

# **Gitennes** Exploration Inc.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2017**

**Unaudited**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity's auditor.

*"Ken Booth"*

\_\_\_\_\_  
President

*"Kerry Spong"*

\_\_\_\_\_  
Chief Financial Officer

*November 23, 2017*

**Gitennes Exploration Inc.**

**Condensed Interim Consolidated Balance Sheets**

Canadian Funds

Unaudited

<b>ASSETS</b>	September 30, 2017	December 31, 2016
<b>Current</b>		
Cash	\$ 228,549	\$ 72,775
Marketable securities (Note 3)	10	10
Accounts receivable	12,104	1,440
Prepaid expenses	8,256	7,006
	<u>248,919</u>	<u>81,231</u>
<b>Due from AndeanGold Ltd. (Note 5)</b>	1,000	1,000
<b>Equipment</b>	<u>5,151</u>	<u>-</u>
	<u>\$ 255,070</u>	<u>\$ 82,231</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Trade payables and accrued liabilities (Note 6)	\$ 118,157	\$ 31,068
Flow-through premium liability (Note 4a)	11,021	-
	<u>129,178</u>	<u>31,068</u>
<b>Long-Term Debt – Related Parties (Note 6)</b>	45,034	42,500
<b>Loan Payable – Related Party (Note 6)</b>	56,205	52,466
	<u>230,417</u>	<u>126,034</u>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
<b>Share Capital (Note 4a)</b>	32,925,557	32,202,417
<b>Contributed Surplus</b>	1,584,138	1,481,778
<b>Deficit</b>	<u>(34,485,042)</u>	<u>(33,727,998)</u>
	<u>24,653</u>	<u>(43,803)</u>
	<u>\$ 255,070</u>	<u>\$ 82,231</u>

**Nature of Operations and Going Concern (Note 1)**

**Subsequent Event (Note 8)**

ON BEHALF OF THE BOARD:

“Ken Booth”, Director  
Ken Booth

“Robert Matthews”, Director  
Robert Matthews

Gitennes Exploration Inc.

## Condensed Interim Consolidated Statements of Changes In Shareholders' Equity (Deficiency)

For the Nine Months Ended September 30

Canadian Funds

Unaudited

	Share Capital (Note 4a)	Contributed Surplus	Deficit	Total
Balance – December 31, 2015	\$ 32,171,989	\$ 1,440,814	\$ (33,596,489)	\$ 16,314
Private placement - units	47,500	-	-	47,500
Flow-through premium	(12,350)	-	-	(12,350)
Comprehensive loss for the period	-	-	(83,371)	(83,371)
<b>Balance – September 30, 2016</b>	<b>\$ 32,207,139</b>	<b>\$ 1,440,814</b>	<b>\$ (33,679,860)</b>	<b>\$ (31,907)</b>
Balance – December 31, 2016	\$ 32,202,417	\$ 1,481,778	\$ (33,727,998)	\$ (43,803)
Private placement - units	468,460	-	-	468,460
Share issuance costs	(36,666)	-	-	(36,666)
Finders' warrants issued	(13,225)	13,225	-	-
Flow-through premium	(39,867)	-	-	(39,867)
Shares issued for property	330,000	-	-	330,000
Shares issued for property finder fee	14,438	-	-	14,438
Share-based compensation (Note 4c)	-	89,135	-	89,135
Comprehensive loss for the period	-	-	(757,044)	(757,044)
<b>Balance – September 30, 2017</b>	<b>\$ 32,925,557</b>	<b>\$ 1,584,138</b>	<b>\$ (34,485,042)</b>	<b>\$ 24,653</b>

- See Accompanying Notes -

Gitennes Exploration Inc.

## Condensed Interim Consolidated Statements Of Comprehensive Loss

For the Three and Nine Months Ended September 30

Canadian Funds

Unaudited

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2017	2016	2017	2016
<b>Expenses</b>				
Accounting and audit	\$ 14,338	\$ 5,150	\$ 40,463	\$ 19,730
Depreciation	281	-	468	185
Exploration and evaluation (Note 5)	176,114	53,656	566,348	54,837
Interest on long-term debt (Note 6)	2,117	1,205	6,273	1,205
Legal	-	9,410	17,251	10,737
Management fees	15,000	-	45,000	15,000
Office rent, and miscellaneous	4,254	806	8,062	9,876
Share-based compensation (Note 4c)	-	-	89,135	-
Shareholder information	8,217	1,973	12,115	2,756
Stock exchange and filing fees	1,300	1,488	12,774	11,691
Transfer agent fees	1,463	8,077	4,747	9,417
Travel	-	-	3,254	1,317
<b>Loss before Other Items</b>	(223,084)	(81,765)	(805,890)	(136,751)
Interest income (Note 5)	20,000	-	20,000	-
Loss on disposal of equipment	-	-	-	(10,948)
Gain on sale of property	-	-	-	51,978
<b>Loss before Income Taxes</b>	(203,084)	(81,765)	(785,890)	(95,721)
Deferred income tax recovery (Note 4a)	25,647	12,350	28,846	12,350
<b>Comprehensive Loss for the Period</b>	\$ (177,437)	\$ (69,415)	\$ (757,044)	\$ (83,371)
<b>Loss Per Share – Basic and Diluted</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
<b>Weighted-Average Number of Shares Outstanding – Basic and Diluted</b>	78,695,452	63,254,923	71,029,861	62,939,412

- See Accompanying Notes -

Gitennes Exploration Inc.

## Condensed Interim Consolidated Statements of Cash Flows

For the Nine Months Ended September 30

Canadian Funds

Unaudited

	2017	2016
<b>Cash Flows from Operating Activities</b>		
Loss for the period	\$ (757,044)	\$ (83,371)
Items not involving cash		
Loss on disposal of equipment	-	10,948
Gain on sale of property	-	(51,978)
Interest accrued on long-term debt	6,273	1,205
Share-based compensation	89,135	-
Deferred income tax recovery	(28,846)	(12,350)
Shares issued for property	330,000	-
Shares issued for property finder fee	14,438	-
Depreciation	468	185
Changes in non-cash working capital items		
Accounts receivable	(10,664)	1,865
Prepaid expenses	(1,250)	(114)
Accounts payable and accrued liabilities	87,089	41,850
	<u>(270,401)</u>	<u>(91,760)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property held for sale	-	53,290
Purchase of equipment	(5,619)	-
	<u>(5,619)</u>	<u>53,290</u>
<b>Cash Flows from Financing Activities</b>		
Share capital issued for cash	468,460	47,500
Share issuance costs	(36,666)	-
Loan payable – related party	-	50,000
	<u>431,794</u>	<u>97,500</u>
<b>Increase in Cash Position</b>	155,774	59,030
<b>Cash Position - Beginning of Period</b>	<u>72,775</u>	<u>35,310</u>
<b>Cash Position - End of Period</b>	<u>\$ 228,549</u>	<u>\$ 94,340</u>

### Supplemental schedule of non-cash financing activities

Accounts payable reclassified to long-term debt – related parties (Note 8)	\$ -	\$ 42,500
Flow-through premium liability	\$ 39,867	\$ 12,350
Finders' warrants issued	\$ 13,225	\$ -
Shares issued for property	\$ 330,000	\$ -
Shares issued for property finder fee	\$ 14,458	\$ -

- See Accompanying Notes -

Gitennes Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

Canadian Funds

Unaudited

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### 1. Nature of Operations and Going Concern

Gitennes Exploration Inc. ("the Company") was incorporated in the province of Ontario and effective February 4, 2017 completed a continuance into British Columbia. Its principal office is located at 1010 - 789 West Pender Street, Vancouver, British Columbia. The Company is currently exploring two properties in British Columbia and has a royalty interest in a mineral property located in Peru. All of these properties are in the exploration stage and it has not yet been determined whether they contain economic reserves.

These financial statements have been prepared on a 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 for the foreseeable future. Several adverse conditions and material uncertainties cast significant doubt upon the going concern assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that future exploration and development of its properties will result in profitable mining operations or royalty payments to the Company. The Company currently has no ongoing source of revenue and will require cash to maintain its mineral interests and meet its administrative overhead. As at September 30, 2017, the Company had working capital of \$119,741 and an accumulated deficit of \$34,485,042.

The ability of the Company to continue as a going concern is dependent upon its ability to realize on its assets or raise additional financing. Specifically, the Company needs to collect on its convertible debenture from AndeanGold Ltd., and realize proceeds from, or from the sale of, its royalty interest on the Urumalqui project (*Note 5*), and/or obtain the necessary financing to complete the development of its mineral properties and to fund future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future. These financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

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### 2. Significant Accounting Policies

#### Statement of compliance and basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board as applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These statements do not include all of the information and disclosures required by IFRS for annual financial statements. In the opinion of management, all adjustments and information considered necessary for fair presentation have been included in these financial statements.

These condensed interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended December 31, 2016. All financial information presented herein is unaudited. The Company's board of directors approved these condensed interim consolidated financial statements for issue on November 23, 2017.

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Gitennes Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

Canadian Funds

Unaudited

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### 3. Marketable Securities

At September 30, 2017 and 2016, the Company held 663,000 common shares of AndeanGold Ltd. ("Andean"), which were acquired under option agreements relating to the Urumalqui property (Note 5). These shares have a cost of \$31,732 and are currently being carried at a nominal value of \$10.

On October 1, 2015, the common shares of Andean became subject to a Cease-Trade Order issued by the British Columbia Securities Commission due to a default in complying with its continuous disclosure filing requirements. To date, the Cease-Trade Order remains in effect and the shares of Andean remain halted. Until the Cease-Trade Order is lifted, the Company's shares in Andean cannot be traded. Due to the uncertainty surrounding the likelihood and timing of Andean's shares returning for trading, in December 2015 the Company recorded an impairment of these shares to write them down to a nominal value.

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### 4. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

#### a) Issued and outstanding:

	Shares	Amount
Balance – December 31, 2015	62,779,923	\$ 32,171,989
Private placement – units	1,900,000	47,500
Share issuance costs	-	(4,722)
Flow-through premium	-	(12,350)
Balance – December 31, 2016	64,679,923	32,202,417
Private placement – units	7,792,593	468,460
Share issuance costs	-	(36,666)
Finders' warrants issued	-	(13,225)
Flow-through premium	-	(39,867)
Shares issued for property (Note 5)	6,000,000	330,000
Shares issued for property finder fee (Note 5)	262,500	14,438
Balance – September 30, 2017	78,735,016	\$ 32,925,557

In August 2016, the Company completed a private placement of 1,900,000 units at a price of \$0.025 per share for gross proceeds of \$47,500. Each unit consisted of one common flow-through share and one non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 per share for a period of 18 months. The flow-through feature of the shares was valued at \$0.0065 per share, resulting in a flow-through premium liability of \$12,350. The full amount of the required qualifying exploration expenditures was completed by December 31, 2016 and accordingly the flow-through premium liability was derecognized and a deferred income tax recovery of \$12,350 was recorded. The Company paid legal costs of \$4,722 in respect of the private placement. The Company uses the residual value approach in respect of unit offerings and as the share price exceeded the unit price, no value has been assigned to the warrants.

## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

Canadian Funds

Unaudited

### 4. Share Capital - continued

#### a) Issued and outstanding - continued

During the period, the Company completed a private placement by issuing 3,805,900 units at a price of \$0.055 per unit and 3,986,693 flow-through units at a price of \$0.065 per flow-through unit for gross cash proceeds of \$468,460. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.085 per share for a period of 36 months. Each flow-through unit consisted of one common flow-through share and one non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.10 per share for a period of 36 months. The Company paid finders' fees on a portion of the placement, which consisted of 6% in cash and 6% in finders' warrants, with each finder's warrant entitling the holder to purchase one additional common share at a price of \$0.085 per share for a period of 36 months. The Company paid total finders' fees of \$18,274 and issued 296,040 warrants to qualified finders. The fair value of the finders' warrants was estimated at \$13,225 using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions: risk-free interest rate of 1.16%, expected dividend yield of 0.00%, estimated stock price volatility of 162%, and expected option life of three years. In addition, the Company paid \$18,392 in legal and filing fees in respect of the placement.

The flow-through feature of the flow-through shares was valued at \$0.01 per share, resulting in a flow-through premium liability of \$39,867. The Company incurred \$187,499 in qualifying exploration expenditures to September 30, 2017 and accordingly the flow-through premium liability was partially derecognized and a deferred income tax recovery of \$28,846 was recorded. The Company uses the residual value approach in respect of unit offerings and as the trading price of the shares exceeded the unit price (net of the flow-through premium), no value was assigned to the warrants.

#### b) Stock options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The board of directors determines the exercise price per share and the vesting period under the plan, subject to TSX Venture Exchange policy. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2015	3,400,000	\$ 0.12
Granted	2,450,000	\$ 0.05
Expired	(550,000)	\$ 0.20
Balance – December 31, 2016	5,300,000	\$ 0.08
Granted	2,350,000	\$ 0.05
Expired	(950,000)	\$ 0.16
Balance – September 30, 2017	6,700,000	\$ 0.06

Gitennes Exploration Inc.

**Notes to Condensed Interim Consolidated Financial Statements**

September 30, 2017

Canadian Funds

Unaudited

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**4. Share Capital – continued**

**b) Stock options - continued**

As at September 30, 2017, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
400,000	\$ 0.17	August 7, 2018
1,500,000	\$ 0.05	August 22, 2018
2,450,000	\$ 0.05	October 28, 2021
1,500,000	\$ 0.05	February 15, 2022
850,000	\$ 0.05	June 22, 2022
<u>6,700,000</u>		

As at September 30, 2017, the outstanding options had a weighted-average remaining life of 3.32 years; all outstanding options had vested and were exercisable.

**c) Share-based compensation**

During the period, the Company granted stock options to its directors, officers, employees, and service providers and estimated related share-based compensation as follows:

	2017	2016
Total options granted	<u>2,350,000</u>	-
Weighted-average exercise price	\$ 0.05	\$ -
Estimated fair value of compensation	\$ 89,135	\$ -
Estimated fair value per option	<u>\$ 0.04</u>	<u>\$ -</u>

The fair value of the related share-based compensation recognized in the accounts has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2017	2016
Risk-free interest rate	1.16%	-
Expected dividend yield	0.00%	-
Expected stock price volatility	148%	-
Expected forfeiture rate	0.00%	-
Expected option life in years	<u>5.00</u>	<u>-</u>

During the period, 2,350,000 options vested and the Company recognized \$89,135 in share-based compensation.

Gitennes Exploration Inc.

**Notes to Condensed Interim Consolidated Financial Statements**

September 30, 2017

Canadian Funds

Unaudited

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**4. Share Capital - continued**

**d) Warrants**

Details of share purchase warrant activities are as follows:

	Number	Weighted Average Exercise Price
Balance – December 31, 2015	-	\$ -
Issued	1,900,000	\$ 0.05
Balance – December 31, 2016	1,900,000	\$ 0.05
Issued	8,088,633	\$ 0.09
Balance – September 30, 2017	9,988,633	\$ 0.08

As at September 30, 2017, the Company had warrants outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
1,900,000	\$ 0.050	March 9, 2018 (i)
3,996,640	\$ 0.085	June 22, 2020
3,746,693	\$ 0.010	June 22, 2020
90,900	\$ 0.085	July 12, 2020
240,000	\$ 0.010	July 12, 2020
14,400	\$ 0.085	July 14, 2020
<u>9,988,633</u>		

- (i) Subsequent to September 30, 2017, 300,000 of these warrants were exercised for cash proceeds of \$15,000.

As at September 30, 2017, the outstanding warrants had a weighted-average remaining life of 2.30 years.

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**5. Exploration and Evaluation**

Details of the Company's mineral interests are as follows:

**Hixon, Canada**

In June 2016, the Company acquired, through staking, mining claims in the northern part of the Barkerville Gold Belt in British Columbia. The property is subject to a 2% net smelter returns royalty ("NSR") on all hard rock mineral products.

Gitennes Exploration Inc.

## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

Canadian Funds

Unaudited

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### 5. Exploration and Evaluation - *continued*

#### Snowbird, Canada

In February 2017, the Company entered into an option agreement granting it the right to earn a 100% interest in the Snowbird property located near Fort St. James, British Columbia. To earn its interest, the Company, at its option, must issue 12,000,000 shares and incur \$1,500,000 in exploration expenditures as follows:

	Shares	Expenditures
Upon regulatory approval ( <i>issued</i> )	6,000,000	\$ -
On or before September 30, 2018	2,000,000	500,000
On or before September 30, 2019	2,000,000	500,000
On or before September 30, 2020	2,000,000	500,000
	<u>12,000,000</u>	<u>\$ 1,500,000</u>

In May 2017, the Company issued the initial tranche of 6,000,000 shares with a fair value of \$330,000. A finder's fee of \$52,500 was payable on the transaction, half of which could be settled for 262,500 shares in the Company. During the period, the Company issued 262,500 shares at a fair value of \$14,438 and paid the balance of \$26,250 to the finder.

The agreement provides for a 2% NSR that, upon payment of royalty payments totalling \$1,300,000, reverts to an uncapped 1% NSR.

#### Urupalqui, Peru

The Company owned a 100% interest in the Urupalqui project situated in north-central Peru. Between April 2010 and December 2014, the Company signed agreements with Andean granting it the right to earn an aggregate 100% interest in Urupalqui, which it earned on December 22, 2014. The Company retains an uncapped NSR of 1.5% on all metals produced at Urupalqui, with no buy-out or other provisions attached. In addition, the Company retained a convertible debenture receivable from Andean with a face value of \$475,000 and an annual interest rate of 6% with interest only due semi-annually. The debenture matures on December 22, 2017 and is convertible into shares of Andean, at the Company's option, at a conversion rate of \$0.06 per Andean share. During the period of the debenture, Andean is required to pay 12% of any funds raised by it and certain of its subsidiaries to pay down the debenture.

In light of the financial condition of Andean as at December 31, 2015, the Company performed an impairment test on the convertible debenture receivable and recorded an impairment loss to write down the carrying value to a nominal balance of \$1,000. Given the current halted status of Andean's shares (*Note 3*), the conversion feature of the convertible debenture is considered to be of nominal value. The Company received payments from Andean of \$10,000 in November 2016 and \$20,000 in August 2017 to be applied against outstanding interest. Accrued interest to date has not been recognized in the accounts and while the continued Cease-Trade Order on Andean supports the Company's nominal value assignment to the convertible debenture, management remains committed to collecting the \$475,000 face value of the debenture, plus accrued interest, as future circumstances permit.

Gitennes Exploration Inc.

**Notes to Condensed Interim Consolidated Financial Statements**

September 30, 2017

Canadian Funds

Unaudited

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**5. Exploration and Evaluation - continued**

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Expenditures for the period and cumulative expenditures as at September 30, 2017 are as follows:

	Expenditures 2017	Expenditures 2016	Cumulative Expenditures 2017
Hixon, Canada			
Acquisition and staking	\$ -	\$ 2,531	\$ 2,531
Administration and legal	-	500	500
Assays	-	5,061	5,061
Camp and general	310	5,646	6,022
Geological	1,000	14,800	15,800
Geophysical	-	10,859	10,859
Transportation	-	15,440	15,440
	<u>1,310</u>	<u>54,837</u>	<u>56,213</u>
Snowbird, Canada			
Acquisition and staking	378,849	-	378,849
Assays	7,354	-	7,354
Camp and general	6,670	-	6,670
Consulting	1,291	-	1,291
Geological	97,886	-	97,886
Geophysical	26,966	-	26,966
Mapping and survey	1,632	-	1,632
Transportation	44,390	-	44,390
	<u>565,038</u>	<u>-</u>	<u>565,038</u>
	<u>\$ 566,348</u>	<u>\$ 54,837</u>	<u>\$ 621,251</u>

**Title**

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its Hixon and Snowbird properties and its NSR on the Urumulqui property and, to the best of its knowledge, ownership of these interests are in good standing.

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## Notes to Condensed Interim Consolidated Financial Statements

September 30, 2017

Canadian Funds

Unaudited

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### 6. Related Party Transactions and Key Management Compensation

The Company had transactions with related persons or corporations, which were undertaken in the normal course of operations and were measured at the amounts agreed to by the parties.

Key management personnel include executive and non-executive directors and executive officers. The compensation paid or payable to key management is as follows:

		2017		2016
Administrative and geological consulting fees	\$	45,000	\$	15,000
Accounting fees		31,500		10,500
	\$	76,500	\$	25,500

In addition, the Company recorded share-based compensation of \$46,308 (2016 - \$nil), which relates to incentive stock options granted to directors and officers. Share-based compensation is a non-cash item calculated using the Black-Scholes Option-Pricing Model with the assumptions detailed in Note 4c.

Accounts payable includes \$51,000 (December 31, 2016 - \$nil) in accrued administrative and geological consulting and accounting fees due to the chief executive officer and the chief financial officer.

The chief executive officer and the chief financial officer have agreed to waive payment of accrued administrative consulting and accounting fees totalling \$42,500 such that payment will not be required within twelve months. Accordingly, this balance has been classified as long-term debt in these financial statements. Effective January 1, 2017, these outstanding amounts bear interest at 8% per annum. During the period, interest totalling \$2,534 was accrued on these amounts.

In July 2016, the Company received a loan of \$50,000 from the chief executive officer of the Company. The loan is unsecured, bears interest at 10% per annum, and matures on July 1, 2019. During the period, interest of \$3,739 was accrued on this loan. Total interest accrued to September 30, 2017 of \$6,205 is payable at maturity.

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### 7. Segmented Information

The Company currently operates in only one operating segment, that being the mineral exploration industry. The Company currently has exploration projects in British Columbia, Canada and a royalty interest in a property located in Peru that is owned by Andean.

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### 8. Subsequent Event

Subsequent to September 30, 2017, the Company announced its intention to complete a non-brokered private placement by issuing up to 6,500,000 units at a price of \$0.12 per unit and up to 4,000,000 flow-through units at a price of \$0.135 per flow-through unit for gross proceeds of up to \$1,320,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.25 per share for a period of 24 months. Each flow-through unit will consist of one common flow-through share and one non-flow-through share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.27 per share for a period of 24 months. In November 2017, the Company closed the first tranche of this placement by issuing 3,866,666 units for gross cash proceeds of \$464,000.

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