,713	\$	4,569	\$ -	\$	44,282

Vortex

The Vortex project is a copper molybdenum exploration opportunity in the Gaspé region of Quebec and is the site of the former Gaspé Copper mine and smelter. The project encompasses 80 sq. km of land and is comprised of three main claim groups:

- a) The Sullipek deposit, situated on the western edge of the project area;
- b) The Sullipek East property, a skarn/porphyry copper opportunity; and
- c) The Madeleine des Vercheres claim group.

On July 23, 2013, the Corporation and ASPM Inc. (the "Vendor") executed a term extension on the Madelaine des Vercheres claim group. Under the terms of the extension, the minimum exploration requirements of the Corporation have been adjusted as detailed in Note 6. Further, the Corporation was required to make a one-time payment of \$30,000 to the Vendor (paid).

Also, considered a part of the Vortex is the In-between project, a copper molybdenum exploration opportunity in the Gaspé region of Quebec. It covers lands between Vortex to the west and Murdochville to the east.

During the period, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$nil (April 30, 2018 - \$11,310).

3. Exploration and evaluation assets (continued)

Port Daniel

Port Daniel is a copper mineral opportunity located in the south region of the Gaspé Peninsula of Quebec.

Lac Arsenault

Lac Arsenault is a gold mineral opportunity located in the south region of the Gaspé Peninsula of Quebec. Currently, the Company holds 30 claims.

Montauban

Montauban is a gold mineral opportunity located in the regions of Chavigny and Portneuf townships of Quebec.

On June 9, 2017 and September 26, 2017, the Corporation signed a binding letter agreement with DNA Canada Inc, whereby the Corporation will acquire up to a 50% undivided interest in 65 mining claims for consideration as follows:

- a. Earn a 10% interest; by delivering a compliant 43-101 report on all existing tailings and issuing 3,000,000 common shares;
- b. Earn an additional 15% interest; obtaining all required permits and issuing 5,000,000 common shares
- c. Earn an additional 25% interest; by starting production of the tailings and issuing 10,000,000 common shares

The Corporation is working towards finalizing the final option agreement and seeking exchange approval. Until such time that the a final agreement is reached all exploration expenditures on the property are expensed as property investigation costs.

Cap-Chat

The Cap-Chat property is a copper, gold and zinc exploration opportunity in the north-central region of the Gaspé Peninsula of Quebec.

On July 21, 2015, the Corporation entered into an option agreement with Dan Lepage and Pierre Ross (the "Optionors") whereby the Corporation can acquire a 100% interest in the Cap-Chat property by making a cash payment of \$10,000 on signing of the agreement (paid) and issuing a total of 1,000,000 common shares to the Optionors on approval from the TSX-V (issued at a fair value of \$37,500).

The property is subject to a 3% net smelter return royalty, of which 1.5% can be purchased by the Corporation for \$1,500,000.

During the year ended April 30, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$50,740.

During the year ended April 30, 2018, the Corporation allowed the mineral claims to lapse and wrote the property to \$nil.

3. Exploration and evaluation assets (continued)

Cascapedia extension

During the year ended April 30, 2016, the Corporation staked 10 claims in the south-central region of the Gaspé Peninsula of Quebec.

During the year ended April 30, 2017, the Corporation reviewed its exploration and evaluation assets and determined economic conditions, commodity prices and the Corporation's future expenditure plans supported the need to impair the properties accordingly the Corporation recorded a write down in the amount of \$539.

During the year ended April 30, 2018, the Corporation allowed the mineral claims to lapse and wrote the property to \$nil.

Net smelter royalty

As part of the acquisition of the Vortex claims, the Corporation entered into an agreement with 49 North Resources Inc. to grant a 2% net smelter return "NSR" royalty from the sale of all copper-molybdenum lands portion of the property, excluding the Port Daniel property. The Corporation may, at any time reduce the NSR from 2% to 0.5%, by making a cash payment of \$1,000,000 to 49 North Resources Inc.

4. Common shares and contributed surplus

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

Common shares issued

On October 17, 2017, the Corporation completed a financing of 733,333 units at an issue price of \$0.06 per unit and 625,000 flow-through common shares at an issue price of \$0.08 per flow-through common share for gross proceeds of \$94,000. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one-half common share purchase warrant with an exercise price of \$0.10 and a term of 36 months. In connection with the financing, the Corporation issued 37,187 broker warrants and paid cash share issue costs totaling \$13,306.

On May 31, 2018, the Corporation completed a financing of 6,825,000 units at an issue price of \$0.03 per unit for gross proceeds of \$204,750. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one common share purchase warrant with an exercise price of \$0.06 and a term of 24 months.

On June 14, 2018, the Corporation completed a financing of 2,866,667 units at an issue price of \$0.03 per unit for gross proceeds of \$86,000. Each unit subscription entitles the holder to one non-flow-through common share of the Corporation and one common share purchase warrant with an exercise price of \$0.06 and a term of 24 months. In connection with the May and June financings, the Corporation issued 160,000 broker warrants and paid cash share issue costs totaling \$17,162.

On August 13, 2018, the Corporation issued 100,000 pursuant to a property purchase agreement. The shares were valued at \$3,500, in total.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

4. Common shares (continued)

Stock option plan (continued)

Stock option plan

The directors of the Corporation have adopted, and the shareholders have approved a stock option plan (the "2013 Option Plan"), pursuant to which the directors may from time to time grant options for up to 10% of its issued and outstanding shares. The purpose of the Option Plan is to attract, retain and motivate directors, employees and consultants of the Corporation and to advance the interests of the Corporation by providing such persons with the opportunity, through stock options, to acquire an equity interest in the Corporation. All stock options granted to officers and directors vest immediately upon issuance; whereas stock options granted to consultants have vesting terms defined at the discretion of the Corporation's board of directors.

A summary of the outstanding and exercisable stock options is as follows:

	October 31, 2018		April 30, 2018	
	Options	Price	Options	Price
Outstanding and exercisable, beginning of period	-	\$ -	2,450,000	\$ 0.15
Options expired - unexercised	-	-	(2,450,000)	0.15
Outstanding and exercisable, end of period	-	\$ -	-	\$ -

The weighted average remaining life of the Corporation's outstanding stock options is nil years as at October 31, 2018 (April 30, 2018 - nil).

Warrants

A summary of the outstanding warrants is as follows:

	October 31, 2018		April 30, 2018	
	Warrants	Exercise Price	Warrants	Exercise Price
Outstanding, beginning of period	3,966,666	\$ 0.15	10,085,000	\$ 0.15
Warrants granted	9,691,667	0.06	366,666	0.10
Warrants expired	(3,600,000)	0.15	(6,485,000)	0.15
Outstanding, end of period	10,058,333	\$ 0.06	3,966,666	\$ 0.15

On August 11, 2015, the Corporation issued 3,600,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.15 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$40,300. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 171.32%, and a risk free interest rate of 0.36%. The warrants expired unexercised in the period.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

4. Common shares (continued)

Warrants (continued)

During the year ended April 30, 2018, the Company received TSX-V approval to extend the expiry date of these warrants to August 11, 2018. The Corporation used the Black-Scholes option pricing model to fair value the warrant extension (recorded as share-based compensation expense), which was estimated to be \$95,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 158.94%, and a risk free rate of 1.27%. Subsequent to the year ended April 30, 2018, these warrants expired unexercised.

On October 17, 2017, the Corporation issued 366,666 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 36 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$12,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 162.48%, and a risk free interest rate of 1.48%. These warrants expire on October 17, 2020.

On May 31, 2018, the Corporation issued 6,825,000 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$91,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 162.85%, and a risk free interest rate of 1.87%. These warrants expire on May 31, 2020.

On June 14, 2018, the Corporation issued 2,866,667 common share purchase warrants as part of a financing completed. Each warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. In accordance with the Corporation's accounting policy in regards to unit bifurcation, the Corporation calculated the relative fair value of these warrants at \$37,000. Assumptions used in the Black-Scholes option pricing model were as follows: dividend yield 0%, expected volatility of 158.89%, and a risk free interest rate of 1.92%. These warrants expire on June 14, 2020.

Broker warrants

A summary of the outstanding broker warrants and units is as follows:

	October 31, 2018		April 30, 2018	
	Warrants	Price	Warrants	Price
Outstanding, beginning of period	37,187	\$ 0.10	272,000	\$ 0.15
Broker warrants granted	160,000	0.06	37,187	0.10
Broker warrants expired			(272,000)	0.15
Outstanding, end of period	197,187	\$ 0.07	37,187	\$ 0.10

On October 17, 2017, the Corporation issued 37,187 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.10 for a period of 18 months and vest immediately. The fair value of these warrants was estimated at \$1,004 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 157.06%, and a risk free interest rate of 1.48%. These broker warrants expire on April 17, 2019.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

4. Common shares (continued)

Broker warrants (continued)

On May 31, 2018, the Corporation issued 160,000 broker warrants as part of a financing completed. Each broker warrant entitles the holder to purchase one common share of the Corporation at a price of \$0.06 for a period of 24 months and vest immediately. The fair value of these warrants was estimated at \$3,200 using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, expected volatility of 162.85%, and a risk free interest rate of 1.87%. These warrants expire on May 31, 2020.

Contributed surplus

The fair values of certain stock options and broker warrants have been valued using the Black-Scholes option pricing model. The fair value on the grant of these securities is added to contributed surplus. Upon exercise, the corresponding amount of contributed surplus related to the security is removed from contributed surplus and added to share capital.

A summary of the contributed surplus activity is as follows:

	October 31, 2018	April 30, 2018
Balance, beginning of period	\$ 1,218,993	\$ 1,110,989
Private placements - warrants	128,000	12,000
Private placements - broker warrants	3,200	1,004
Share-based compensation - warrant extension	-	95,000
Balance, end of period	\$ 1,350,193	\$ 1,218,993

Other income on settlement of flow-through premium liability

During the period ended October 31, 2018, the Corporation closed a flow-through financing and recorded a premium received on flow-through shares in the amount of \$27,000 (April 30, 2018 - \$15,619), which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at October 31, 2018, the Corporation reduced the liability to \$nil and recognized other income in the amount of \$13,039 during the period ended October 31, 2018 (year ended April 30, 2018 - \$2,580).

5. Deferred income taxes

The significant components of the Corporation's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2018	Expiry Date Range	2017	Expiry Date Range
Share issue costs	\$ 26,000	2039 to 2042	\$ 30,000	2038 to 2040
Exploration and evaluation assets	\$ 3,825,000	No expiry date	\$ 3,823,000	No expiry date
Non-capital losses available for future period	\$ 3,395,000	2027 to 2038	\$ 3,204,000	2027 to 2037

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
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6. Commitments

Mining claims obligations

In order to maintain the Corporation's mining claims, the Corporation must pay the following annual statutory obligations and perform the listed minimum annual work on the properties. These obligations are prescribed by the Ministère des Ressources Naturelles du Québec and may change in the future.

Minimum annual statutory obligations and exploration expenditures are as follows:

	Annual statutory obligations
Vortex	\$ 64,870
Port Daniel	3,900
	\$ 68,770

The Corporation has met the minimum annual statutory obligations for the current year.

Although the Corporation has taken steps to verify title to the properties on which it is conducting exploration and development activities and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Corporation's title. Property title may be subject to Government licensing requirements or regulations, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements.

7. Related party transactions

Compensation of key executive personnel

For the six months ended October 31,	2018	2017
Consulting fees to officers	\$ 40,000	\$ 25,000
	\$ 40,000	\$ 25,000

Consulting fees paid or accrued to directors and officers or companies controlled by directors and officers are recorded in management fees, general and administrative or as applicable capitalized to the exploration and evaluation assets.

During the period ended October 31, 2018, \$40,000 (2017 - \$25,000) was recorded for consulting services provided by a companies controlled by directors and officers of the Corporation. As at October 31, 2018 the Corporation owed \$264,303 (April 30, 2018 - \$260,819) related to such services, which is included in accounts payable and accrued liabilities.

8. Capital management

The Corporation's objectives when managing capital are:

- (a) to allow the Corporation to respond to changes in economic and/or marketplace conditions by maintaining the Corporation's ability to continue its exploration programs;
- (b) to provide sustained growth and value by increasing equity; and
- (c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Corporation manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Corporation maintains or adjusts its capital level to enable it to meet its objectives by:

- (a) raising capital through equity financings; and
- (b) borrowing funds in the form of advances from related parties.

The Corporation is not subject to any capital requirements imposed by a regulator. There were no changes in the Corporation's approach to capital management during the current year. The Corporation's management is responsible for the management of capital and monitors the Corporation's use of various forms of leverage on a daily basis.

9. Financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Corporation's other receivables and accounts payable and accrued liabilities approximate their carrying values. The Corporation's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

Credit Risk

The Corporation's credit risk is primarily attributable to cash. The Corporation has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote.

Gespeg Copper Resources Inc.
Notes to the Financial Statements
October 31, 2018

9. Financial instruments (continued)

Liquidity Risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2018, the Corporation had a cash balance of \$72,564 to settle accounts payable and accrued liabilities of \$527,482.

The Corporation has historically relied on equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital and debt to finance its activities. There can be no assurance the Corporation will be able to obtain the required financing in the future on acceptable terms.

Interest rate risk

The Corporation is not exposed to risk in the event of interest rate fluctuations. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations.