RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)

(Expressed in Canadian Dollars)

Condensed Interim Consolidated Financial Statements

June 30, 2018

(Unaudited)

Index

Notice of non-review of condensed interim consolidated financial statements

The attached condensed interim consolidated financial statements for the nine month period ended June 30, 2018 have not been reviewed by the Company's auditors.

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Financial Position as at
(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2018	September 30, 2017
Assets			
Current assets:			
Cash and cash equivalents	14	$ 2,668,799	$ 3,918,999
Short-term investments	5	809,629	1,105,292
Receivables	6	459,528	457,511
Prepaid expenses	7	62,029	72,770
		4,019,985	5,554,572
Deposit		-	25,525
Equipment	8	50,457	86,104
Exploration and evaluation assets	9	5,243,590	4,403,658
		$ 9,314,032	$ 10,069,859
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	$ 73,090	$ 181,576
Shareholders' equity:			
Capital stock	11	24,590,428	24,472,028
Reserves	11	3,204,782	3,046,457
Deficit		(17,206,377)	(16,454,461)
Accumulated other comprehensive loss		(1,347,891)	(1,175,741)
		9,240,942	9,888,283
		$ 9,314,032	$ 10,069,859

Nature and continuance of operations (Note 1)
Commitment and contingency (Note 17)
Subsequent event (Note 18)

On behalf of the Board on August 29, 2018

"Walter Henry" Director — Water Henry

"Carol Ellis" Director — Carol Ellis

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	3 Months Ended June 30, 2018	3 Months Ended June 30, 2017	9 Months Ended June 30, 2018	9 Months Ended June 30, 2017
Expenses					
Consulting fees		$ 78,441	$ 57,164	$ 230,306	$ 110,539
Depreciation	8	5,738	6,547	33,740	17,928
Director fees		12,000	12,000	36,000	41,000
Filing fees		19,876	2,983	46,305	36,770
Foreign exchange (gain) loss		(46,668)	83,036	(107,017)	31,214
Investor relations		33,355	50,135	143,005	168,800
Office expenses		(1,260)	17,406	34,169	47,413
Payroll and benefits		745	798	2,183	3,633
Professional fees		33,848	33,858	89,066	106,800
Property investigation and evaluation		(1,810)	25,824	30,210	124,210
Rent		19,670	38,656	106,320	117,694
Share-based payments	11	46,609	87,075	158,325	234,177
Travel and meals		(18)	423	4,875	9,090
Finance income		(6,295)	(343)	(20,082)	(3,757)
Other expenses (income)		(9,437)	(19,029)	(25,618)	(69,885)
Write-down of exploration and evaluation assets		46,116	-	62,052	-
Realized (gain) loss on short-term investments		178,171	(59,655)	52,913	(97,768)
Recovery on exploration and evaluation assets		(67,839)	-	(124,833)	-
Net income (loss) for the period		(341,242)	(336,878)	(751,919)	(877,858)
Foreign exchange movements		(405,988)	1,944	(172,150)	210,050
Comprehensive income (loss) for the period		(747,230)	(334,934)	(924,069)	(667,808)
Earnings (loss) per share – basic and diluted		$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted		44,556,566	44,067,445	44,429,753	40,031,073

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

RIVERSIDE RESOURCES INC.

(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Cash Flows for the Nine Months Ended June 30,
(Unaudited - Expressed in Canadian Dollars)

	Note	2018	2017
OPERATING ACTIVITIES			
Net loss for the period		$ (751,919)	$ (877,858)
Items not involving cash			
Depreciation	8	33,740	17,928
Performance bonus shares	11	64,400	24,475
Share-based payments	11	158,325	234,177
Share issued for mineral property	9	54,000	-
Write-down of exploration and evaluation assets	9	62,052	(97,768)
Realized gain on short-term investments		52,913	-
Recovery on exploration and evaluation assets		(124,833)	-
Change in non-cash working capital items:			
Prepaid expenses		10,741	(13,685)
Receivables		(2,017)	(206,587)
Accounts payable and accrued liabilities		(16,116)	(47,351)
		(458,714)	(966,669)
INVESTING ACTIVITIES			
Purchase of equipment	8	-	(37,909)
Exploration advances – accounts payable and accrued liabilities		32,463	(219,209)
Exploration and evaluation assets		(901,984)	(1,415,923)
Deposit		25,525	-
Short-term investments		242,750	650,000
		(601,246)	(1,023,041)
FINANCING ACTIVITIES			
Proceeds from share issuance, net of issuance costs	11	-	3,342,531
Proceeds from stock options exercising	11	-	22,100
		-	3,364,631
Effect of foreign exchange on cash and cash equivalents		(170,240)	(106,713)
Increase in cash and cash equivalents		(1,230,200)	1,268,208
Cash and cash equivalents, beginning of the period		3,918,999	3,690,714
Cash and cash equivalents, end of the period		$ 2,688,799	$ 4,958,922

Supplemental disclosures with respect to cash flows (Note 14)

The accompanying notes are an integral part of these condensed interim consolidated financial statement

RIVERSIDE RESOURCES INC.
(An Exploration Stage Enterprise)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Note	Capital Stock Shares	Capital Stock Amount	Reserves	Deficit	Accumulated other comprehensive loss	Total
Balance at September 30, 2016		37,409,778	$ 20,980,091	$ 2,780,005	$ (15,770,270)	$ (1,083,353)	$ 6,906,473
Issued for:							
Stock option exercise	11	105,000	32,931	(10,831)	-	-	22,100
Performance bonus shares	11	55,000	24,475	-	-	-	24,475
Private placement	11	6,257,367	3,441,552	-	-	-	3,441,552
Shares issued for finder's fee	11	152,168	83,692	-	-	-	83,692
Share issuance costs		-	(182,713)	-	-	-	(182,713)
Share issued for mineral property	9	200,000	92,000	-	-	-	92,000
Share-based payments	11	-	-	234,177	-	-	234,177
Loss for the period		-	-	-	(877,858)	-	(877,858)
Foreign exchange movements		-	-	-	-	210,050	210,050
Balance at June 30, 2017		44,179,313	24,472,028	3,003,351	(16,648,128)	(873,303)	9,953,948
Balance at September 30, 2017		44,179,313	24,472,028	3,046,457	(16,454,461)	(1,175,741)	9,888,283
Issued for:							
Performance bonus shares	11	230,000	64,400	-	-	-	64,400
Share issued for mineral property	9	200,000	54,000	-	-	-	54,000
Share-based payments	11	-	-	158,325	-	-	158,325
Loss for the period		-	-	-	(751,916)	-	(751,916)
Foreign exchange movements		-	-	-	-	(172,150)	(172,150)
Balance at June 30, 2018		44,609,313	$ 24,590,428	$ 3,204,782	$ (17,206,377)	$ (1,347,891)	$ 9,240,942

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

1. Nature and continuance of operations

Riverside Resources Inc. (the "Company") is a mineral exploration and evaluation company operating as a prospect generator listed on the TSX Venture Exchange under the symbol "RRI" and is engaged in the acquisition, exploration and evaluation of exploration and evaluation assets in the Americas including Canada, the United States and Mexico.

The Company's head office address is 550 – 800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company's registered and records office address is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7.

The Company's ability to continue operations is uncertain and is dependent upon the ability of the Company to obtain necessary financing to meet the Company's liabilities and commitments as they become payable, acquiring assets or a business, and the ability to generate future profitable production or operations or sufficient proceeds from the disposition thereof. The outcome of these matters cannot be predicted at this time. The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for interim information, specifically International Accounting Standards ("IAS") 34 - *Interim Financial Reporting*. In addition, the condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2017. In management's opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended September 30, 2018.

2. Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments as fair value through profit and loss or available for sale, which are stated at their fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS 34"), "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these interim financial statements comply with International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

(Unaudited - Expressed in Canadian Dollars)

4. Significant accounting policies

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Riverside Resources Mexico, S.A. de C.V.	Mexico	100%	Mineral exploration
RRM Exploracion, S.A.P.I. de C.V.	Mexico	100%	Mineral exploration
RRI Exploration Inc.	United States	100%	Mineral exploration
RRI Holdings Limited	Canada	100%	Holding company
Riverside Resources (BC) Inc.	Canada	100%	Mineral exploration

New and revised standards and interpretations

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended September 30, 2017, except for the adoption, on January 1, 2018, of IFRS 9, *Financial Instruments: Classification and Measurement* ("IFRS 9"), which has an initial application as at this date.

IFRS 9*, Financial Instruments* (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument -by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

(Unaudited - Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

New and revised standards and interpretations (continued)

IFRS 9*, Financial Instruments* (new; to replace IAS 39) (continued)

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non -current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Other receivables	Amortized cost
Marketable securities	FVTPL
Warrants	FVTPL
Trade payable and accrued liabilities	Amortized cost

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's financial statements and no restating of prior periods will be requried.

IFRS 15, **Revenue Recognition**

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* which supersedes IAS 11 – *Construction Contracts*; IAS 18 – *Revenue*; IFRIC 13 – *Customer Loyalty Programmes*; IFRIC 15 – *Agreements for the Construction of Real Estate*; IFRIC 18 – *Transfers of Assets from Customers*; and SIC 31 – *Revenue – Barter Transactions involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company expects the new standard will not have a material impact as the Company's mineral properties will not be in commercial production prior to the effective date. The Company will adopt IFRS 15 upon achieving future commercial production for its mineral properties.

(Unaudited - Expressed in Canadian Dollars)

4. Significant accounting policies (continued)

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 16, Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

5. Short-term investments

Short-term investments include marketable securities received as a result of property option agreements. Marketable securities comprise common shares in publicly traded and private companies as follows:

	June 30, 2018			September 30, 2017		
	Number of shares	Cost	Fair market value	Number of shares	Cost	Fair market value
Arcus Development Group Inc.	29,000	$ 11,020	$ 1,450	29,000	$ 11,020	$ 3,915
Croesus Gold Corp.(1)	3,000,000	300,000	650,000	3,000,000	300,000	650,000
Guerrero Exploration Inc.	1,926,000	343,049	-	1,926,000	343,049	-
Viridium Pacific Group Ltd.(2)	-	-	-	242,350	763,030	130,995
E3 Metals Corp.(3)	55,087	160,667	18,179	55,087	160,667	20,382
Sierra Madre Developments Inc.(4)	12,503,218	1,103,791	-	12,503,218	1,103,791	-
Silver Viper Minerals Corp.	1,000,000	250,000	140,000	1,000,000	250,000	300,000
		$ 2,168,527	$ 809,629		$ 2,931,557	$ 1,105,292

(1) During the year ended September 30, 2017, the Company sold 3,000,000 shares of Croesus Gold Corp., a private company, for $650,000, which provided the basis of the fair value measurement of Croesus Gold Corp. shares as at September 30, 2017.

(2) Viridium Pacific Group Ltd. (formerly Morro Bay Resources Ltd.) had a 10:1 share consolidation on May 15, 2017 and a 3.603457:1 share consolidation on September 22, 2017. On April 2, 2018, the Company sold all 242,350 shares for net proceeds $242,750.

(3) E3 Metals Corp. was formerly named Savannah Gold Corp. and consolidated its common shares on the basis of five old shares for one new share on March 3, 2017.

(4) The Company holds approximately 23.2% of the issued and outstanding shares of Sierra Madre Developments Inc. ("Sierra Madre"). The presumption that the Company has significant influence by holding 20% or more of the voting power through its common share holdings in Sierra Madre is overcome due to the fact that the Company has no representation on the board of directors, and is not involved in policy-making processes, there is no interchange of managerial personnel, and there is no provision of essential technical information. As a result, the investment is carried on the statement of financial position at fair value with changes in fair value recognized in the profit or loss. The common shares of Sierra Madre are suspended from trading.

(Unaudited - Expressed in Canadian Dollars)

6. Receivables

Receivables mainly consist of tax refunds from the Federal Government of Canada and Mexico.

		June 30, 2018		September 30, 2017
GST recoverable amounts in Canada	$	13,257	$	20,794
IVA recoverable amounts in Mexico		423,633		413,407
Land taxes recovery in Mexico		22,638		23,310
	$	459,528	$	457,511

7. Prepaid expenses

The breakdown of prepaid expenses is as follows:

		June 30, 2018		September 30, 2017
Conferences and courses	$	22,834	$	19,394
Expense advances		21,907		29,696
Insurance		4,840		21,640
Rent		12,448		2,040
	$	62,029	$	72,770

(Unaudited - Expressed in Canadian Dollars)

8. Equipment

	Computer hardware	Exploration equipment	Furniture & fixtures	Vehicles	TOTAL
Cost					
Balance at September 30, 2016	$ 82,168	$ 124,963	$ 34,302	$ 92,308	$ 333,741
Additions	3,619	-	-	34,290	37,909
Disposals	-	-	(462)	-	(462)
Foreign exchange movement	168	1,394	281	1,801	3,644
Balance at September 30, 2017	$ 85,955	$ 126,357	$ 34,121	$ 128,399	$ 374,832
Disposals	-	-	-	16,169	16,169
Foreign exchange movement	(387)	(3,210)	(647)	(36,040)	(40,284)
Balance at June 30, 2018	**$ 85,568**	**$ 123,147**	**$ 33,474**	**$ 108,528**	**$ 350,717**
Accumulated depreciation					
Balance at September 30, 2016	$ (79,144)	$ (83,482)	$ (23,430)	$ (76,576)	$ (262,632)
Depreciation	(2,182)	(8,397)	(2,196)	(11,541)	(24,316)
Disposals	-	-	462	-	462
Foreign exchange movement	(155)	(960)	(187)	(940)	(2,242)
Balance at September 30, 2017	$ (81,481)	$ (92,839)	$ (25,351)	$ (89,057)	$ (288,728)
Depreciation	(1,508)	(4,950)	(1,298)	(9,773)	(17,529)
Foreign exchange movement	377	2,479	481	2,660	5,997
Balance at June 30, 2018	**$ (82,612)**	**$ (95,310)**	**$ (26,168)**	**$ (96,170)**	**$ (300,260)**
Net book value					
Balance at September 30, 2017	$ 4,474	$ 33,518	$ 8,770	$ 39,342	$ 86,104
Balance at June 30, 2018	**$ 2,956**	**$ 27,837**	**$ 7,306**	**$ 12,358**	**$ 50,457**

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets

For the period ended June 30, 2018

	Penoles Mexico	Tajitos Mexico	Clemente Mexico	La Silla Mexico	Glor Mexico	Australia Mexico	Thor Mexico	Ariel Mexico	Cecilia Mexico	Teco Mexico	Total
Acquisition costs	$ 64,447	$ 37,871	$ 38,258	$ 15,643	$ -	$ 835	$ 12,555	$ 2,440	$ 95,032	$ 6,117	$ 273,198
Exploration costs:											
Access	55	-	-	-	-	-	-	-	337	-	392
Assaying	-	-	-	2,943	-	-	-	-	-	-	2,943
Field & camp costs	11,759	1,933	100	9,692	-	-	-	735	7,762	2,553	34,534
Geological consulting	183,510	55,156	1,925	111,082	68,021	-	15,405	27,260	95,382	35,468	593,209
Transport & support	36,237	12,816	448	30,857	8,648	-	8,221	12,069	35,352	4,355	149,003
Total current exploration costs	231,561	69,905	2,473	154,574	76,669	-	23,626	40,064	138,833	42,376	780,081
Professional & other fees:											
Professional consulting	27,210	7,230	-	9,194	7,500	-	3,377	9,533	21,386	500	85,930
Legal fees	8,986	13,637	110	1,883	-	-	466	-	1,027	-	26,109
Others	1,000	747	-	621	34	-	299	795	922	-	4,418
Total current professional & other fees	37,196	21,614	110	11,698	7,534	-	4,142	10,328	23,335	500	116,457
Total costs incurred during the period	333,204	129,390	40,841	181,915	84,203	835	40,323	52,832	257,200	48,993	1,169,736
Balance, Opening	1,015,386	2,054,953	277,916	232,406	206,074	-	9,766	-	513,020	71,985	4,381,506
Recoveries	(205,363)	-	(87,663)	(5,000)	-	-	-	-	-	-	(298,026)
Foreign exchange movements	(103,460)	(42,647)	(8,660)	(3,363)	(1,538)	2	2,865	(56)	126,804	20,427	(9,626)
Balance, End of the period	$ 1,039,767	$ 2,141,696	$ 222,434	$ 405,958	$ 288,739	$ 837	$ 52,954	$ 52,776	$ 897,024	$ 141,405	$ 5,243,590
Cumulative costs:											
Acquisition	$ 3,900,101	$ 846,141	$ 236,175	$ 45,638	$ 52,203	$ 835	$ 12,555	$ 2,440	$ 223,991	$ 37,344	$ 5,357,423
Exploration	1,584,047	1,250,303	369,643	340,931	187,896	-	30,457	40,064	461,163	82,479	4,346,983
Professional & other fees	680,061	261,631	143,010	30,868	49,774	-	7,237	10,328	90,794	1,524	1,275,227
Recoveries	(4,524,400)	-	(482,136)	(5,000)	-	-	-	-	-	-	(5,011,536)
Foreign exchange movements	(600,042)	(216,379)	(44,258)	(6,479)	(1,134)	2	2,705	(56)	121,076	20,058	(724,507)
	$ 1,039,767	$ 2,141,696	$ 222,434	$ 405,958	$ 288,739	$ 837	$ 52,954	$ 52,776	$ 897,024	$ 141,405	$ 5,243,590

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

For the year ended September 30, 2017

	Penoles Mexico	Tajitos Mexico	Clemente Mexico	La Silla Mexico	Glor Mexico	Bacoachi Mexico	Thor Mexico	Cecilia Mexico	Teco Mexico	Flute Canada	Lennac Canada	Total
Acquisition costs	$ 377,817	$ 43,976	$ 92,838	$ 2,171	$ 34,598	$ -	$ -	$ 128,959	$ 31,227	$ -	$ -	$ 711,586
Exploration costs:												
Access	-	6,930	-	-	-	-	6,327	21,491	-	-	-	34,748
Assaying	938	5,704	575	1,543	-	-	-	13,938	-	-	-	22,698
Field & camp costs	28,818	25,009	76	5,050	-	-	-	20,729	13,965	-	-	93,647
Geological consulting	188,232	206,907	14,200	79,848	62,253	1,061	504	212,730	12,702	3,600	7,350	789,387
Transport & support	58,840	63,071	1,262	24,263	18,122	-	-	53,442	13,436	-	-	232,436
Total current exploration costs	276,828	307,621	16,113	110,704	80,375	1,061	6,831	322,330	40,103	3,600	7,350	1,172,916
Professional & other fees:												
Professional consulting	95,709	23,388	24,500	12,571	33,000	-	3,095	55,585	1,024	-	-	248,872
Legal fees	10,611	22,874	11,967	-	-	-	-	8,853	-	-	-	54,305
Others	23,264	2,009	-	692	2,714	-	-	3,021	-	252	1,752	33,704
Total current professional & other fees	129,584	48,271	36,467	13,263	35,714	-	3,095	67,459	1,024	252	1,752	336,881
Total costs incurred during the year	784,229	399,868	145,418	126,138	150,687	1,061	9,926	518,748	72,354	3,852	9,102	2,221,383
Balance, Opening	186,761	1,639,659	499,535	106,188	54,526	5,071	-	-	-	2,825	157	2,494,722
Recoveries	-	-	(371,416)	-	-	-	-	-	-	-	-	(371,416)
Foreign exchange movements	44,396	15,426	4,379	80	861	84	(160)	(5,728)	(369)	-	-	58,969
Balance, End of the year	$ 1,015,386	$ 2,054,953	$ 277,916	$ 232,406	$ 206,074	$ 6,216	$ 9,766	$ 513,020	$ 71,985	$ 6,677	$ 9,259	$ 4,403,658
Cumulative costs:												
Acquisition	$ 3,835,654	$ 808,270	$ 197,917	$ 29,995	$ 52,203	$ 4,048	$ -	$ 128,959	$ 31,227	$ -	$ -	$ 5,088,273
Exploration	1,352,486	1,180,398	367,170	186,357	111,227	2,213	6,831	322,330	40,103	4,300	7,507	3,580,922
Professional & other fees	642,865	240,017	142,900	19,170	42,240	-	3,095	67,459	1,024	2,377	1,752	1,162,899
Recoveries	(4,319,037)	-	(394,473)	-	-	-	-	-	-	-	-	(4,713,510)
Foreign exchange movements	(496,582)	(173,732)	(35,598)	(3,116)	404	(45)	(160)	(5,728)	(369)	-	-	(714,926)
	$ 1,015,386	$ 2,054,953	$ 277,916	$ 232,406	$ 206,074	$ 6,216	$ 9,766	$ 513,020	$ 71,985	$ 6,677	$ 9,259	$ 4,403,658

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

Title to exploration and evaluation asset interests 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 claims. The Company has investigated title to all of its exploration and evaluation asset interests and, to the best of its knowledge, title to all of its interests are in good standing. The exploration and evaluation asset interests in which the Company has committed to earn an interest are located in Mexico, the United States, and Canada.

The terms and commitments of the Company with respect to its exploration and evaluation assets are subject to change if and when the Company and its partners mutually agree to new terms and conditions.

(a) Peñoles, Durango, Mexico

The Company owns 100% of the Peñoles Property, a gold-silver project, subject to a 2% NSR payable to the underlying concession holder.

During the years ended September 30, 2015 and 2014, the Company entered into an agreement to option a proportionate interest in the project to Morro Bay Resources Ltd. ("Morro Bay") which was successfully exercised by Morro Bay who earned a 51% interest in the Property, subject to certain future work commitments.

Per the terms of the option agreement, as of May 1, 2016, Morro Bay had failed to meet the minimum required annual exploration expenditures of $750,000. As a result, on June 13, 2016, the Company elected to take back 100% ownership of the Project by returning 80% of the Morro Bay shares received over the course of the option agreement, being a total of 20,108,108 Morro Bay shares with a fair value of $201,081, recorded within acquisition costs (received during the year ended September 30, 2017). At no time while owning Morro Bay shares, was the Company considered to have significant influence over Morro Bay.

(b) Tajitos, Sonora, Mexico

The Company has a 100% interest in the Tajitos Property, a gold project.

(c) Clemente, Sonora, Mexico

On December 2, 2016, the Company entered into an option agreement with Silver Viper Minerals Corp. ("Silver Viper") whereby Silver Viper could acquire a 100% interest in the Clemente Property, a silver-gold project, by paying $796,500 in cash, issuing 2,000,000 common shares, and incurring exploration expenditures of $4,000,000 over five years as follows:

Due Date	**Cash**	**Common shares**	**Cumulative exploration expenditures**
August 23, 2016 (signing of LOI)	$ 15,000 (received)	-	-
December 2, 2016	$ 71,500 (received)	1,000,000 (received)	-
December 2, 2017	$ 50,000 (received)[(1)]	-	$ 350,000 (incurred)
December 2, 2018	$ 75,000	-	$ 850,000
December 2, 2019	$ 100,000	-	$ 1,600,000
December 2, 2020	$ 150,000	250,000	$ 2,600,000
December 2, 2021	$ 335,000	750,000	$ 4,000,000

[(1)] Option payments were received on December 4, 2017

On February 2, 2018, the Company received $38,277 in cash from Silver Viper for reimbursement of Clemente mining taxes from January to September 2018.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

(d) La Silla, Sinaloa, Mexico

In October 2015, the Company acquired two mining concessions in the La Silla gold-silver district in Sinaloa through a lottery process.

On May 30, 2018, the Company entered into an option agreement with Sinaloa Resources Corp. ("Sinaloa") whereby Sinaloa could acquire a 70% interest in the La Silla Property, a silver-gold project, by paying $60,000 in cash, issuing $1,000,000 value of common shares, and incurring exploration expenditures of $2,000,000 over three-year period as follows:

Due Date	Cash	Value of Common shares	Cumulative exploration expenditures
May 30, 2018 (signing of LOI)	$ 25,000 (received)	-	-
Upon execution of the Definitive agreement	$ 35,000	$100,000	-
12 months from the date of Definitive agreement	-	$100,000	$ 300,000
24 months from the date of Definitive agreement	-	$100,000	$ 700,000
36 months from the date of Definitive agreement	-	$700,000	$ 1,000,000

(1) Option payments were received on July 31, 2018

To earn an additional 30%, Sinaloa must incur a further exploration expenditure of $1,000,000 and issue $500,000 value of common shares. The Company will retain a 2.5% NSR on the project should Sinaloa complete 100% earn-in or the Company's interest dilutes to less than 10%.

(e) Glor, Sonora, Mexico

In April 2016, the Company assumed an option agreement with Argonaut Gold Inc. ("Argonaut") to acquire 100% interest in the Glor Gold Project subject to a 1.0% NSR to Argonaut by paying US$100,000 in cash and US$62,500 in cash or shares at the Company's election, and incurring US$2,500,000 in exploration expenditures over a five-year period as follows:

Due Date	Cash (USD)	Common shares (USD)	Cumulative exploration expenditures (USD)
November 24, 2014	$ 12,500 (paid)	-	-
November 24, 2015	-	-	$ 125,000 (incurred)
November 24, 2016	$ 25,000 (paid)	-	$ 425,000 (incurred)
November 24, 2017	-	-	$ 925,000 (incurred)
November 24, 2018	$ 12,500	$12,500 (cash or shares)	-
November 24, 2019	$ 50,000	$50,000 (cash or shares)	$ 2,500,000

The Company can reduce the NSR to 0.5% at any time by paying $1,250,000 to Argonaut. No acquisition costs are capitalized as they were paid through the exploration alliance before the Company assumed the interest.

On July 25, 2016, the Company entered into an option agreement with Minera Centerra S.A. de C.V. ("Minera Centerra") whereby Minera Centerra can acquire a 70% interest in the Company's Glor Project by funding USD $3,500,000 in aggregate exploration expenditures due by November 24, 2020.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

(e) Glor, Sonora, Mexico (cont'd…)

Subsequent to the quarter ended June 30, 2018, the Company and Minera Centerra decided not to continue with further exploration at the project. Therefore, the company has also terminated the underlying option agreement with Argonaut and $288,739 in historical capitalized costs associated with this project have been written off.

(f) Bacoachi, Sonora, Mexico

On July 22, 2016, the Company staked and acquired a 100% exploration concession interest in the Bacoachi Property. The Property is in northeastern Sonora, Mexico.

During the nine months ended June 30, 2018, the company terminated the option with the underly concession holder and has not further obligation with respect to the project. There were $62,052 historical capitalized costs associated with this project have been wrote off.

(g) Thor Project under Antofagasta Exploration Alliance, Sonora, Mexico

Thor is a porphyry copper project, located in Sonora, Mexico. Antofagasta Investment Company Limited ("Antofagasta") agreed to fund up to US $500,000 for a phase I exploration program on the project. Management fees are earned on exploration programs where the Company acts as the operator. During the year ended September 30, 2017, $54,773 (2016 - $48,652) of management fees were earned in relation to the Thor Project and recorded as a reduction in consulting fees.

On June 1, 2017, Antofagasta elected not to complete the $5,000,000 in exploration expenditures required to earn a 65% interest in the Thor Project. As a result, the Company regained a 100% interest in the Thor Copper Project.

(h) Cecilia, Sonora, Mexico

In January 2017, the Company signed letter agreements with Gunpoint Exploration Ltd. ("Gunpoint") and Millrock Resources Inc. ("Millrock") to acquire three La Cecilia Margarita concessions owned by Gunpoint, and to acquire the Violeta concession owned by Millrock into a unified Cecilia Gold Project. The Company could acquire a 100% interest in the La Cecilia Margarita concessions from Gunpoint with the following terms:

Due Date	Cash	Common Shares
Upon signing of letter agreement (January 31, 2017)	$ 10,000 (paid)	-
Upon signing of Mexican agreement (April 24, 2017)	$ 15,000 (paid)	100,000 (issued, fair value: $46,000)
April 24, 2018	$ 25,000 (paid)	200,000 ((issued, fair value: $54,000)
April 24, 2019	$ 75,000	300,000
April 24, 2020	$ 125,000	400,000

In addition to the payments made to Gunpoint above, the Company acquired a 100% interest in the Violeta concession from Millrock during the year ended September 30, 2017 by paying $10,000 and issuing 100,000 common shares with a fair value of $46,000 to Millrock upon completion of property title transfer, subject to 0.5% NSR.

(i) Teco, Sonora, Mexico

Teco Project is made up of two concessions: Teco and Suaqui Grande. The Company acquired a 100% interest in the Suaqui Grande concession on March 24, 2017.

(Unaudited - Expressed in Canadian Dollars)

9. Exploration and evaluation assets (cont'd…)

(g) Australia, Sonora, Mexico

Australia Project is made up of two concessions: Sandy and Sandy 2. The Company acquired a 100% interest in the Sandy concession on February 28, 2018.

(k) Antofagasta Exploration Alliance, British Columbia, Canada

Flute and Lennac Projects

The Company assumed the interest in the Flute and Lennac copper-gold Projects when the historical Strategic Exploration Alliance ("SEA") with Antofagasta Minerals S.A. ("AMSA") expired. No acquisition costs were capitalized as they were paid through the exploration alliance before the Company assumed the interest.

During the nine months ended June 30, 2018, the Company terminated the option with the underlying concession holder and has not further obligation with respect to Flute and Lennac projects. There were $15,963 historical capitalized costs associated with these projects have been wrote off during the period.

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of payables to vendors and exploration advances from alliance partners. The breakdowns of accounts payable and accrued liabilities are as follows:

	June 30, 2018	September 30, 2017
Payables to vendors	$ 75,827	$ 91,943
Exploration advances	(2,737)	89,633
	$ 73,090	$ 181,576

(Unaudited - Expressed in Canadian Dollars)

11. Capital stock and reserves

The authorized capital stock of the Company consists of an unlimited number of common and preferred voting shares without nominal or par value.

Issued and outstanding

Shares issued for the nine months ended June 30, 2018

(a) On November 3, 2017, the Company issued 230,000 bonus shares at fair value of $64,400 to certain executive officers and consultants of the Company in accordance with the Company's shareholder approved bonus share plan.

(b) On April 24, 2018, the Company paid $25,000 in cash and issued 200,000 common shares with a fair market value $54,000 to Gunpoint in accordance with the letter agreements for the Cecilia property (Note 9 (h)).

Shares issued for the year ended September 30, 2017

(a) On January 30, 2017, 105,000 options were exercised for gross proceeds of $22,100.

(b) On January 30, 2017, the Company issued 55,000 bonus shares at a fair value of $24,475 to certain executive officers and consultants of the Company in accordance with the Company's shareholder approved bonus share plan.

(c) On March 15, 2017, the Company completed a non-brokered private placement consisting of 6,257,367 units at a price of $0.55 per unit for gross proceeds of $3,441,552. As part of the financing, the Company issued 152,168 additional units as finders' fees with a fair value of $83,692 recorded as the share issuance costs, with 149,168 units issued on April 24, 2017. Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of $0.85 per share. The term of the warrants is subject to an accelerated exercise provision.

(d) On May 3, 2017, the Company issued 200,000 shares valued at $92,000 for the Cecilia Project (Note 9(h)).

Share purchase and finders' warrants

	Number of warrants	Weighted average exercise price
Outstanding warrants, September 30, 2017	3,204,767	$ 0.85
Issued	-	-
Outstanding warrants, June 30, 2018	3,204,767	$ 0.85

As at June 30, 2018, the following share purchase warrants were outstanding and exercisable:

Expiry date (mm/dd/yyyy)	Number of warrants outstanding	Weighted average remaining life in years	Exercise price
03/15/2019	3,130,183	0.71	$ 0.85
04/24/2019	74,584	0.82	$ 0.85
	3,204,767	0.71	$ 0.85

(Unaudited - Expressed in Canadian Dollars)

11. Capital stock and reserves (cont'd…)

Bonus share plan

The Company has a bonus share plan ("Bonus Plan") that enables the directors to approve the issuance of bonus shares to employees, officers, directors and consultants of the Company. The existing Bonus Plan which was approved during the year ended September 30, 2017, replaces the preceding plan, and the number of bonus shares that may be issued under the Bonus Plan is 400,000 common shares. During the nine months ended June 30, 2018, 230,000 (September 30, 2017 - 55,000) bonus shares were issued under this plan.

Stock options

The Company has established a rolling stock option plan ("Option Plan") enabling the directors to grant options to employees, officers, directors, and consultants of the Company. From time to time, shares may be reserved by the Board, in its discretion, for options under the Option Plan, provided that the total number of shares reserved for issuance by the Board shall not exceed 10% of the issued and outstanding listed shares (on a non-diluted basis) less that portion of the 400,000 that may be issued as bonus shares that have not been so issued as at the date of grant. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. All stock options issued are subject to vesting terms. Options issued to directors, vest in the amount of 33% every six months from the date of grant; and options issued to officers and/or consultants vest between 12 and 24 months depending on date of grant and nature of service. The exercise price of each option equals the market price, minimum price, or discounted market price of the Company's shares as calculated on the date of grant.

Share-based payments relating to options vested during the nine months ended June 30, 2018, using the Black-Scholes option pricing model was $158,325 (September 31, 2017 - $277,283), which was recorded as reserves on the statements of financial position and as share-based payment expense in profit or loss. The associated share-based payment expense for the options granted during the year was calculated based on the following weighted average assumptions:

	2018	2017
Forfeiture rate	4.67 %	4.67 %
Estimated risk-free rate	1.22 %	1.21 %
Expected volatility	81.12%	80.37 %
Estimated annual dividend yield	0.00 %	0.00 %
Expected life of options	5.00 years	5.00 years
Fair value per option granted	$ 0.28	$ 0.30

The number and weighted average exercise prices of the stock options are as follows:

	Number of options	**Weighted average exercise price**
Outstanding options, September 30, 2016	2,191,000	$ 0.32
Forfeited	(160,000)	$ 0.45
Exercised	(105,000)	$ 0.21
Granted	1,070,000	$ 0.42
Outstanding options, September 30, 2017	2,996,000	$ 0.36
Forfeited	(525,000)	$ 0.65
Granted	760,000	$ 0.28
Outstanding options, June 30, 2018	3,231,000	$ 0.22

(Unaudited - Expressed in Canadian Dollars)

11. Capital stock and reserves (cont'd…)

Stock options (cont'd…)

On November 3, 2017, the Company granted 760,000 incentive stock options (the "Options") to certain Directors, Officers and Consultants of the Company. The Options are exercisable at $0.28 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a Director vest in three equal installments over 18 months and Options granted to Officers and Consultants vest in four equal installments over 12 months.

On December 14, 2017, 525,000 stock options, expired unexercised.

As at June 30, 2018, the Company has outstanding stock options exercisable as follows:

Expiry date (mm/dd/yyyy)	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
11/14/2019	761,000	1.38	$ 0.27	761,000
01/07/2021	725,000	2.53	$ 0.15	725,000
12/16/2021	985,000	3.47	$ 0.42	885,000
11/03/2022	760,000	4.35	$ 0.28	395,000
	3,231,000	2.97		2,766,000

12. Related party transactions

The Company entered into the following transactions with related parties:

Payee	Nature of transactions	Period ending June 30	Fees ($)	Shares ($)	Amount payable at June 30 ($)
Arriva Management Inc.	Management and consulting fees (i)	2018 2017	166,770 193,800	Nil Nil	$7,220 Nil
GSBC Financial Management Inc.	Management and consulting fees (i)	2018 2017	72,000 147,503	Nil Nil	Nil Nil
Ronald Burk	Consulting fees (i)	2018 2017	90,892 149,374	Nil Nil	Nil Nil
English Bay Capital	Consulting fees (i)	2018 2017	22,750 121,500	Nil Nil	Nil Nil
Michael Doggett*	Director fees	2018 2017	Nil 5,000	Nil Nil	Nil Nil
Brian Groves	Director fees	2018 2017	9,000 9,000	Nil Nil	Nil Nil
James Clare	Director fees	2018 2017	9,000 9,000	Nil Nil	Nil Nil
Carol Ellis	Director fees	2018 2017	9,000 9,000	Nil Nil	Nil Nil
Walter Henry	Director fees	2018 2017	9,000 9,000	Nil Nil	Nil Nil

*Michael Doggett did not stand for re-election at the Company's AGM on March 2, 2017.

(Unaudited - Expressed in Canadian Dollars)

12. Related party transactions (cont'd…)

At June 30, 2018, the amount payable to a company controlled by an officer of the Company was $nil (September 31, 2017 - $541) for expense reimbursements.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of directors and key management personnel during the nine months ended June 30, 2018 and 2017 are as follows:

	2018	2017
Directors' fees	$ 36,000	$ 41,000
Management and consulting fees (i)	352,412	620,427
Performance bonus shares	63,000	20,025
Share-based payments	257,300	169,826
	$ 708,712	$ 851,278

(i) Management and consulting fees of the key management personnel for the period were allocated as follows: $81,000 (2017 - $123,500) expensed to consulting fees, $22,750 ($2017 - $20,000) expensed to investor relations, $248,662 (2017 - $417,288) capitalized to exploration and evaluation assets, $nil (2017 - $45,239) expensed to property investigation and evaluation, and $nil (2017 - $14,400) capitalized to exploration work performed for alliances that will be reimbursed.

13. Segmented information

The Company operates in one business segment, the exploration of exploration and evaluation assets and prospect generation. The Company's exploration activities are centralized whereby management of the Company is responsible for business results and the everyday decision-making. The Company's operations therefore are segmented on a geographic basis.

	June 30, 2018	September 30, 2017
Equipment		
Canada	$ 10,915	$ 13,737
Mexico	39,542	72,367
	50,457	86,104
Exploration and evaluation assets		
Canada	-	15,936
Mexico	5,243,590	4,387,722
	5,243,590	4,403,658
Total	$ 5,294,047	$ 4,489,762

(Unaudited - Expressed in Canadian Dollars)

14. Supplemental disclosure with respect to cash flows

	June 30, 2018	September 30, 2017
Cash	$ 1,568,609	$ 2,851,255
Cash equivalents	1,120,190	1,067,744
	2,688,799	3,918,999

The significant non-cash transactions for the nine months ended June 30, 2018 were as follows:

a) The Company issued 230,000 common shares at a value of $64,400 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.
b) Included in accounts payable was $nil (September 30, 2017 - $8,650) in exploration and evaluation asset expenditures.
c) The Company issued 200,000 shares valued at $54,000 for Cecilia Project (Note 9(h)).

The significant non-cash transactions for the year ended September 30, 2017 were as follows:

a) The Company issued 55,000 common shares at a value of $24,475 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.
b) Included in accounts payable was $8,650 (September 30, 2016 - $1,465) in exploration and evaluation asset expenditures.
c) The Company received 1,000,000 Silver Viper shares valued at $250,000 as exploration and evaluation asset recoveries (Note 9(c)).
d) The Company issued 200,000 shares valued at $92,000 for Cecilia Project (Note 9(h)).

e) The Company issued 55,000 common shares at a value of $24,475 to certain executive officers and consultants in accordance with the Company's bonus share plan. The amount was capitalized to exploration and evaluation assets.
f) Included in accounts payable was $8,650 (September 30, 2016 - $1,465) in exploration and evaluation asset expenditures.
g) The Company issued 152,168 finders' units issued with a fair value of $83,692 as share issuance costs.

15. 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 exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. 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 properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

16. Financial instruments

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the statements of financial position. The fair value of the Company's other financial instruments, cash and cash equivalents and short-term investments, under the fair value hierarchy are based on level 1 quoted prices in active markets for identical assets and liabilities.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's cash and cash equivalents are held with major financial institutions in Canada and Mexico which management believes the risk of loss to be remote. Receivables consist of tax refunds from the Federal Government of Canada and Mexico, in which regular collection occurs, and land tax recovery. The Company believes its credit risk is equal to the carrying value of this balance.

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 and cash equivalents of $2,688,799 to settle current liabilities of $73,090. The Company believes it has sufficient funds to meet its current liabilities as they become due.

Interest rate risk

The Company has interest-bearing cash balances. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of June 30, 2018, the Company had investments in short-term deposit certificates of $809,629.

16. Financial instruments (cont'd…)

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 profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company currently maintains short-term investments, which include marketable securities (Note 5). There can be no assurance that the Company can exit these positions if required, resulting in proceeds approximating the carrying value of these securities.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, and accounts payable and accrued liabilities that are denominated in US dollars (US) and Mexican pesos.

Sensitivity analysis

The Company operates in Mexico and is exposed to risk from changes in the US dollar and the Mexican peso. A simultaneous 10% fluctuation in the US dollar and Mexican peso against the Canadian dollar would affect accumulated other comprehensive loss for the year by $481,891.

The Company holds marketable securities and is exposed to risk from changes in the share price of the marketable securities. A simultaneous 15% fluctuation in share prices would affect short-term investments and profit or loss for the year by approximately $121,444.

17. Contingency

During the nine months ended June 30, 2018, the Company initiated a lawsuit against the Government of Mexico, regarding an assessment made by the Mexican tax authorities that deemed funds provided by the Company to its wholly-owned subsidiary Riverside Resources Mexico S.A. de C.V. in previous fiscal year to be income. The position of the Mexican tax authority is that there are income taxes and value added taxes payable in that year. The Company believes this position is completely without merit. The Company has not accrued any amount associated with the position of the Mexican tax authority as its subsidiary has approximately 10 years of unused tax losses and it is unclear what the tax payable position would be, if any, in the event the proceedings are concluded against the Company's favor.

18. Subsequent event

Subsequent to the quarter ended June 30, 2018, Silver Viper provided the Company with notice that it had elected not to complete the $4,000,000 in exploration expenditures required to earn a 100% interest in the Clemente Project, and as a result was terminating its option on the property.