

VANGOLD MINING CORP.

Interim Condensed Consolidated Financial Statements

Nine Months Ended September 30, 2018

(Expressed in Canadian dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, "Continuous Disclosure Obligations", Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's external auditors have not performed a review of these interim condensed consolidated financial statements.

VANGOLD MINING CORP.Interim condensed consolidated statements of financial position
(Expressed in Canadian dollars)

	September 30, 2018	December 31, 2017
	(unaudited)	
Assets		
Current assets		
Cash	\$ 129,291	\$ 119,009
Amounts receivable	36,122	60,786
Prepaid expenses and deposits	37,580	34,698
Total current assets	202,993	214,493
Non-current assets		
Equipment (Note 3)	7,339	20,896
Exploration and evaluation assets (Note 4)	1,539,490	1,548,491
Total non-current assets	1,546,829	1,569,387
Total assets	\$ 1,749,822	\$ 1,783,880
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 6 and 12)	\$ 510,365	\$ 361,731
Short-term debt (Note 5)	–	45,100
Total liabilities	505,365	406,831
Shareholders' Equity		
Share capital (Note 7)	37,553,833	36,862,832
Contributed surplus	10,629,707	10,063,805
Deficit	(46,944,083)	(45,549,588)
Total shareholders' equity	1,239,457	1,377,049
Total liabilities and shareholders' equity	\$ 1,749,822	\$ 1,783,880

Nature of operations and going concern (Note 1)

Commitments and contingent liabilities (Note 12)

Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board on November 27, 2018:

/s/ "Cameron S. King"

Cameron S. King, President, CEO, and Director

/s/ "Jonathan Challis"

Jonathan Challis, Director

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

VANGOLD MINING CORP.

Interim condensed consolidated statements of operations and comprehensive loss
(Expressed in Canadian dollars)
(unaudited)

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Expenses				
Depreciation (Note 3)	\$ 441	\$ 2,088	\$ 5,631	\$ 4,087
Investor relations	14,150	8,302	101,824	64,642
Management and consulting fees (Note 6)	72,749	120,004	294,220	359,947
Mineral exploration costs (Note 4)	52,293	18,528	291,398	326,465
Office and miscellaneous	72,090	46,788	185,398	160,506
Professional fees	24,638	12,865	77,771	121,772
Stock-based compensation (Note 9)	117,452	154,991	235,778	154,991
Transfer agent and regulatory fees	5,208	9,933	38,021	40,783
Travel and meals	30,083	52,846	93,807	183,071
Wages and benefits for operations	11,507	7,424	47,582	7,424
Total expenses	400,611	433,769	1,371,430	1,423,688
Loss before other expense	(400,611)	(433,769)	(1,371,430)	(1,423,688)
Other expense				
Write down of mineral property (Note 4)	–	–	9,001	–
Interest and accretion on short-term debt	(445)	(75)	(445)	5,774
Foreign exchange gain	3,633	53,849	12,165	71,985
Loss on sale of equipment	2,344	–	2,344	–
Loss on settlement of debt	–	–	–	217,638
Net loss and comprehensive loss for the period	\$ (406,143)	\$ (487,543)	\$ (1,394,495)	\$ (1,719,085)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.06)
Weighted average number of common shares outstanding – basic and diluted	61,756,729	42,586,781	60,741,772	30,955,117

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

VANGOLD MINING CORP.

Consolidated statements of changes in shareholders' equity
(Expressed in Canadian dollars)
(unaudited)

	Number of shares	Share capital Amount	Share subscriptions received	Contributed Surplus	Deficit	Total
Balance, December 31, 2016	8,030,774	\$ 34,157,262	\$ 50,000	\$ 8,953,903	\$ (43,673,851)	\$ (512,686)
Shares issued for cash	22,820,556	826,205	(50,000)	623,470	–	1,399,675
Share issuance costs	–	(80,789)	–	38,739	–	(42,050)
Shares issued to settle debt	3,627,299	303,336	–	–	–	303,336
Shares issued to acquire exploration and evaluation assets	8,787,500	1,363,000	–	–	–	1,363,000
Fair value of options granted	–	–	–	154,991	–	154,991
Net loss for the period	–	–	–	–	(1,719,085)	(1,719,085)
Balance, September 30, 2017	43,266,129	36,569,014	–	9,771,103	(45,392,936)	947,181
Shares issued for cash	7,744,000	385,231	–	215,704	–	600,935
Share issue cost	–	(91,413)	–	18,783	–	(72,630)
Fair value of options granted	–	–	–	58,215	–	58,215
Net loss for the period	–	–	–	–	(156,652)	(156,652)
Balance, December 31, 2017	51,010,129	36,862,832	–	10,063,805	(45,549,588)	1,377,049
Shares issued for cash	10,746,600	730,330	–	319,561	–	1,049,891
Share issuance costs	–	(39,329)	–	10,563	–	(28,766)
Fair value of stock options granted	–	–	–	235,778	–	235,778
Net loss for the period	–	–	–	–	(1,394,495)	(1,394,495)
Balance, September 30, 2018	61,756,729	\$ 37,553,833	\$ –	\$ 10,629,707	\$ (46,944,083)	\$ 1,239,457

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

VANGOLD MINING CORP.

Interim condensed consolidated statements of cash flows
(Expressed in Canadian dollars)
(unaudited)

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Operating activities		
Net loss for the period	\$ (1,394,495)	\$ (1,719,085)
Items not involving cash:		
Depreciation	5,631	4,087
Interest and accretion on short-term debt	–	6,222
Loss on sale of equipment	2,344	
Loss on settlement of debt	–	217,638
Write down of mineral property	9,001	–
Share-based compensation (Note 9)	235,778	154,991
Foreign exchange	(3,984)	–
Changes in non-cash operating working capital:		
Amounts receivable	24,664	(27,367)
Prepaid expenses and deposits	(2,882)	(12,685)
Accounts payable and accrued liabilities	148,634	44,595
Net cash used in operating activities	(975,309)	(1,331,604)
Investing activities		
Sale (Purchase) of equipment	5,582	(24,316)
Net cash used in investing activities	5,582	(24,316)
Financing activities		
Proceeds from issuance of shares	1,049,891	1,399,675
Share issuance costs	(28,766)	(42,050)
Repayment of short-term debt	(45,100)	–
Net cash provided by investing activities	976,025	1,357,625
Effect of Foreign Exchange Rate changes on Cash	3,984	12,378
Change in cash	10,282	14,083
Cash, beginning of period	119,009	55,816
Cash, end of period	\$ 129,291	\$ 69,899
Non-cash investing and financing activities:		
Finders' warrants issued as share issuance costs	10,563	38,739
Shares issued for acquisition of exploration and evaluation of assets	–	1,363,000
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

September 30, 2018

(Expressed in Canadian dollars)

(unaudited)

1. Nature of Operations and Going Concern

Vangold Mining Corp. (the “Company” or “Vangold”) is in the business of the acquisition, exploration and development of mineral properties. The Company currently holds exploration and evaluation asset interests located in Guanajuato, Mexico.

The head office and registered records of the Company is located at 1400 – 1111 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4M3. Vangold is a publicly listed company incorporated under the Business Corporations Act of British Columbia and is listed on the TSX Venture Exchange (“TSX.V”) under the symbol “VAN”.

These interim condensed consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2018, the Company has no source of recurring revenue, generates negative cash flows from operating activities, and has an accumulated deficit of \$46,528,941 (December 31, 2017 - \$45,549,588). These factors raise significant doubt about the Company’s ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

These interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. Significant Accounting Policies

(a) Statement of Compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to interim financial information, as outlined in International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” and using the accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2017.

These unaudited interim condensed consolidated financial statements do not include all disclosures normally provided in annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2017. Interim results are not necessarily indicative of the results expected for the fiscal year.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

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2. Significant Accounting Policies (continued)

(b) Principles of Consolidation

These interim condensed consolidated financial statements include the accounts of the Company and the following subsidiaries:

Subsidiary	Location	Ownership Interest	Status
CanMex Silver S.A. de C.V. ("CanMex")	Mexico	100%	Consolidated
Obras Mineras El Pinguico S.A. de C.V. ("Obras")	Mexico	100%	Consolidated

Subsidiaries are those entities which Vangold controls by having the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Vangold controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by Vangold and are deconsolidated from the date that control ceases.

All intercompany transactions, balances and unrealized gains and losses are eliminated on consolidation.

(c) Changes in Accounting Policies

Financial instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

The following is the Company's new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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 FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

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(Expressed in Canadian dollars)

(unaudited)

2. Significant Accounting Policies (continued)

(c) Changes in Accounting Policies (Continued)

Financial instruments (Continued)

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Accounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Due to related parties	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor to the opening balance of accumulated other comprehensive income on January 1, 2018.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise.

(iii) 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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

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2. Significant Accounting Policies (continued)

(d) Recent Accounting Pronouncements

In 2016, the IASB issued IFRS 16 Leases ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier adoption permitted. The new standard is likely to result in increases to both the asset and liability positions of lessees, as well as affect the reported depreciation expense and finance costs of these entities in the statement of profit or loss. The Company is currently evaluating the impact the new standard will have on its financial results.

3. Equipment

	Computer Equipment	Field Equipment	Office Equipment	Truck	Total
Cost:					
Balance, December 31, 2017	\$ 3,765	\$ 1,776	\$ 5,100	\$ 14,261	\$ 24,902
Additions	–	–	–	–	–
Disposals	–	–	–	(14,261)	(14,261)
Balance, September 30, 2018	\$ 3,765	\$ 1,776	\$ 5,100	\$ –	\$ 10,641
Accumulated depreciation:					
Balance, December 31, 2017	\$ 35	\$ 3	\$ 604	\$ 3,364	\$ 4,006
Additions	941	444	1,275	2,971	5,631
Disposals	–	–	–	(6,335)	(6,335)
Balance, September 30, 2018	\$ 976	\$ 447	\$ 1,879	\$ –	\$ 3,302
Carrying amounts:					
As at December 31, 2017	\$ 3,730	\$ 1,773	\$ 4,496	\$ 10,897	\$ 20,896
As at September 30, 2018	\$ 2,789	\$ 1,329	\$ 3,221	\$ –	\$ 7,339

4. Exploration and Evaluation Assets

Exploration and evaluation assets consist of:

	Mexican Silver Belt	El Pinguico	Rossland	Total
<i>Acquisition Costs:</i>				
Balance, December 31, 2017 and September 30, 2018	\$ 360,000	\$ 1,179,490	\$ –	\$ 1,539,490

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

September 30, 2018

(Expressed in Canadian dollars)

(unaudited)

4. Exploration and Evaluation Assets (continued)

Mineral exploration costs consist of:

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Environmental survey	\$ 24,347	\$ –
General exploration	138,184	208,476
Geological	59,271	109,671
Property tax	–	8,318
Rentals	69,596	–
	<u>\$ 291,398</u>	<u>\$ 326,465</u>

Mexican Silver Belt Property, Mexico

On April 28, 2017, the Company entered into asset acquisition agreements for seven mining claims strategically situated within the high grade Mexican Silver Belt and all within close proximity to the Company's operations office in Guanajuato, Mexico. Under the terms of the agreements, the Company paid \$10,000 and issued 3,125,000 common shares with a fair value of \$343,750. The Company also recognized additional acquisition costs of \$6,250. The vendors retain a 2.5% NSR royalty of which 1.25% (one-half) may be repurchased for \$500,000. The acquisition was approved by the TSX Venture Exchange on June 27, 2017.

El Pinguico Properties, Guanajuato State, Mexico

On April 27, 2017, the Company completed an acquisition of a 100% interest in the El Pinguico property, located in Guanajuato State, Mexico. Under the terms of the agreement, the Company paid consideration of \$136,240 (USD\$100,000) and issued 5,000,000 common shares with a fair value of \$900,000. The Company also issued 662,500 common shares with a fair value of \$119,250 as a finder's fee. The Company also recognized additional acquisition costs of \$24,000. The vendors retain a 4% NSR and a 15% Net Profits Interest ("NPI") on minerals recovered from an existing surface and underground stockpiles of mineralized rock and a 3% NSR and 5% NPI on all newly mined mineralization. The Company may repurchase 1% (one-third) of the 3% NSR on all newly mined mineralization for USD\$1,000,000.

On October 2017, the Company and OMP executed a Surface Land Purchase Agreement with two private landowners for 302 hectares. The surface land includes the Company's El Pinguico property and provides significant land area for mining infrastructure, development and construction. Under the terms of the agreement, the Company has the option to purchase the property in two years and is committed to pay two annual instalments of \$4,500 with a final payment of \$65,000 on the third anniversary.

Rosland Properties, British Columbia, Canada

During the nine months ended September 30, 2018 the Company relinquished the Rosland properties and as a result wrote off the capitalized amount of \$9,001.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

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(Expressed in Canadian dollars)

(unaudited)

5. Short-term Debt

During the year ended December 31, 2014, the Company entered into a loan arrangement with two former related parties for loans totaling \$37,000. The loans bore simple interest rate of 20% per annum, commencing July 1, 2014. Additional amounts were loaned during the years ended December 31, 2016 and 2015. The outstanding loans were due and payable July 1, 2015. The loans were secured with a mortgage on the Company's Evening Star Property for up to \$50,000. Refer to Note 4.

	\$
Balance – December 31, 2017	45,100
Repayments	(45,100)
Balance – September 30, 2018	–

On March 13, 2017, the Company settled \$196,248 in short-term debt owing to a former director of the Company and a company controlled by a former director of the Company through the issuance of 2,803,542 common shares. On January 19, 2018, the Company repaid short-term debt of \$45,100 owing to a former director of the Company and a company controlled by a former director of the Company.

6. Related Party Transactions

- (a) For the nine months ended September 30, 2018, the Company incurred management and consulting fees of \$135,000 (2017 - \$135,000) to the Chief Executive Officer and a company controlled by the Chief Executive Officer of the Company. As at September 30, 2018, the amount of \$42,751 (December 31, 2017 – \$36,556) was owed to the Chief Executive Officer of the Company and a company controlled by the Chief Executive Officer of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (b) For the nine months ended September 30, 2018, the Company incurred management and consulting fees of \$30,000 (2017 - \$nil) to a company controlled by the former Chief Financial Officer of the Company. As at September 30, 2018, the amount of \$nil (December 31, 2017 - \$6,000) was owed to the former Chief Financial Officer of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (c) As at September 30, 2018, the amount of \$nil (December 31, 2017 - \$75,270 (US\$60,000)) was owed to a company controlled by a director of the Company, which is included in accounts payable and accrued liabilities. The amount owed is non-interest bearing, unsecured, and due on demand.
- (d) For the nine months ended September 30, 2018, the Company incurred share-based compensation of \$123,872 (2017 – \$75,040) as a result of the valuation of stock options granted to directors and officers of the Company.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

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(Expressed in Canadian dollars)

(unaudited)

7. Share Capital

The authorized share capital of the Company consists of the following:

- Common Shares: unlimited common shares without par value;
- Class A Common Shares: unlimited common shares without par value;
- Class B Common Shares: unlimited common shares without par value;
- Class A Preferred Shares: unlimited preferred shares with a par value of \$0.2947; and
- Class B Preferred Shares: unlimited preferred shares without par value.

- (a) On January 18, 2018, the Company completed the second tranche of its private placement of 10,746,600 units at a price of \$0.07 per unit for proceeds of \$752,262. The proceeds were allocated between the common shares \$432,701 and warrants \$319,561 based on their relative fair values. Each unit consists of one common share of the Company and one non-transferrable warrant entitling the holder to purchase one common share of the Company at a price of \$0.25 for a period of four years from the date of issuance. As part of the financing, the Company paid \$11,417 of finder's fees and issued 110,600 broker warrants with each broker warrant entitling the holder to purchase one common share of the Company at \$0.25 per share for a period of four years from the date of issuance. The fair value of the broker warrants were \$10,563, and was calculated using the Black-Scholes option pricing model assuming volatility of 128%, expected life of four years, risk free rate of 1.98, and no expected dividends.
- (b) On September 26, 2018, the Company issued 5,952,588 common shares at a price of \$0.05 per share for total proceeds of \$297,629 the company paid total finder's fee of \$9,074.

8. Share Purchase Warrants

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

Exercise price \$	Expiry date	Balance December 31, 2017	Issued	Balance September 30, 2018
0.25	January 13, 2020	1,903,920	–	1,903,920
0.25	March 13, 2020	12,127,580	–	12,127,580
0.25	April 24, 2020	9,172,223	–	9,172,223
0.25	November 9, 2021	8,150,000	–	8,150,000
0.25	January 18, 2022	–	10,857,200	10,857,200
		31,353,723	10,857,200	42,210,923
Weighted average exercise price		\$ 0.25	\$ 0.25	\$ 0.25
Weighted average remaining contractual life		1.91	3.31	2.27

9. Stock Options

The Company's Board of Directors approved a 20% fixed stock incentive plan in accordance with the policies of the TSX.V. Subject to TSX.V and shareholder approvals, the aggregate number of common shares that may be reserved, allotted and issued pursuant to the plan shall not exceed 6,784,614 common shares, less the aggregate number of common shares then reserved for issuance pursuant to any other share compensation arrangement. The Board of Directors is authorized to grant options under this plan to directors, officers, consultants or employees.

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9. Stock Options (continued)

The maximum number of options that may be granted to any one person in any 12-month period must not exceed 5% of the common shares outstanding at the time of the grant or 2% if the optionee is a consultant or employed in an investor relations capacity. The plan states that the Board of Directors shall determine the manner in which the options shall vest and become exercisable. However, options granted to consultants performing investor relations activities shall vest over a minimum of 12 months and no more than one quarter of such options vesting in any 3-month period. The plan requires that the stock options may have a term not exceeding ten years. In the event of any option forfeiture, any expense recognized to date on unvested options is reversed in the period in which the forfeiture occurs.

A continuity schedule of the incentive stock options is as follows:

	Number of options	Weighted average exercise price \$
Outstanding, December 31, 2017	3,900,000	0.20
Granted	4,800,000	0.10
Cancelled	(1,775,000)	0.20
Outstanding, September 30, 2018	6,925,000	0.13

Additional information regarding stock options outstanding as at September 30, 2018 is as follows:

Range of exercise prices \$	Number of options outstanding	Number of options vested	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.20	2,125,000	2,125,000	3.64	0.20
0.10	4,800,000	2,450,000	4.49	0.10
	6,925,000	4,575,000		0.13

During the nine months ended September 30, 2018 and 2017, the Company recorded share-based compensation expense of \$235,778 related to 4,800,000 options issued. The fair values of share warrants issued during the nine months ended September 30, 2018 are estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2018	2017
Risk-free interest rate	1.95%	Nil
Estimated annualized volatility based on comparable companies	131%	Nil
Expected life	5.0 years	Nil
Expected dividend yield	0%	Nil
Exercise price	\$ 0.10	Nil
Fair value	\$ 0.05	Nil
Share price	\$ 0.06	Nil

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10. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at September 30, 2018 as follows:

At September 30, 2018	Amortized cost (Financial asset)	FVTPL	Amortized cost (Financial Liabilities)	Total
Financial assets:				
Cash	\$ 129,291	\$ -	\$ -	\$ 129,291
Total financial assets	\$ 129,291	\$ -	\$ -	\$ 129,291
Financial liabilities:				
Accounts payable and accrued liabilities and amounts due to related parties	\$ -	\$ -	\$ 510,365	\$ 510,365
Total financial liabilities	\$ -	\$ -	\$ 510,365	\$ 510,365

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, loans payable, and amounts due to a related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company operates in Canada and Mexico but has the majority of its cash and equivalents held in Canada in Canadian dollars. The Company is exposed to foreign exchange risk due to fluctuations in foreign currencies (Mexican peso and U.S. dollar). Foreign exchange risk arises from purchase transactions as well as financial assets and liabilities denominated in these foreign currencies.

The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk. However, management of the Company believes there is no significant exposure to foreign currency fluctuations.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. Fluctuations in market interest rates do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

September 30, 2018

(Expressed in Canadian dollars)

(unaudited)

10. Financial Instruments and Risks (Continued)

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

11. Segmented Information

The Company is primarily engaged in mineral exploration in British Columbia, Canada and Guanajuato, Mexico. The Company operates the mineral exploration of its properties in Mexico through its 100% owned subsidiaries, Obras and CanMex.

	September 30, 2018		
	Canada	Mexico	Total
	\$	\$	\$
Equipment	2,789	4,550	7,339
Exploration and evaluation assets	–	1,539,490	1,539,490
Total non-current assets	2,789	1,544,040	1,546,829

	December 31, 2017		
	Canada	Mexico	Total
	\$	\$	\$
Equipment	3,730	17,166	20,896
Exploration and evaluation assets	9,001	1,539,490	1,548,491
Total non-current assets	12,731	1,556,656	1,569,387

12. Commitments and Contingent Liabilities

During the year ended December 31, 2014, the Company negotiated debt settlements with two creditors. An agreement was reached to settle payables of \$282,007 with the two creditors for a total of \$70,501, resulting in a gain on settlement of payables of \$211,506. The Company must pay the \$70,501 upon completion of a financing of at least \$2,500,000.

Once a financing of at least \$2,500,000 is completed, the Company must pay \$49,867 of the negotiated amount within five days to one creditor and \$20,634 within 45 days to the other creditor. If either payment is not completed by the deadline, the debt settlement agreements are nullified and the Company must pay the initial payable amounts to each of the creditors. The Company must also comply with reasonable information requests from the creditors on a timely basis, otherwise the debt settlement agreements are nullified. At September 30, 2018, the balance owing of \$70,501 (December 31, 2017 - \$70,501) remains in accounts payable and accrued liabilities. All requests have been met and the agreements are in good standing.

VANGOLD MINING CORP.

Notes to the interim condensed consolidated financial statements

September 30, 2018

(Expressed in Canadian dollars)

(unaudited)

13. Subsequent Events

Subsequent to September 30, 2018, the Company sold the shares of an investment on a private company which was written down to nil in a prior year for total proceeds of \$150,000. The Company paid \$15,000 as finder fee on the sale.