



CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's external auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.



CURRIE ROSE RESOURCES INC.
 (An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2018 AND DECEMBER 31, 2017
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	September 30 2018	December 31 2017
ASSETS		
Current:		
Cash	\$ 381,874	\$ 385,137
Accounts receivable (Note 5)	39,431	31,331
Prepaid expenses	2,917	2,150
	424,222	418,618
Long term:		
Resource properties (Note 6)	1,048,911	577,648
	\$ 1,473,133	\$ 996,266
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	\$ 138,779	\$ 85,739
SHAREHOLDERS' EQUITY		
Common shares (Note 7)	16,178,748	15,527,373
Contributed surplus	1,354,528	1,281,537
Warrants	37,002	37,002
Share based compensation (Note 8)	125,511	198,502
Accumulated deficit	(16,386,061)	(16,158,513)
Accumulated comprehensive income	24,626	24,626
	1,334,354	910,527
	\$ 1,473,133	\$ 996,266
Going concern (Note 1(b))		
Commitments (Notes 9 & 10)		

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

Approved on behalf of the Board:

"Michael Griffiths" Director

"Stephen Coates" Director

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
NET LOSS AND COMPREHENSIVE LOSS**
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	Three months ended September 30 2018	Nine months ended September 30 2018	Three months ended September 30 2017	Nine months ended September 30 2017
Expenses				
Management fees	\$ 48,000	\$ 144,000	\$ 24,600	\$ 46,800
Professional fees	19,547	28,336	7,641	41,094
Listing fees and shareholder information	3,189	25,939	13,499	26,355
Consulting fees	11,400	11,400	37,835	97,281
Office and general	7,518	12,118	2,731	15,774
Travel	-	5,323	-	23,518
Loss on foreign exchange	205	432	-	839
Interest	-	-	3,013	9,357
Share based payments	-	-	-	4,804
Occupancy costs	-	-	-	3,000
Loss on sale of marketable securities	-	-	-	165
	<u>89,859</u>	<u>227,548</u>	<u>89,319</u>	<u>268,987</u>
Net loss and comprehensive loss	<u>\$ (89,859)</u>	<u>\$ (227,548)</u>	<u>\$ (89,319)</u>	<u>\$ (268,987)</u>
Basic loss per share (Note 7(d))	<u>\$ (0.003)</u>	<u>\$ (0.008)</u>	<u>\$ (0.006)</u>	<u>\$ (0.019)</u>

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
PERIOD FROM JANUARY 1, 2017 TO SEPTEMBER 30, 2018
(Stated in \$CAD)
(Unaudited - Prepared by Management)

	Note	Common shares Number	Common shares Amount	Contributed surplus	Warrants	Share based payments	Accumulated deficit	Accumulated other comprehensive income	Total
As at January 1, 2017		35,701,309	\$ 14,981,851	\$ 1,183,235	\$ -	\$ 287,196	\$ (15,783,567)	\$ 24,626	\$ 693,341
Net loss and comprehensive loss for period		-	-	-	-	-	(268,987)	-	(268,987)
Share based payments	8(b)	-	-	-	-	4,804	-	-	4,804
Share consolidation	7(a)	(21,420,785)	-	-	-	-	-	-	-
As at September 30, 2017		14,280,524	14,981,851	1,183,235	-	292,000	(16,052,554)	24,626	429,158
Net loss and comprehensive loss for period		-	-	-	-	-	(105,959)	-	(105,959)
Share based payments	8(b)	-	-	-	-	4,804	-	-	4,804
Proceeds on private placement	8(a)	11,650,480	545,522	-	37,002	-	-	-	582,524
Stock options cancelled	8(a)	-	-	98,302	-	(98,302)	-	-	-
As at December 31, 2017		25,931,004	15,527,373	1,281,537	37,002	198,502	(16,158,513)	24,626	910,527
Net loss and comprehensive loss for period		-	-	-	-	-	(227,548)	-	(227,548)
Shares issuance re Rossland Project acquisition	6(2)(f), 7(b)	2,000,000	154,000	-	-	-	-	-	154,000
Proceeds on private placement	7(c)(i)	10,000,000	500,000	-	-	-	-	-	500,000
Finders' fee on private placement paid in shares	7(c)(iii)	500,000	25,000	-	-	-	-	-	25,000
Share issue expenses	7(c)(iii)	-	(27,625)	-	-	-	-	-	(27,625)
Stock options expired	8(a)	-	-	72,991	-	(72,991)	-	-	-
As at September 30, 2018		38,431,004	\$ 16,178,748	\$ 1,354,528	\$ 37,002	\$ 125,511	\$ (16,386,061)	\$ 24,626	\$ 1,334,354

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

	<u>2018</u>	<u>2017</u>
Operating activities		
Net loss for period	\$ (227,548)	\$ (268,987)
Add (deduct) items not affecting cash		
Share based payments	-	4,804
Loss on sale of marketable securities	-	165
	<u>(227,548)</u>	<u>(264,018)</u>
Change in non-cash working capital items		
Accounts receivable	16,900	(16,430)
Prepaid expenses	(767)	11,234
Accounts payable and accrued liabilities	53,040	89,018
	<u>(158,375)</u>	<u>(180,196)</u>
Investing activities		
Resource property expenditures	(317,263)	-
Proceeds on sale of marketable securities	-	1,185
	<u>(317,263)</u>	<u>1,185</u>
Financing activities		
Proceeds from issuance of common shares and warrants	475,000	-
Share issue costs	(2,625)	-
Repayment of loans payable - related parties	-	(8,000)
Deposits on private placement	-	145,000
	<u>472,375</u>	<u>137,000</u>
Change in cash	(3,263)	(42,011)
Cash, beginning of period	<u>385,137</u>	<u>319,314</u>
Cash, end of period	\$ 381,874	\$ 277,303
Non-cash transactions:		
Common shares issued re Rossland Project acquisition (Note 6(2)(f))	\$ 154,000	\$ -
Shares issued re finders' fee on private placement (Note 7(c)(iii))	25,000	-
Share issue costs paid in shares (Note 7(c)(iii))	(25,000)	-
Share subscription receivable re common shares issued (Note 5)	25,000	-

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations

Currie Rose Resources Inc. ("Currie Rose" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. It is a public company that trades on the TSX Venture Exchange under the symbol "CUI.V". The Company is a precious metal explorer focused on identifying high value assets in Canada whose current projects span British Columbia and Ontario with the immediate focus on the recently acquired Rossland Project in BC (*see note 6(2)*). The head office and principal address of the Company is located at 401 Bay Street, Suite 2702, Toronto, Ontario, Canada, M5H 2Y4.

(b) Going concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") (as issued by the International Accounting Standard Board ("IASB")) applicable to a going concern. Accordingly, they do not give effect to adjustments that 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 and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim condensed consolidated financial statements. Such adjustments could be material.

As at September 30, 2018, the Company had no source of operating cash flow and had an accumulated deficit of \$16,386,061 (December 31, 2017 - \$16,158,513). Working capital as at September 30, 2018 was \$285,443 compared to \$332,879 as at December 31, 2017. Net comprehensive loss for the nine months ended September 30, 2018 was \$227,548 (September 30, 2017 - \$268,987). Operations since inception have been funded from the (i) issuance of share capital, (ii) sale of marketable securities, and (iii) sale of resource property interests.

The Company anticipates it will have sufficient cash on hand to service its liabilities and fund exploration activity and public company operating costs for the next twelve months. In order to continue active operations, the Company will need to (i) arrange future financing (*see note 7(c)*) that will largely depend upon prevailing capital market conditions, and (ii) the continued support of its shareholder base. There is uncertainty that the Company will be able to obtain additional financing for the long-term future, given the current market environment for junior exploration stage companies. These factors create material uncertainties that cast significant doubt as to the propriety of the use of the going concern assumption upon which these unaudited interim condensed consolidated financial statements have been prepared.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The same accounting policies, methods of computation and note disclosures are followed in these unaudited interim condensed consolidated financial statements as compared to the Company's annual consolidated financial statements for the years ended December 31, 2017 and December 31, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the period ending December 31, 2017 could result in restatement of these unaudited interim condensed consolidated financial statements. They were authorized for issuance by the Board of Directors on November 28, 2018.

Unless otherwise stated, the unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency as the Company is based in Canada and obtains the majority of its financing through Canadian dollar private placements. The Canadian dollar is also the Company's functional currency for Canadian exploration activities and its corporate head office in Canada.

3. RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

IFRS 9: "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities" was issued by the IASB in July 2014 and will replace IAS 39 "Financial Instruments: Recognition and Measurement". In addition, IFRS 7 "Financial Instruments: Disclosures" was amended to include additional disclosure requirements on transition to IFRS 9. The mandatory effective date of applying these standards is for annual periods beginning on or after January 1, 2018. The standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used. The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard, as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. This standard is not expected to have a significant impact on the unaudited interim condensed consolidated financial statements.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

4. NEW AND REVISED IFRS STANDARD AND INTERPRETATION NOT YET ADOPTED

As at the date of authorization of these unaudited interim condensed consolidated financial statements, the IASB has issued the following new standard which is not yet effective:

IFRS 16 "Leases" was issued by the IASB in January 2016 and will ultimately replace IAS 17, "Leases" and related interpretations. The new standard will be effective for fiscal years beginning on or after January 1, 2019, with early adoption permitted provided the Company has adopted IFRS 15, Revenue from Contracts with Customers. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all leases contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. If the Company has significant contractual obligations in the form of operating leases under IAS 17, there will be a material increase to both assets and liabilities on adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with the lease arrangements. The Company is analyzing the new standard to determine the impact of adopting this standard.

5. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
Refundable HST ITC's	\$ 14,430	\$ 23,831
Share subscriptions receivable	25,000	7,500
	<u>\$ 39,431</u>	<u>\$ 31,331</u>

The share subscriptions receivable as at December 31, 2017 (part of the 2nd tranche of the private placement that closed on December 29, 2017) were all received prior to the end of 2018 Q2. The share subscription receivable as at September 30, 2018 is part of the private placement that closed in August, 2018 (see note 7(c)(i)).

CURRIE ROSE RESOURCES INC.
(An Exploration Stage Enterprise)
FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

6. **RESOURCE PROPERTIES**

	<u>Opening</u>	<u>Acquisition costs</u>	<u>Geological and consulting</u>	<u>Professional fees</u>	<u>Travel and admin costs</u>	<u>Capitalization of long term receivable</u>	<u>Value attributed to net smelter royalty</u>	<u>Closing</u>
<u>Year ended December 31, 2016</u>								
Scadding, Canada	\$ 525,223	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2)	\$ 525,221
Jubilee Reef, Tanzania	-	-	-	-	-	-	1	1
Mabale Hills, Tanzania	-	-	-	-	-	-	1	1
	<u>\$ 525,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,223</u>
<u>Year ended December 31, 2017</u>								
Scadding, Canada	\$ 525,221	\$ -	\$ -	\$ -	\$ -	\$ 52,425	\$ -	\$ 577,646
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 525,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,425</u>	<u>\$ -</u>	<u>\$ 577,648</u>
<u>Nine months ended September 30, 2018</u>								
Scadding, Canada	\$ 577,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,646
Rossland, Canada	-	286,889	89,048	22,147	73,179	-	-	471,263
Jubilee Reef, Tanzania	1	-	-	-	-	-	-	1
Mabale Hills, Tanzania	1	-	-	-	-	-	-	1
	<u>\$ 577,648</u>	<u>\$ 286,889</u>	<u>\$ 89,048</u>	<u>\$ 22,147</u>	<u>\$ 73,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,048,911</u>

The carrying values of the Company's resources properties at September 30, 2018 was \$1,048,911 (December 31, 2017 - \$577,648). Management's review of these carrying values indicated that, at September 30, 2018, the properties were not impaired. The company also retains a 2% NSR on any future production from each of its prior Jubilee Reef and Mabale Hills projects in Tanzania.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

6. RESOURCE PROPERTIES, CONTINUED

(1) Scadding Township, Ontario, Canada

- (a) Beneficial ownership consists of 49% of gold mining claims covering 1,895 acres in Northern Ontario, embodied in seven leases granted by the Ministry of Natural Resources totaling 56 claims. One of these leases is set to expire in 2023, three in 2025, one in 2026 and two in 2027. Each of these leases contain a 21 year renewal clause at the option of Ministry of Natural Resources. Management is of the opinion that such renewals will be offered, and they intend to act on these renewal clauses.
- (b) The Company is committed to a royalty payment in the amount of \$100,000, payable 10 days after the end of the third calendar month in which production occurs from the claims. The Company is also committed to a royalty payment of \$1 per ton of ore removed from designated claims registered against the property.
- (c) On November 12, 2015, Northern Sphere Mining Corp. ("Northern"), a Canadian public company that trades under NSM on the CSE, entered into a joint venture agreement ("JV-Scadding") with Trueclaim. JV-Scadding stipulates that Northern shall control all recovery operations on the Scadding Property for the benefit of Trueclaim and Northern. Currie Rose still retains a 49% interest in the property, is not be obligated to make any further financial contributions to the joint venture once entered into and its interest will be a carried interest. In the event that the property goes into commercial production, JV-Scadding can increase its interest in the property from 51% to 100% by making a payment of \$2,000,000 to the Company and entering into a royalty agreement for a 3% net smelter return ("NSR") to the Company.

(2) Rossland Project, British Columbia, Canada

- (a) On April 13, 2018, the Company announced it had secured two option agreements over the Rossland Project (the "Rossland Project"), which together cover approximately 2,000 hectares of the Rossland mining camp that produced more than 2.7 million ounces of gold, 3.5 million ounces of silver and 71 tonnes of copper between 1894 and 1941 and ranks as the third largest lode gold camp in British Columbia.
- (b) Under the terms of the agreements, which were approved by the TSX Venture Exchange on May 16, 2018, Currie Rose has the right to acquire 100% of the Rossland Project from two private companies ("option holders") via a 3-stage, 4-year option, as follows:
 - (c) (i) **Stage 1: 1-12 months**
Upfront payment of \$50,000 and issuance of 1,000,000 Currie Rose shares to each of the option holders (*see note 7(b)*);
Minimum expenditure of \$500,000 on each option agreement;
Investment by Currie Rose beyond the first year will be contingent on positive results.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

6. RESOURCE PROPERTIES, CONTINUED

(2) Rossland Project, British Columbia, Canada, continued

(ii) **Stage 2: 13-24 months**

Payment of \$75,000 and issuance of 1,500,000 Currie Rose shares to each of the option holders;

Minimum expenditure of \$750,000 on each option agreement.

(iii) **Stage 3: 25-48 months**

Funding and completing a feasibility study - one study to apply to both option holders;

Payment of \$100,000 and issuance 2,000,000 Currie Rose shares on the 3rd anniversary (to each of the option holders);

Payment of \$100,000 and issuance of 2,000,000 Currie Rose shares on the 4th anniversary (to each of the option holders).

- (d) On completion of the feasibility study or the payment obligations, the Company will own 100% of the project and will grant separately, to each option holder, a 2% NSR with Currie Rose having an option to purchase from each option holder one-half (1%) of the NSR for payment of \$1,000,000.
- (e) On May 17, 2018, the Company received approval from the TSX Venture Exchange of the Rossland Project acquisition and the issuance of the 1,000,000 common shares to each of the two option holders, or collectively 2,000,000 common shares (*see note 7(b)*). The Exchange has accepted all filing documentation including a National Instrument 43-101 Technical Report (the "Technical Report") on the Rossland Project relating to the Company's first option agreement for the acquisition of 100% of the GNB property and second option agreement for the acquisition of 100% of the COE property. The GNB property and the COE properties together comprise the Rossland Project.
- (f) On June 13, 2018, the Company entered into a Purchase and Sale Agreement (the "Agreement") to acquire a 100% interest in the "Golden 8 Claim" which adjoins the south western boundary of the recently optioned Rossland Project. The Golden 8 Claim covers 296.5 hectares of the highly prospective Rossland "South Belt" and increases the coverage of Company's Rossland Project (part of the Rossland Mining Camp) to approximately 2,230 hectares.

Under the terms of the Agreement, Currie Rose exercised its right to acquire 100% of the Golden 8 Claim from a private vendor via cash payments made as follows: (i) \$16,000 on execution of the Agreement, and (ii) \$16,000 made in September, 2018.

The vendor retains a 2% NSR, while the Company has a right of repurchase of one half of the NSR (1%) by paying the vendor \$1 million.

CURRIE ROSE RESOURCES INC.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

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6. RESOURCE PROPERTIES, CONTINUED

(2) Rossland Project, British Columbia, Canada, continued

- (g) As of September 30, 2018, the Company had incurred acquisition costs of \$286,889 on the two options and exploration and development costs totalling \$184,374 on the Rossland project.

7. SHARE CAPITAL

Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the unaudited interim condensed consolidated statements of changes in shareholders' equity for the period from January 1, 2017 to September 30, 2018. Descriptions of the changes in each component are as follows:

(a) Share consolidation

On August 23, 2017, the Company completed a consolidation of its common shares to meet the financing requirements of the TSX Venture Exchange on the basis of one post-consolidation share for each two and a half pre-consolidation shares. The Company previously had 35,701,309 pre-consolidation common shares issued and outstanding. Following the share consolidation (but prior to the 2017 Q3 private placement), there were 35,701,309 post-consolidation common shares issued and outstanding.

(b) Common shares issued re Rossland Project acquisition

As a result of TSX-V approval of the Rossland acquisition on May 17, 2018 (*see note 6(2)(f)*), the Company issued 1,000,000 common shares to each of the two option vendors, or 2,000,000 common shares in total, as additional purchase consideration (*see note 6(2)(c)(i)*). These 2,000,000 common shares have been recorded at an assigned value of \$154,000, based on the average closing price of \$0.077 per share over the period 5 days either side of May 17, 2018.

(c) Private placement

- (i) On August 14, 2018, the Company announced a private placement of 10,000,000 units at a price of \$0.05 each for gross proceeds of \$500,000, with each unit comprised of one common share and one half-share purchase warrant. Under the offering, the Company issued a total of 10,000,000 common shares and 5,000,000 warrants. The securities will be subject to hold periods in accordance with requisite securities laws. The exercise price of the warrants will be \$0.10 per warrant, with an expiry date of October 17, 2020. Proceeds from this offering will be used for work on the Company's Rossland project and general working capital. This financing has received preliminary approval from the TSX Venture Exchange on July 11, 2018.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

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7. SHARE CAPITAL, CONTINUED

(ii) None of gross proceeds were allocated to warrants using the residual method of valuation, as the unit price was not in excess of the trading price of the common shares on the closing date.

(iii) A finder's fee was paid to an arms length finder through the issuance of a further 500,000 units for a total value of \$25,000. Other share issue costs of \$2,765 were incurred in conjunction with the private placement.

(d) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. After giving retroactive effect to the share consolidation described above, the weighted average number of common shares outstanding for the three and nine months ended September 30, 2018 were 33,295,133 and 28,735,032 respectively (three and nine months ended September 30, 2017 were 14,280,522 and 14,280,522 respectively).

8. STOCK OPTIONS

The Company has a stock option plan which allows for the granting of stock options to directors, officers, employees and consultants as additional compensation for services rendered, with such options generally being exercisable over a five year period. The options are generally required to have an exercise price no less than the market price prevailing on the day the option is granted. TSX Venture Exchange has accepted for filing the Company's stock option plan which was approved by the Company's shareholders at the Annual General Meeting held on June 14, 2018. The plan has been converted to a rolling plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan from a previous fixed maximum, after giving effect to the share consolidation described in note 7(a), of 2,856,010 (pre-consolidation - 7,140,026).

The options granted for periods of greater than eighteen months under the plan vest at a rate of 25% upon regulatory approval and 25% every six months thereafter unless otherwise specified. The options granted for periods less than eighteen months vest immediately. Upon change in control, as defined by the Income Tax Act, all outstanding options immediately become vested.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

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(Unaudited - Prepared by Management)

8. STOCK OPTIONS, continued

Stock option activity for the period from January 1, 2017 to September 30, 2018 was as follows:

	Nine months ended September 30, 2018		Year ended December 31, 2017	
	Options	Weighted -average exercise price (\$)	Options	Weighted- average exercise price (\$)
Outstanding, beginning of period	1,820,000	0.125	6,150,000	0.050
Expired in 2018 Q3	(700,000)	-	-	-
Effect of share consolidation on August 23, 2017 (see note 7(a))	-	0.125	(3,690,000)	0.125
Cancelled in 2017 Q3 (see note 8(a))	-	0.125	(640,000)	0.125
Outstanding, end of period	<u>1,120,000</u>	<u>0.125</u>	<u>1,820,000</u>	<u>0.125</u>

As at September 30, 2018, the issued and outstanding options to acquire common shares of the Company are as follows:

Grant date	Number of options		Exercise price (\$)	Remaining life	Expiry date
	Granted	Exercisable			
September 14, 2010	80,000	80,000	0.125	2.0	September 14, 2020
June 13, 2012	460,000	460,000	0.125	3.8	June 13, 2022
April 30, 2015	120,000	120,000	0.125	1.6	April 30, 2020
May 26, 2016	120,000	120,000	0.125	2.1	October 27, 2020
May 26, 2016	<u>340,000</u>	<u>340,000</u>	0.125	7.7	May 26, 2026
	<u>1,120,000</u>	<u>1,120,000</u>	0.125	4.7	

The details of the changes in the options during the reporting period are as follows:

- (a) In 2017 Q1, 640,000 previously issued options were cancelled upon the option holder leaving the company, such that previously recognized share based payments of \$98,302 was transferred to contributed surplus. In 2018 Q3, a further 700,000 previously issued options expired unexercised such that further previously recognized share based payments of \$72,991 was transferred to contributed surplus.

CURRIE ROSE RESOURCES INC.

(An Exploration Stage Enterprise)

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

8. STOCK OPTIONS, continued

- (b) Total share based payments of \$Nil was recognized during the nine month period ended September 30, 2018 (2017 - \$4,804) based on accrual of previously granted options expected to vest in the reporting period.

9. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel and directors compensation:

During the nine month periods ended September 30, 2018 and 2017, the Company had the following related party transactions, including (i) compensation of key current and/or former management personnel and directors, and (ii) transactions with entities related to or controlled by officers and/or directors, as follows:

	2018	2017
Professional fees	\$ -	\$ 12,255
Management fees	144,000	46,800
Share based payments	-	4,804
Consulting fees	-	73,500
Office and general	-	6,000
Occupancy costs	-	3,000
Interest	-	9,357

- (a) Accounts payable and accrued liabilities as at September 30, 2018 includes \$99,969 (December 31, 2017 - \$69,845) with respect to balances owing to related parties for the transactions disclosed above. Up to June 30, 2017, the Company was party to management agreements with an entity controlled by the former president for a total of \$3,000 per month (comprised of \$500 for office and equipment rental, \$1,000 for secretarial services and \$1,500 for management services). \$61,430 was paid against these obligations in June 2017. These agreements were effectively terminated as of June 30, 2017 with no penalty or obligation to the Company and replaced with new agreements as detailed below.
- (b) Management fees paid during the nine month period ended September 30, 2018 consist of \$90,000 paid to an entity controlled by the CEO (for his services as CEO) (*see note 9(b)(i)*) and \$54,000 paid to an entity related to a recently appointed director (*see note 9(b)(ii)*):
- (i) Effective July 1, 2017, the CEO entered into a revised contract for management services at a rate of \$10,000 per month compared to the prior rate of \$2,200 per month. The contract is for a 2 year term expiring on June 30, 2019, automatically renewing for a further 3 years upon expiry (unless terminated previously).

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

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(Unaudited - Prepared by Management)

9. KEY MANAGEMENT COMPENSATION, RELATED PARTY TRANSACTIONS AND BALANCES, continued

- (ii) On July 1, 2017, the Company entered into a new contract for management and administrative services that replaced the pre-existing management services agreement described above. The contract is billed on a monthly basis at a rate of \$6,000 and includes the services of the CFO and corporate secretary, office rent and regular administrative functions. The contract, with a company related to a recently appointed director, has a three-month notice period and renews annually.
- (c) The consulting fees paid in 2017 were charged by two directors: \$36,000 for capital market services and \$37,500 for project identification and analysis.

10. COMMITMENTS

In addition to the related party commitments described in note 9, the Company is committed to two new premises leases related to its Rossland BC resource property as follows:

- (a) a residential lease for use by out-of-town staff at a monthly rate of \$900 for a period of twelve months commencing September 1, 2018, with a lessee option to renew for a further twelve months at a monthly rate subject to a maximum increase of 10%;
- (b) an office lease at a monthly rate of \$1,000 for a period of twelve months commencing November 1, 2018, with a lessee option to renew for the rate and term subject to negotiation.

11. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value of financial instruments

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short-term or demand nature of these balances.

(a) Credit risk

The Company's credit risk is attributable to accounts receivable, which is comprised of refundable HST ITC's and share subscriptions receivable. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

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NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(Stated in \$CAD)

(Unaudited - Prepared by Management)

11. FINANCIAL INSTRUMENTS AND RISK FACTORS, continued

(b) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital. The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period. However, as at September 30, 2018, the Company believes the exposure to liquidity risk is significant although it holds no arms-length financial liabilities, other than current accounts payable and accrued expenses, that are not adequately covered through working capital and it has no funding commitments that are not at its discretion.