June 30, 2018 and 2017

Financial Statements

(Expressed in Canadian Dollars)

WDM CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditors' Report

To the Shareholders of:
XIMEN MINING CORP.

SERVICE

INTEGRITY

TRUST

We have audited the accompanying financial statements of Ximen Mining Corp., which comprise the statements of financial position as at June 30, 2018 and 2017, the statements of changes in shareholders' equity, comprehensive loss, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ximen Mining Corp. as at June 30, 2018 and 2017, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter – Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements concerning the ability of Ximen Mining Corp. to continue as a going concern. The company incurred a net comprehensive loss of $946,703 during the year ended June 30, 2018, and as of that date, had an accumulated deficit since inception of $17,573,754. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if Ximen Mining Corp. were unable to continue as a going concern.

WDM

Chartered Professional Accountants

Vancouver, B.C.
October 27, 2018

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Ximen Mining Corp.

Statements of Financial Position

As at June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	2018 $	2017 $
ASSETS			
CURRENT			
Cash		22,988	202,846
GST Recoverable		53,002	18,172
Option Payments and Exploration Advances Receivable	8	171,051	-
Marketable Securities	5	67,871	220,000
Prepaid Expenses		-	13,750
		314,912	454,768
NON-CURRENT			
Reclamation Bonds	6	52,500	44,000
Property and Equipment	7	24,640	10,800
Exploration and Evaluation Asset	8	-	-
		392,052	509,568
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		218,523	271,938
Due to Related Parties	11	2,700	28,556
		221,223	300,494
SHAREHOLDERS' EQUITY			
Share Capital	10	16,941,165	16,111,136
Share Subscriptions Received		2,500	-
Share-Based Payment Reserve		800,918	763,900
Deficit		(17,573,754)	(16,665,962)
		170,829	209,074
		392,052	509,568

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitment (Note 14)

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

Approved on Behalf of the Board:

"Christopher Anderson"	**"Scott Kent"**
Christopher Anderson, Director	Scott Kent, Director

Ximen Mining Corp.

Statements of Changes in Shareholders' Equity

For the Years Ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	Number of Post-Consolidated Common Shares	Share Capital $	Equity Component of Convertible Debentures $	Share Subscription Received $	Share-Based Payment Reserve $	Deficit $	Total Shareholders' Equity (Deficiency) $
Balance, June 30, 2016		7,271,381	12,887,382	191,859	-	416,761	(14,717,361)	(1,221,359)
Shares Issued for Cash, Net of Share Issuance Costs	10(b)(i)	4,231,040	1,588,075	-	-	-	-	1,588,075
Shares Issued for Exploration and Evaluation Assets	10(b)(i)	232,805	139,545	-	-	-	-	139,545
Shares Issued for Settlement of Debts	10(b)(i)	571,933	244,154	-	-	-	-	244,154
Shares Issued on Conversion of Convertible Debentures	10(b)(i)	4,000,000	1,000,000	(191,859)	-	-	-	808,141
Shares Issued on Exercise of Share Purchase Warrants	10(b)(i)	936,128	261,149	-	-	(20,117)	-	241,032
Fair Value of Warrants Issued		-	-	-	-	118,207	-	118,207
Fair Value of Agents' Warrants Issued	10(b)(i)	-	(9,169)	-	-	9,169	-	-
Expiry of Stock Options and Agents' Warrants		-	-	-	-	(140,545)	140,545	-
Share-Based Payments	10(f)	-	-	-	-	380,425	-	380,425
Net Comprehensive Loss		-	-	-	-	-	(2,089,146)	(2,089,146)
Balance, June 30, 2017		17,243,287	16,111,136	-	-	763,900	(16,665,962)	209,074
Shares Issued for Cash, Net of Share Issuance Costs	10(b)(ii)	4,062,000	515,252	-	-	-	-	515,252
Shares Issued for Exploration and Evaluation Assets	10(b)(ii)	1,832,900	322,993	-	-	-	-	322,993
Share Subscription Received		-	-	-	2,500	-	-	2,500
Fair Value of Stock Options Cancelled		-	-	-	-	(38,911)	38,911	-
Fair Value of Agents' Warrants Issued	10(b)(ii)	-	(8,216)	-	-	8,216	-	-
Share-Based Payments	10(f)	-	-	-	-	67,713	-	67,713
Net Comprehensive Loss		-	-	-	-	-	(946,703)	(946,703)
Balance, June 30, 2018		23,138,187	16,941,165	-	2,500	800,918	(17,573,754)	170,829

Share Consolidation (Note 10(b))

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

Ximen Mining Corp.

Statements of Comprehensive Loss

For the Years Ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

	Note	2018 $	2017 $
EXPENSES			
Audit and Legal		168,927	56,203
Advertising and Marketing		56,017	143,632
Bank Charges and Interest		5,091	25,117
Consulting		62,875	50,650
Depreciation		6,160	8,521
Exploration	8	1,510,433	1,392,910
Management	11(c)	260,000	220,000
Office and Administration	11(c)	163,440	131,345
Rent		36,000	36,000
Regulatory Fees and Transfer Agent		47,034	39,672
Stock-Based Compensation	10(f)	67,713	380,425
Travel and Accommodation		80,381	51,263
LOSS BEFORE OTHER ITEMS		(2,464,071)	(2,535,738)
Accretion on Convertible Debentures	9	-	(15,909)
BC Mining Exploration Tax Credit		119,005	71,387
Gain on Conversion of Convertible Debentures	9	-	17,765
Gain on Sale of Equipment		-	1,183
Interest on Convertible Debentures	9	-	(50,001)
Loss on Sale of Marketable Securities		(37,802)	-
Loss on Settlement of Debts		-	(127,888)
Mineral Exploration Property Recovery	8	1,513,162	425,000
Reversal of Flow-Through Share Premium Liability	12	42,150	115,505
Write (Down) Up of Marketable Securities to Market Value	5	(119,147)	20,000
Write (Down) Loans Receivable		-	(10,450)
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR		(946,703)	(2,089,146)
POST-SHARE CONSOLIDATION	10(b)		
Basic And Diluted Loss Per Share		(0.05)	(0.17)
Weighted Average Number of Common Shares Outstanding		19,808,298	12,074,420

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

Ximen Mining Corp.

Statements of Cash Flows
For the Years Ended June 30, 2018 and 2017
(Expressed in Canadian Dollars)

	2018 $	2017 $
CASH PROVIDED FROM (UTILIZED FOR):		
OPERATING ACTIVITIES		
Net Comprehensive Loss for the Year	(946,703)	(2,089,146)
Non-Cash Items		
Depreciation	6,160	8,521
Stock-Based Compensation	67,713	380,425
Shares Issued for Exploration and Evaluation Assets	322,993	139,545
Mineral Exploration Property Recovery	(200,000)	(200,000)
Loss on Marketable Securities	37,802	-
Write-Down (Up) of Marketable Securities to Market	119,147	(20,000)
Reversal of Flow-Through Share Premium Liability	(42,150)	(115,505)
Accretion on Convertible Debentures	-	15,909
Gain on Conversion of Convertible Debentures	-	(17,765)
Gain on Sale of Equipment	-	(1,183)
Loss on Settlement of Debts	-	127,888
Write-Down Loans Receivable	-	10,450
	(635,038)	(1,760,861)
Change in Non-Cash Working Capital Accounts		
GST Recoverable	(34,830)	(4,749)
Prepaid Expenses	13,750	(13,750)
Option Payments and Exploration Advances Receivable	(171,051)	-
Accounts Payables and Accrued Liabilities	(53,415)	(43,629)
Due to/from Related Parties	(25,856)	(33,273)
	(906,440)	(1,856,262)
INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	199,299	-
Purchase of Marketable Securities, Net of Trading Account Advances	(4,120)	-
Purchase of Exploration Equipment	(20,000)	(12,000)
Sale of Exploration Equipment	-	55,000
Reclamation Bonds	(8,500)	(5,000)
	166,679	38,000
FINANCING ACTIVITIES		
Proceeds from Issuance of Shares, Net of Share Issuance Costs	557,403	1,944,614
Loan Repayments (Net of Proceeds)	-	200
Share Subscription Received	2,500	-
	559,903	1,944,814
INCREASE IN CASH	(179,858)	126,552
Cash, Beginning of the Year	202,846	76,294
CASH, END OF THE YEAR	22,988	202,846

Supplementary Cash Flow Information (Note 13)

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

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Ximen Mining Corp. (the "Company") was incorporated under the Business Corporations Act in British Columbia on December 4, 2006, as Everett Resources Ltd. and changed its name to Elm Tree Minerals Inc. on March 19, 2012. On September 4, 2013, the Company changed its name to Ximen Mining Corp.

The Company is currently engaged in the acquisition, exploration, and evaluation of its mineral property interests located in British Columbia. The Company's shares are listed on the TSX Venture Exchange under the symbol XIM, on the Frankfurt Exchange under the symbol A1W2EG, and on the US OTCQX, under the symbol XXMMF. The head office, principal address, and registered office is located at 888 Dunsmuir Street, Suite 888, Vancouver, British Columbia, Canada.

These financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments that, if any, would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements. The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations.

As at June 30, 2018, the Company has an accumulated deficit of $17,573,754 and working capital of $93,689. The Company's ability to continue operations is dependent upon the financial support from its shareholders and other related parties, its ability to obtain additional financing, the existence of economically recoverable reserves, and the attainment of profitable operations or sufficient proceeds from disposition of the properties. The outcome of these matters cannot be predicted at this time. While management has been successful in obtaining sufficient funding for its operating, capital, development, and exploration requirements from the inception of the Company to date, there is no assurance that additional future funding will be available to the Company or on terms that are acceptable to management.

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

The current cash resources are not adequate to pay the Company's accounts payable and to meet its minimum commitments at the date of these financial statements, including planned corporate and administrative expenses, and other project implementation costs; accordingly, there is significant doubt about the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

These audited financial statements were approved and authorized for issue by the Board of Directors on October 27, 2018.

b) Cash

Cash includes amounts held in banks and highly liquid investments with remaining maturities at point of purchase of 90 days or less. The Company places its cash with institutions of high-credit worthiness.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Reclamation Bonds

Reclamation bonds are recorded at amortized cost and held by Canadian government agencies or in trust.

d) Property and Equipment

Property and equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the declining balance method of 20% per year.

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

e) Exploration and Evaluation Assets

Expenditures related to the acquisition, exploration, and development of exploration and evaluation assets are expensed and charged to earnings in the period in which they are incurred. Any option payments received by the Company from third parties or tax credits refunded to the Company are charged against exploration expenses in the statement of comprehensive loss.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Provisions

(i) Decommissioning and Restoration Provision

Future obligations to retire an asset, including dismantling, remediation, and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a provision based on estimated future cash flows discounted at a credit-adjusted risk-free rate. This decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows, and the discount rate. The provision is accreted to full value over time through periodic charges to profit. This unwinding of the discount is charged to financing expense in the statement of comprehensive income.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and depreciated to profit. The method of depreciation follows that of the underlying asset. The costs related to a decommissioning and restoration provision is only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

As at June 30, 2018 and 2017, the Company has no material decommissioning and restoration provision.

(ii) Other Provisions

Provisions are recognized when a present legal or constructive obligation exists as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate.

h) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs.

Proceeds from the issue of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants.

Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the date the shares are issued.

i) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is antidilutive.

j) Flow-Through Shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares.

To account for flow-through units, on issuance, the Company allocates flow-through share proceeds into i) share capital, equal to the market value of the shares, ii) a flow-through share premium liability, equal to the estimated premium investors pay for the flow-through feature, and iii) reserve for warrants, equal to the remaining proceeds received.

The amount recorded as a liability relating to the sale of tax benefits is reversed when the tax benefits are renounced. The difference between the amount originally recorded as a liability and the estimated income tax benefits on date of renouncement is recognized in profit or loss. The tax effect of the renunciation is recorded at the time the Company makes the renunciation, which may differ from the effective date of renunciation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Share-Based Payments

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period.

Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

l) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's statement of financial position include 'Subscriptions Received', 'Share-based Payment Reserve', and 'Deficit'.

- 'Subscriptions Received' is used to recognize the value of cash received towards share subscriptions that have not been issued by year-end.

- 'Share-based Payment Reserve' is used to recognize the fair value of stock option grants and warrants prior to exercise, expiry or cancellation and the fair value of other share-based consideration paid at the date of payment.

- 'Deficit' is used to record the Company's change in deficit from earnings from period to period and to recognize the fair value of stock option grants and warrants after expiry or cancellation.

m) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Refundable Mining Tax Credits

The Company qualifies for refundable mining tax credits on eligible mining exploration expenditures incurred in the Province of British Columbia, Canada. This tax credit is applied against exploration expenditures incurred and recorded as tax credit receivable when the terms and conditions of the government mineral exploration assistance program have been complied with, the credit can be reasonably estimated, and collection is reasonably assured.

o) Convertible Debentures

Convertible debentures are compound financial instruments that are recorded in part as a liability and in part as shareholders' equity. The Company uses the "residual valuation" method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity. Debentures payable is accreted to its face value at maturity over the term of the debt through a charge to operations.

p) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities classified at fair value through profit or loss) are added to, or deducted from, the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are measured subsequently as described below. The Company does not have any derivative financial instruments.

i) Financial Assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Different criteria to determine impairment are applied for each category of financial assets, which are described below.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial Instruments (Continued)

i) Financial Assets (Continued)

- ***Financial assets at fair value through profit or loss*** – Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The Company's cash and marketable securities fall into this category of financial instruments.

- ***Loans and receivables*** – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less any provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's loans receivable falls into this category of financial instruments.

  Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is based on recent historical counterparty default rates for each identified group. The impairment losses are recognized in profit or loss.

- ***Held-to-maturity investments*** – Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, other than loans and receivables. Investments are classified as held-to-maturity if the Company has the intention and ability to hold them until maturity. The Company currently does not hold financial assets in this category.

- ***Available-for-sale financial assets*** – Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company currently does not hold financial assets in this category.

  Available-for-sale financial assets are measured at fair value. Gains and losses are recognized in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognized in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

  For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale financial assets, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated in the investment revaluation reserve.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Financial Instruments (Continued)

ii) Financial Liabilities

For the purpose of subsequent measurement, financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities upon initial recognition.

- ***Financial liabilities at fair value through profit or loss*** – Financial liabilities at fair value through profit or loss include financial liabilities that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Liabilities in this category are measured at fair value with gains or losses recognized in profit or loss. The Company currently does not hold financial liabilities in this category.

- ***Other financial liabilities*** – Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process. The Company's accounts payable and accrued liabilities, convertible debentures, and amounts due to related parties fall into this category of financial instruments.

A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

q) Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period. These reclassifications have no effect on the net loss for the year ended June 30, 2017.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described as follows.

a) Useful Lives of Property and Equipment

Management reviews the useful lives of property and equipment at each reporting date, based on the expected utility of these assets to the Company. Actual useful lives of these assets may differ from the estimate.

b) Impairment of Non-Current Assets

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. These assumptions relate to future events and circumstances. In addition, when determining the applicable discount rate, estimation is involved in determining the appropriate adjustments to market risk and asset-specific risk factors.

Actual results may vary and may cause significant adjustments to the Company's assets within the next financial year.

(Expressed in Canadian Dollars)

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

c) Deferred Tax Assets

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

The Company has recorded a full valuation allowance against its deferred tax assets due to the uncertainty in the realization of these assets.

NOTE 4 – ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards, amendments to standards, and interpretations have been issued but not yet effective up the date of issuance of the Company's financial statements. The Company intends to adopt the following standards when they becomes effective.

a) IFRS 9 – Financial Instruments

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets as defined in IAS 39. The standard was initially effective for annual period beginning on or after January 1, 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2018. The Company has not yet determined the impact of this standard on its financial statements.

b) IFRS 16 – Leases

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. Lessor accounting remains largely unchanged from IAS 17 "Leases", and the distinction between operating and finance leases is retained. The standard is effective for annual period beginning on or after January 1, 2019.

NOTE 5 – MARKETABLE SECURITIES

Marketable securities consist of a portfolio of investments held for trading. The fair value of the marketable securities has been determined directly by reference to public price quotations in an active market. These marketable securities are comprised of common shares of publicly-traded companies, and are classified as fair value through profit or loss and measured at fair value with unrealized gains and losses recognized through the statement of operations.

	2018 $	2017 $
Opening Balance	220,000	200,000
Marketable Securities Purchased (at Cost)	73,405	-
Marketable Securities Received from Property Option Sales	200,000	-
Marketable Securities Sold (at Cost)	(237,101)	-
Write-(Down) Up Marketable Securities to Market Value	(119,147)	20,000
	137,157	220,000
Advances from the Trading Account	(69,286)	-
	67,871	220,000

(Expressed in Canadian Dollars)

NOTE 6 – RECLAMATION BONDS

The Company posts non-interest bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on its mineral properties. The funds are held in trust and may be released after required reclamation is satisfactorily completed.

As at June 30, 2018, the amount on deposit was $52,500 (2017 – $44,000) with respect to the Brett Property ($31,000), Gold Drop Property ($16,500), and Treasure Mountain Property ($5,000).

NOTE 7 – PROPERTY AND EQUIPMENT

	Computer $	Mining Equipment $	Office Furniture $	Total $
COST				
Balance, June 30, 2016	5,217	195,476	4,000	204,693
Additions	-	12,000	-	12,000
Dispositions	-	(195,476)	-	(195,476)
Balance, June 30, 2017	5,217	12,000	4,000	21,217
Additions	-	20,000	-	20,000
Balance, June 30, 2018	5,217	32,000	4,000	41,217
ACCUMULATED DEPRECIATION				
Balance, June 30, 2016	4,379	135,678	3,497	143,554
Disposition	-	(141,658)	-	(141,658)
Depreciation	838	7,180	503	8,521
Balance, June 30, 2017	5,217	1,200	4,000	10,417
Depreciation	-	6,160	-	6,160
Balance, June 30, 2018	5,217	7,360	4,000	16,577
NET BOOK VALUE				
Balance, June 30, 2017	-	10,800	-	10,800
Balance, June 30, 2018	-	24,640	-	24,640

(Expressed in Canadian Dollars)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS

Cumulative acquisition and exploration costs incurred by the Company to June 30, 2018 on its mineral properties are summarized below.

	Brett $	Gold Drop $	Treasure Mountain $	Bouleau $	Dentonia $	Providence $	General Exploration $	Total $
Balance, June 30, 2016	3,153,135	1,180,631	299,334	582,127	51,000	-	150,659	5,416,886
Acquisition Costs	56,601	-	15,000	82,944	-	-	-	154,545
Exploration Costs	1,009,412	148,407	78,223	-	-	-	2,323	1,238,365
Option payments received	-	(400,000)	(25,000)	-	-	-	-	(425,000)
	1,066,013	(251,593)	68,223	82,944	-	-	2,323	967,910
Balance, June 30, 2017	4,219,148	929,038	367,557	665,071	51,000	-	152,982	6,384,796
Acquisition Costs	269,993	-	-	-	-	53,000	-	322,993
Exploration Costs	87,570	1,046,592	49,055	-	-	4,223	-	1,187,440
Exploration Advance	-	(838,162)	-	-	-	-	-	(838,162)
Option payments received	-	(500,000)	(175,000)	-	-	-	-	(675,000)
	357,563	(291,570)	(125,945)	-	-	57,223	-	(2,729)
Balance, June 30, 2018	4,576,711	637,468	241,612	665,071	51,000	57,223	152,982	6,382,067

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing. All properties are located in Canada.

a) Brett Property, British Columbia, Canada

On December 3, 2013, the Company entered into an option agreement to acquire a 100% interest in the Brett Gold Project situated in the North Okanagan region of southwest British Columbia approximately 29 kilometers west of Vernon. Under the terms of the agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling $1,000,000, issuing 200,000 common shares, and issuing additional common shares of the Company with an aggregate deemed value of $350,000 as follows:

		Number of Post-Consolidated Shares	Cash $
On execution of agreement	(Paid)	-	50,000
By December 18, 2013	(Paid)	-	50,000
By December 23, 2013	(Issued – fair valued at $290,000)	200,000	-
By January 17, 2014	(Paid)	-	200,000
By January 05, 2015	(Paid)	-	300,000
By January 05, 2015	(Issued – fair valued at $126,000)	140,000	-
By December 03, 2015	(Paid)	-	400,000
By December 03, 2015	(Issued – fair valued at $166,667)	666,667	-
		1,006,667	1,000,000

The Company has earned a 100% undivided interest as it has complied with all the terms of the option agreement

(Expressed in Canadian Dollars)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

a) Brett Property, British Columbia, Canada (Continued)

On January 24, 2014, the Company entered into an option agreement to acquire a 100% interest in the 2% net smelter royalty ("NSR") on the Brett Gold Project. The agreement was amended on February 14, 2017 and May 17, 2017 under the following amended terms: the issuance of $50,000 worth of the Company's common shares based on a ten day weighted average upon signing of the amended agreement, the issuance of $420,000 worth of the Company's common shares upon TSX approval of the amended agreement, the payment or issuance of $60,000 in cash or common shares of the Company on February 18, 2018 and $75,000 on February 18, 2019, and final cash payment of $830,000 payable by February 20, 2020:

		Number of Post-Consolidated Shares	Cash $
By February 20, 2014	(Issued – fair valued at $30,000)	20,000	-
By February 20, 2015	(Issued – fair valued at $49,077)	51,660	-
By February 20, 2016	(Issued – fair valued at $67,739)	225,800	-
By February 18, 2017	(Issued – fair valued at $56,601)	125,780	-
Upon TSX Approval	(Issued – fair valued at $210,000)	1,200,000	-
By February 18, 2018	(Issued – fair valued at $59,993)	352,900	-
By February 18, 2019		-	75,000
By February 20, 2020		-	830,000
		1,976,140	905,000

During the year ended June 30, 2018, the Company issued 1,552,900 common shares (2017 – 125,780 common shares) pursuant to the terms of the option agreements.

b) Gold Drop Property, British Columbia, Canada

On November 27, 2013, the Company entered into an option agreement to acquire a 100% interest in the Gold Drop Property located about 9 kilometers northeast from Greenwood, British Columbia, in the Greenwood Gold Mining district. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling $170,000, and issuing an aggregate of 150,000 common shares as follows:

		Number of Post-Consolidated Shares	Cash $
On November 27, 2013	(Paid)	-	25,000
On February 23, 2014	(Issued – fair valued at $49,500, and paid)	30,000	15,000
By February 24, 2015	(Issued – fair valued at $120,000, and paid)	50,000	60,000
By February 24, 2016	(Issued – fair valued at $168,000, and paid)	70,000	70,000
		150,000	170,000

During the year ended June 30, 2016, the Company earned a 100% undivided interest by making the final cash payment of $70,000, therefore, complying with all the terms of the option agreement.

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

b) Gold Drop Property, British Columbia, Canada (Continued)

On June 21, 2016, the Company entered into an option agreement with GGX Gold Corp. ('GGX") to sell its 100% interest in the Gold Drop Property. GGX is required to make cash option payments totalling $400,000, issue 1,000,000 common shares, issue additional common shares with a fair value of $450,000, and incur exploration expenditures on the property as follows:

Cash Payments:

- $50,000 on execution of the agreement (received);
- $50,000 within five business day following the approval by TSX Venture (received); and
- $100,000 on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019.

Share Payments:

- 1,000,000 common shares within five business day following the approval by TSX Venture (received); and
- Additional common shares with a fair value of $150,000 per year on or before July 26, 2017 (received), July 26, 2018 (received), and July 26, 2019.

Exploration Expenditures:

- A minimum of $1,000,000 on the property on or before July 26, 2019, but not less than $150,000 per year on the property on or before July 26, 2017, July 26, 2018, and July 26, 2019.

The Company will retain a 2.5% net smelter return royalty (the "NSR Royalty") which GGX may buy down 1% of the NSR Royalty by paying $1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with GGX by paying to GGX the amount of money equal to 30% of the total amount expended on the Property by GGX. If the Company exercises this joint-venture right, the Company and GGX will enter into a joint venture for the exploration and development of the Property

The transaction was approved by TSX Venture on July 26, 2016.

GGX has a common director and officer of the Company.

c) Treasure Mountain Property, British Columbia, Canada

In March 2014, the Company entered into an option agreement whereby the Company acquired a 100% interest in the Treasure Mountain property located 30 kilometres east of Hope, British Columbia by making cash payments as follows: $75,000 cash upon signing of the agreement (paid) and $50,000 cash due 90 days after the signing of the agreement (paid).

In 2014, the Company also acquired a 100% interest in three surrounding mineral claims for cash payments of $70,000 (paid).

On December 7, 2016, the Company acquired a mineral tenure claim north of Treasure Mountain Property for cash payment of $15,000 (paid) from a director of the Company. The agreement is subject to a 2% net smelter return royalty ("NSR") payable to the vendor.

On November 30, 2016, the Company entered into an option agreement with New Destiny Mining Corp ("New Destiny") to sell its 100% interest in all mineral claims which comprise the Treasure Mountain Property. New Destiny is required to make cash and or issue common shares totalling $400,000, issue an aggregate of 500,000 common shares, and incur exploration expenditures on the property as follows:

(Expressed in Canadian Dollars)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

c) Treasure Mountain Property, British Columbia, Canada (Continued)

Cash Payments:

- $25,000 on execution of the agreement (received);
- $50,000 within five business day following the approval by TSX Venture;
- $75,000 in cash and/or common shares equivalent (subject to a minimum of $10,000 to be paid in cash) per year on or before the first, second, and third anniversaries of the approval by TSX Venture; and
- $100,000 in cash and/or common shares equivalent (subject to a minimum of $10,000 to be paid in cash) on or before the fourth anniversary of the approval by TSX Venture.

Share Payment:

- 500,000 common shares with a minimum fair value of $50,000 within five business day following the approval by TSX Venture.

Exploration Expenditures:

- Annual minimum exploration expenditures of $100,000, $150,000, $250,000, and $250,000 on the property in each year ending on or before the first, second, third, and fourth anniversaries, respectively, of the approval by TSX Venture.

The Company will retain a 2.5% net smelter return royalty (the "NSR Royalty") which New Destiny may buy down 1% of the NSR Royalty by paying $1,000,000 to the Company. Upon the completion of the sale of the Property, the Company will have a right for nine months thereafter to elect to form a joint venture with New Destiny by paying to New Destiny the amount of money equal to 30% of the total amount expended on the Property by New Destiny. If the Company exercises this joint-venture right, the Company and New Destiny will enter into a joint venture for the exploration and development of the Property

The transaction was approved by TSX Venture on November 9, 2017. New Destiny has a common director and officer of the Company.

d) Bouleau Property, British Columbia, Canada

On July 15, 2014, the Company entered into a property option agreement to acquire a 100% interest in the Bouleau Property which is adjacent to the Company's Brett property located near Vernon, British Columbia. Under the terms of the option agreement, the Company may acquire a 100% undivided interest by making cash option payments totalling US$250,000, and issuing additional common shares of the Company with an aggregate deemed value of $300,000 as follows:

		Number of Post-Consolidated Shares	Cash US$
On September 05, 2014	(Paid)	-	100,000
On September 05, 2014	(Issued – fair valued at $102,174)	43,478	-
By March 05, 2015	(Paid)	-	50,000
By March 05, 2015	(Issued – fair valued at $67,211)	96,015	-
By September 30, 2015	(Paid)	-	50,000
By September 30, 2015	(Issued– fair valued at $46,260)	264,340	-
By March 05, 2016	(Paid)	-	50,000
By March 05, 2016	(Issued – fair valued at $72,545)	241,818	-
By September 05, 2016	(Issued – fair valued at $82,944)	107,025	-
		752,677	250,000

During the year ended June 30, 2017, the Company earned a 100% undivided interest by making the final share issuance payment, therefore, complying with all the terms of the option agreement

(Expressed in Canadian Dollars)

NOTE 8 – EXPLORATION AND EVALUATION ASSETS (Continued)

e) Dentonia Property, South, British Columbia, Canada

On August 29, 2014, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Dentonia South Property, located 10 miles south of Greenwood, British Columbia, by issuing 30,000 common shares fair valued at $51,000.

f) Providence Property, South, British Columbia, Canada

In August 2017, the Company entered into a property option agreement whereby the Company acquired a 100% interest in the Providence South Property, near Greenwood, British Columbia, by issuing a total of 280,000 common shares fair valued at $53,000.

NOTE 9 – CONVERTIBLE DEBENTURES

	Carrying Value		
	Liability Component $	Equity Component $	Net Shares Value $
Balance, June 30, 2016	809,996	191,859	1,001,855
Conversion of Debentures	(825,905)	(191,859)	(1,017,764)
Accretion	15,909	-	15,909
Balance, June 30, 2017 and 2018	**-**	**-**	**-**

During the year ended June 30, 2016, the Company issued $800,000 and $200,000 of convertible debentures (the "Debentures") respectively. The principal amount of the Debentures may be converted into units comprised of one common share and one common share purchase warrant of the Company at the option of the holder (the "Unit"), at any time prior to the maturity dates on December 24, 2020 and January 14, 2021 respectively (the "Maturity Dates"), at $0.05 per unit in the first year after issuance, and $0.10 per unit thereafter. Each warrant will have an exercise term of two years from the date of conversion, with an exercise price of $0.05 per warrant for warrants acquired as part of debentures converted within the first year of issuance, and $0.10 per warrant thereafter. The Debentures may be redeemed by the Company at any time prior to the Maturity Dates upon 10 days prior written notice.

The Debentures are subject to an interest rate of 10% per annum payable on the Maturity Dates and are secured by certain mineral tenures comprising a portion of the Brett Gold Property.

The convertible debentures are recorded in part as a liability and in part as shareholders' equity. The Company uses the "residual valuation" method to determine the debt and equity components of the convertible debentures. Under the residual valuation method, the liability component is determined by estimating the present value of the future cash payments discounted at a rate of interest which the Company would be charged by the market for similar debt without the conversion option. The difference between the net proceeds of the debenture and the liability component is recorded as a separate component of shareholders' equity.

The debentures payable are accreted to their face value at maturity over the term of the debt through a charge to operations. For the year ended June 30, 2017, the Company recorded accretion expense in the amount of $15,909 (2016 – $14,802), and a gain on conversion of debentures in the amount of $17,765 (2016 – $Nil).

During the year ended June 30, 2017, all outstanding debentures were converted into 20,000,000 units (Note 10(b)(ii)). In addition, the Company issued 2,012,615 units (fair valued at $259,090) to settle total interest payable in the amount of $100,631.

NOTE 10 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited common shares without par value

b) Issued and Outstanding Share Capital

On January 8, 2018, the Company consolidated its share capital, options, and warrants at a ratio of five old common shares to one new common share. These financial statements reflect the retroactive application of this share consolidation.

As at June 30, 2018, there were 23,138,187 (2017 – 17,243,287) common shares issued and outstanding.

(i) The following share issuances occurred during the year ended June 30, 2017:

Shares Issued for Cash

- In August 2016, the Company completed a non-brokered private placement of 4,400,000 units (880,000 units post consolidation) at a price of $0.075 per unit for gross proceeds of $330,000. Each unit consisted of one common share and one non-transferable share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of $0.10 ($0.50 post consolidation) per share for a period of five years expiring August 15, 2021.

- In October 2016, the Company completed a flow-through private placement of 4,620,200 units (924,040 units post consolidation) at a price of $0.15 per unit for gross proceeds of $693,030. Each unit consists of one common share and one non-flow through share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share of the Company at $0.20 ($1.00 post consolidation) per share for a period of 5 years expiring October 24, 2021. A flow-through tax premium in the amount of $115,505 was recorded (Note 12).

- In November 2016, the Company issued 140,000 common shares (28,000 shares post consolidation) upon exercise of share purchase warrants. Cash proceeds received totalled $14,000.

- In December 2016, the Company issued 2,000,000 common shares (400,000 shares post consolidation) upon exercise of share purchase warrants. Cash proceeds received totalled $100,000.

- In January 2017, the Company completed a non-brokered private placement of 1,000,000 units (200,000 units post consolidation) at a price of $0.075 per unit for gross proceeds of $75,000. Each unit consisted of one common share and one non-transferable share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of $0.10 ($0.50) per share for a period of five years expiring December 30, 2021.

- In February 2017, the Company issued 2,540,646 common shares (508,128 shares post consolidation) upon exercise of share purchase warrants. Cash proceeds received totalled $127,032.

- In April 2017, the Company completed a non-brokered private placement of 11,135,000 units (2,227,000 units post consolidation) at a price of $0.055 per unit for gross proceeds of $612,425. Each unit consisted of one common share and one non-transferable share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of $0.075 ($0.38 post consolidation) per share for a period of five years expiring April 2022. A finders' fee of $6,875 was paid and 115,000 agents' warrants were granted. The agents' warrants were valued at $9,169 using the Black-Scholes model (Note 10(f)) and have the same terms as the warrants issued in the offering.

NOTE 10 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

Shares Issued for Mineral Properties

- In September 2016, the Company issued 535,125 common shares (107,025 shares post consolidation) pursuant to an option agreement for the Bouleau Property (Note 8(d)). The fair value recognized of $82,944 was based on the closing quoted market price of the Company's share at the date of issuance.

- In February 2017, the Company issued 628,900 common shares (125,780 shares post consolidation) pursuant to an option agreement for the Brett Property (Note 8(a)). The fair value recognized of $56,601 was based on the closing quoted market price of the Company's share at the date of issuance.

Shares Issued for Settlement of Debts

- In September and November 2016, the Company issued 847,046 common shares (169,409 shares post consolidation) (fair valued at $103,271) to settle accounts payable totaling $96,718. Loss on the settlement of debt in the amount of $6,553 was charged to operations.

- In December 2016 and January 2017, the Company issued a total of 2,012,616 units (402,524 units post consolidation) to settle debenture interest payable totalling $100,631. Each unit consisted of one common share and one share purchase warrant, with one warrant entitling the holder to acquire one additional common share at a price of $0.05 ($0.25 post-consolidation) per share for a period of five years expiring on December 7, 2018 (421,986 warrants) and January 4, 2017 (1,590,630 warrants). Based on the closing quoted market prices, the fair values recognized for the common shares issued was $140,883, and for the warrants was $118,207 (Note 10(f)), for total fair value of $259,090. Loss on settlement of interest payable in the amount of $158,459 was charged to operations.

Shares Issued for Convertible Debentures

- In December 2016 and January 2017, the Company issued a total of 20,000,000 units (4,000,000 units post consolidation) upon conversion of debentures in the total amount of $1,000,000 at a conversion price of $0.05 per unit. (Note 9). One unit comprise of one common share and one share purchase warrant. One warrant entitles the holder to acquire one additional common share at a price of $0.05 ($0.25 post-consolidation) per share for a period of two years. 4,200,000 warrants (840,000 warrants post consolidation) will expire on December 7, 2018, and 15,800,000 warrants (3,160,000 warrants post consolidation) will expire on January 4, 2019.

(ii) The following share issuances occurred during the year ended June 30, 2018:

Shares Issued for Cash

- In December 2017, the Company completed a non-brokered private placement of 2,810,000 units (562,000 units post consolidation) at a price of $0.05 per unit for gross proceeds of $140,500. The units of the financing comprise one flow-through common share and one full flow-through share purchase warrant, which may be exercised for a period of five years at a price of $0.05 ($0.25 post consolidation) per share. The term of the warrants may be accelerated in the event that the shares trade at or above a price of $0.10 ($0.50 post consolidation) per share for a period of ten consecutive days.

- In February 2018, the Company completed a non-brokered private placement of 2,160,000 units at a price of $0.125 for gross proceeds of $270,000. Each unit consists of one common share transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase, for a period of eighteen months from the date of issue, one additional common share of the Issuer at an exercise price of $0.18 per share. The term of the warrants may be accelerated in the event that the issuer's shares trade at or above a price of $0.10 cents per share for a period of ten consecutive days. In such case of accelerated warrants, the issuer may give notice, in writing or by way of news release, to the subscribers that the warrants will expire thirty days from the date of providing such notice.

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

b) Issued and Outstanding Share Capital (Continued)

(ii) The following share issuances occurred during the year ended June 30, 2018 (Continued):

- In April 2018, the Company completed a non-brokered private placement of 1,340,000 units at a price of $0.125 per unit for gross proceeds of $167,500. The units of the financing comprise one common share and one full share purchase warrant, which may be exercised for a period of 18 months at a price of $0.18 per share.

Shares Issued for Mineral Properties

- In July and August 2017, the Company issued, respectively, 1,000,000 (200,000 post consolidation) and 400,000 (80,000 post consolidation) common shares pursuant to the acquisition of the Providence Property (Note 8(f)). The fair value recognized of, respectively, $35,000 and $18,000, were based on the closing quoted market price of the Company's share at the date of issuance.

- In October 2017, the Company issued 6,000,000 (1,200,000 post consolidation) common shares as per the amended agreement on the Brett Gold Property (Note 8(a)). The fair value recognized of $210,000 was based on the closing quoted market price of the Company's share at the date of issuance.

- In February 2018, the Company issued 352,900 common shares as per the option agreement to acquire a 100% interest in the net smelter royalty ("NSR") on the Brett Gold Project (Note 8(a)). The fair value recognized of $59,993 was based on the closing quoted market price of the Company's share at the date of issuance.

c) Stock Options

The Company has a stock option plan under which it is authorized to grant options to directors, employees, and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. Vesting terms are determined by the board of directors at the time of grant.

The continuity schedule of stock options for the year ended June 30, 2018 is as follows. The number of stock options and their exercise price have been retroactively adjusted to reflect the share consolidation. For the year ended June 30, 2018, 1,740,000 options were outstanding with a weighted average exercise price of $0.44 and an average remaining life of 2.58 years.

Expiry Date	Exercise Price	June 30, 2017	Granted	Exercised	Expired/ Cancelled	June 30, 2018
February 16, 2019	$0.50	200,000	-	-	(15,000)	185,000
March 20, 2019	$0.45	300,000	-	-	(40,000)	260,000
April 29, 2020	$0.60	350,000	-	-	(10,000)	340,000
February 2, 2021	$0.25	200,000	-	-	(5,000)	195,000
October 5, 2021	$0.75	140,000	-	-	(10,000)	130,000
November 22, 2021	$0.60	240,000	-	-	(10,000)	230,000
February 14, 2023	$0.18	-	400,000	-	-	400,000
		1,430,000	400,000	-	(90,000)	1,740,000

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

c) Stock Options (Continued)

The continuity schedule of stock options for the year ended June 30, 2017 are as follows. The number of stock options and their exercise price have been retroactively adjusted to reflect the share consolidation. For the year ended June 30, 2017, 1,430,000 options were outstanding with a weighted average exercise price of $0.52 and an average remaining life of 2.94 years.

Expiry Date	Exercise Price	June 30, 2016	Granted	Exercised	Expired/ Cancelled	June 30, 2017
August 21, 2016	$2.50	55,000	-	-	(55,000)	-
September 8, 2016	$2.50	6,800	-	-	(6,800)	-
February 16, 2019	$0.50	-	200,000	-	-	200,000
March 20, 2019	$0.45	-	300,000	-	-	300,000
April 29, 2020	$0.60	350,000	-	-	-	350,000
February 2, 2021	$0.25	200,000	-	-	-	200,000
October 5, 2021	$0.75	-	140,000	-	-	140,000
November 22, 2021	$0.60	-	240,000	-	-	240,000
		611,800	880,000	-	(61,800)	1,430,000

d) Share Purchase Warrants

The continuity schedule of share purchase warrants for the year ended June 30, 2018 is as follows. The number of share purchase warrants and their exercise price have been retroactively adjusted to reflect the share consolidation. Total outstanding share purchase warrants as at June 30, 2018 is 11,973,166 with a weighted average exercise price of $0.35.

Expiry Date	Exercise Price	June 30, 2017	Issued	Exercised	Expired/ Cancelled	June 30, 2018
December 7, 2018	$0.25	16,268	-	-	(16,268)	-
January 4, 2019	$0.25	3,478,126	-	-	-	3,478,126
August 27, 2019	$0.18	-	2,160,000	-	-	2,160,000
September 10, 2019	$0.18	-	1,340,000	-	-	1,340,000
April 20, 2020	$0.25	230,000	-	-	-	230,000
August 15, 2021	$0.50	852,000	-	-	-	852,000
October 24, 2021	$1.00	924,040	-	-	-	924,040
December 30, 2021	$0.50	200,000	-	-	-	200,000
April 11, 2022	$0.375	940,000	-	-	-	940,000
April 13, 2022	$0.375	1,087,000	-	-	-	1,087,000
April 20, 2022	$0.375	200,000	-	-	-	200,000
December 13, 2022	$0.25	-	562,000	-	-	562,000
		7,927,434	4,062,000	-	(16,268)	11,973,166

The continuity schedule of share purchase warrants for the year ended June 30, 2017 is as follows. The number of share purchase warrants and their exercise price have been retroactively adjusted to reflect the share consolidation. Total outstanding share purchase warrants as at June 30, 2017 is 7,927,434 with a weighted average exercise price of $0.43.

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

d) Share Purchase Warrants (Continued)

Expiry Date	Exercise Price	June 30, 2016	Issued	Exercised	Expired/ Cancelled	June 30, 2017
September 22, 2016	$2.00	474,400	-	-	(474,400)	-
December 23, 2016	$1.25	366,000	-	-	(366,000)	-
January 17, 2017	$1.25	130,000	-	-	(130,000)	-
February 3, 17	$1.25	730,000	-	-	(730,000)	-
December 7, 2018	$0.25	-	924,397	(908,129)	-	16,268
January 4, 2019	$0.25	-	3,478,126	-	-	3,478,126
April 20, 2020	$0.25	230,000	-	-	-	230,000
August 15, 2021	$0.50	-	880,000	(28,000)	-	852,000
October 24, 2021	$1.00	-	924,040	-	-	924,040
December 30, 2021	$0.50	-	200,000	-	-	200,000
April 11, 2022	$0.375	-	940,000	-	-	940,000
April 13, 2022	$0.375	-	1,087,000	-	-	1,087,000
April 20, 2022	$0.375	-	200,000	-	-	200,000
		1,930,400	8,633,563	(936,129)	(1,700,400)	7,927,434

e) Agents' Warrants

The continuity schedule of agent's warrants for the year ended June 30, 2018 is as follows. The number of share agent's warrants and their exercise price have been retroactively adjusted to reflect the share consolidation. Total outstanding Agents' warrants as at June 30, 2018 is 123,000 with a weighted average exercise price of $0.22.

Expiry Date	Exercise Price	June 30, 2017	Issued	Exercised	Expired/ Cancelled	June 30, 2018
August 27, 2019	$0.18	-	100,000	-	-	100,000
April 13, 2022	$0.375	23,000	-	-	-	23,000
		23,000	100,000	-	-	123,000

The continuity schedule of agent's warrants for the year ended June 30, 2017 is as follows. The number of agent's warrants and their exercise price have been retroactively adjusted to reflect the share consolidation. Total outstanding Agents' warrants as at June 30, 2017 is 23,000 with a weighted average exercise price of $0.375.

Expiry Date	Exercise Price	June 30, 2016	Issued	Exercised	Expired/ Cancelled	June 30, 2017
September 22, 2016	$2.00	7,472	-	-	(7,472)	-
February 2, 2017	$1.25	42,400	-	-	(42,400)	-
April 13, 2022	$0.375	-	23,000	-	-	23,000
		49,872	23,000	-	(49,872)	23,000

f) Share-Based Payments

Stock-based compensation costs have been determined based on the fair value of the stock options and agents' warrants at the grant date using the Black-Scholes option-pricing model. During the year ended June 30, 2018, the Company granted 400,000 (2017 – 880,000) stock options, 100,000 agents' warrants (2017 - 23,000), and Nil (2017 - 402,523) warrants in settlement of interest payable. Stock-based compensation using the Black-Scholes option pricing model was $67,713 (2017 – $380,425), $8,216 (2017 – $9,169), and $Nil (2017 – $118,207), respectively for stock options, agents' warrants, and warrants issued in settlement of interest payable.

(Expressed in Canadian Dollars)

NOTE 10 – SHARE CAPITAL (Continued)

f) Share-Based Payments (Continued)

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

	2018	2017
Risk-free interest rate	2.14%	0.71% to 1.22%
Expected life of stock options	5 years	2 to 5 years
Annualized volatility	255.26%	190.81% to 298.38%
Dividend rate	0.00%	0.00%

The following assumptions were used for the Black-Scholes valuation of agents' warrants granted:

Risk-free interest rate	1.72%	1.11%
Expected life of agents' warrants	1.5 years	5 years
Annualized volatility	92.51%	260.70%
Dividend rate	0.00%	0.00%

The following assumptions were used for the Black-Scholes valuation of warrants granted in settlement of interest payable:

Risk-free interest rate	-	0.71% to 0.77%
Expected life of warrants	-	2 years
Annualized volatility	-	182.83% to 189.07%
Dividend rate	-	0.00%

NOTE 11 – RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) and senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). The amounts paid by the Company for the services provided by related parties have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions are in the normal course of operations. Details of transactions between the Company and related parties, in addition to those transactions disclosed elsewhere in these financial statements, are described below.

a) Amount Due To Related Party

Amounts due to related parties are in the normal course of business, unsecured, non-interest bearing, and have no specific terms of repayment.

b) Compensation of Key Management Personnel

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

	2018 $	2017 $
Consulting Fees	1,000	2,400
Management Fees	260,000	220,000
Exploration	7,680	61,370
Office Administration and Support Fees	31,800	33,000
Stock-Based Compensation	42,321	188,094
	342,801	504,864

(Expressed in Canadian Dollars)

NOTE 11 – RELATED PARTY TRANSACTIONS (Continued)

c) During the year ended June 30, 2018, the Company incurred $291,800 (2017 – $253,000) in management and consulting fees, and reimbursements of travel and other expenses to a director and officer (and a company controlled by the director) of the Company.

d) During the year ended June 30, 2018, the Company incurred consulting fees of $1,000 (2017 - $2,400) to two directors of the Company.

e) During the year ended June 30, 2018, the Company incurred exploration expenses of $7,680 (2017 -$61,370) to a Company control by a director of the Company.

f) During the year ended June 30, 2018, the Company incurred stock-based compensation of $42,321 (2017 – $188,094) to directors and officers of the Company.

NOTE 12 – FLOW-THROUGH SHARE PREMIUM LIABILITY

The Company entered into flow-through share subscription agreements in December 2017 whereby it committed to incur a total of $140,500 of qualifying Canadian exploration expenditures. The value of the flow-through units in excess of the quoted market value of shares on the date of issuance and the fair value of share purchase warrants issued was set up as a liability at the time these shares were issued. Funds raised through the issuance of flow-through shares are required to be expended on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation.

In December 2017, the Company renounced $140,500 of qualifying exploration expenditures to the shareholders with an effective date of December 31, 2017. The effect of this renunciation and the reversal of the flow-through share premium liability has been reflected in the financial statements for the year ended June 30, 2018. The Company has incurred qualifying expenditures of $140,500 with respect to exploration activities at the Brett and Gold Drop Properties.

NOTE 13 – SUPPLEMENTAL CASH FLOW INFORMATION

a) Significant Non-Cash Financing Activities

	2018 $	2017 $
Shares Issued for Mineral Properties	535,993	139,545
Shares Issued for Settlement of Debts	-	244,154
	535,993	383,699

b) Other Item

Interest Paid	-	25,116

NOTE 14 – COMMITMENT

The Company entered into a five year agreement with its Director, President and Chief Executive Officer in December, 2016 (the "2016 Agreement"), for consulting services to the Company for consideration of $15,000 (plus applicable taxes) plus auto and reimbursement of all traveling and direct expenses incurred

(Expressed in Canadian Dollars)

NOTE 15 – INCOME TAXES

a) Provision for Income Taxes

The income tax recovery of the Company is reconciled to the net loss for the year as reported in the statements of comprehensive loss by applying the combined federal and provincial income tax rate of 27.0% (2017 – 26.0%) as follows:

	2018 $	2017 $
Loss Before Income Tax	(946,703)	(2,089,146)
Expected Income Tax Recovery	(256,000)	(543,000)
Non-Deductible Expenditures	45,000	280,000
Unrealized Gain on Marketable Securities	32,000	(5,000)
Change in Unrecognized Deductible Temporary Difference	326,000	271,000
Change in opening tax balances	(151,000)	-
Share Issuance Costs	(6,000)	(2,000)
Other	10,000	(1,000)
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

As at June 30, 2018 and 2017, the Company has temporary differences between the carrying value of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company's deferred tax assets not recognized consist of the following amounts:

Property and Equipment	42,000	39,000
Exploration and Evaluation Assets	1,714,000	1,719,000
Non-Capital Losses	2,550,000	2,151,000
Share Issue Costs	10,000	12,000
Net Deferred Tax Assets	4,316,000	3,921,000

As at June 30, 2018, the Company has non-capital losses of approximately $9,182,181 and share issuance costs of approximately $37,000 that may be applied against future income for Canadian income tax purposes. Share issuance costs expire through to 2023.

The non-capital losses expire as follows:

	$
2027	96,000
2028	481,000
2029	538,000
2030	478,000
2031	691,000
2032	763,000
2033	395,000
2034	2,081,000
2035	1,333,000
2036	570,000
2037	847,000
2038	908,992
	9,182,000

NOTE 16 – CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration, and development of resource properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages its share capital as capital, which as at June 30, 2018, was $16,941,165 (2017 – $16,111,136). Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended June 30, 2018.

NOTE 17 – FINANCIAL INSTRUMENTS

The fair value of the Company's loan receivable, accounts payable and accrued liabilities, convertible debentures payable, and amounts due to related parties approximate their carrying value, which is the amount recorded on the statement of financial position. The Company's other financial instruments and cash under the fair value hierarchy are recorded at fair value based on level one quoted prices in active markets for identical assets or liabilities.

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

a) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that its credit risk is not significant.

b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2018, the Company had a cash balance of $22,988 to settle current liabilities of $221,223. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. Management expects to fund those liabilities through the issuance of capital stock and loans from related parties over the coming year.

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's loans receivable and amounts due to related parties are non-interest bearing. Interest on the Company's debentures payable are based on fixed rates, and as such, the Company is not exposed to significant interest rate risk.

d) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents and accounts payable and accrued liabilities that are denominated in U.S. Dollars. The Company's financial instruments denoted in U.S. Dollars are insignificant and any fluctuation in foreign currency exchange rates would have an insignificant impact on net loss for the year.

e) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Management closely monitors commodity prices to determine the appropriate course of actions to be taken in its investing and financing activities. As the Company has not yet developed commercial mineral interests, it is not exposed to significant commodity price risk.