

WALKER RIVER RESOURCES CORP.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2018
(Expressed in Canadian Dollars)

WALKER RIVER RESOURCES CORP.
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS

	August 31, 2018	November 30, 2017
ASSETS		
Current		
Cash	\$ 25,961	\$ 126,597
Other receivables (Note 3)	16,065	24,203
Prepaid expenses	5,726	–
	47,752	150,800
Loan receivable (Note 3)	–	70,884
Reclamation bond (Note 3)	16,246	16,246
Equipment (Note 4)	18,504	23,876
Exploration and evaluation assets (Note 5)	4,685,147	4,394,219
	\$ 4,767,649	\$ 4,656,025
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 10)	\$ 672,531	\$ 619,596
Amounts due to related parties (Note 6)	99,984	118,362
Advances payable	50,000	–
Flow-through share premium liability (Note 10)	139,059	139,059
	961,574	877,017
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	6,080,881	5,710,617
Reserves (Note 7)	3,175,162	3,175,162
Deficit	(5,449,968)	(5,106,771)
	3,806,075	3,779,008
	\$ 4,767,649	\$ 4,656,025

NATURE OF CONTINUANCE OF OPERATIONS (NOTE 1)
 COMMITMENTS (NOTE 10)

Authorized for issuance on behalf of the board on October 30, 2018:

“Michel David” Director

“Eugene Gauthier” Director

WALKER RIVER RESOURCES CORP
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2018 AND 2017
EXPRESSED IN CANADIAN DOLLARS

	Three months ended August 31,		nine months ended August 31,	
	2018	2017	2018	2017
EXPENSES				
Administration	\$ 4,780	\$ 4,600	\$ 16,443	\$ 15,450
Advertising and promotion	239	10,976	1,958	11,195
Audit and accounting	1,700	1,700	2,000	2,013
Consulting	60,000	71,076	207,940	195,776
Legal	21	3,619	777	6,964
Management fees (Note 6)	18,000	12,000	46,000	36,000
Office and miscellaneous	5,552	38,991	25,378	77,882
Transfer agent and filing fees	(3,719)	22,726	13,214	37,975
Rent	4,555	10,239	13,422	14,439
Share based compensation	–	796,251	–	796,251
Travel	1,675	15,871	8,930	36,551
	(92,803)	(988,049)	\$336,062	(\$1,230,496)
OTHER ITEMS				
Flow through share interest (Note 10)	(2,408)	(2,292)	(7,135)	(6,293)
Net loss and comprehensive loss	\$ (95,211)	\$ (990,341)	\$ (343,197)	(\$1,236,789)
Loss per share (basic and diluted)	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding	107,912,666	87,327,448	100,453,215	77,004,346

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

WALKER RIVER RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS

	Number of shares	Amount	Subscriptions Received	Reserves	Deficit	Total
Balance, November 30, 2016	67,245,448	\$ 3,068,860	\$ –	\$ 773,216	\$ (3,729,467)	\$ 112,609
Shares issued on exercise of warrants	5,482,000	274,100	–	–	–	274,100
Shares issued for cash	10,000,000	700,000	–	–	–	700,000
Share issuance costs	–	(50,045)	–	–	–	(50,045)
Shares issued for exploration and evaluation assets	9,300,000	1,254,500	–	–	–	1,254,500
Subscriptions received	–	–	285,000	–	–	285,000
Share based payments	–	–	–	796,251	–	796,251
Comprehensive loss for the period	–	–	–	–	(1,236,789)	(1,236,789)
Balance, August 31, 2017	92,027,448	5,247,415	285,000	1,569,467	(4,966,256)	2,135,626
Shares issued for cash	4,650,000	465,000	–	–	–	465,000
Subscriptions	–	–	(285,000)	–	–	(285,000)
Share issuance costs	–	(1,798)	–	–	–	(1,798)
Share based payments – warrants	–	–	–	1,605,695	–	1,605,695
Comprehensive loss for the period	–	–	–	–	(140,515)	(140,515)
Balance, November 30, 2017	96,677,448	5,710,617	–	3,175,162	(5,106,771)	3,779,008
Shares issued for cash	6,336,667	380,200	–	–	–	380,200
Share issuance costs	–	(9,936)	–	–	–	(9,936)
Comprehensive loss for the period	–	–	–	–	(343,197)	(343,197)
Balance, August 31, 2018	103,014,115	\$ 6,080,881	–	\$ 3,175,162	\$ (5,449,968)	\$ 3,806,075

WALKER RIVER RESOURCES CORP
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED AUGUST 31, 2018 AND 2017
EXPRESSED IN CANADIAN DOLLARS

	2018	2017
CASH USED IN OPERATING ACTIVITIES		
Net loss for the year	\$ (343,197)	\$ (1,236,789)
Items not affecting cash:		
Foreign exchange adjustment on loan receivable	(919)	–
Share based payments	–	796,251
Changes in non-cash working capital balances:		
Other receivables	8,138	(9,420)
Prepaid expenses	(5,726)	–
Accounts payable accrued liabilities	52,935	23,929
Due to related party	19,036	1,765
Cash used in operating activities	(269,733)	(424,264)
INVESTING ACTIVITY		
Exploration and evaluation assets	(322,970)	(661,409)
Equipment	–	(21,621)
Reclamation bond	–	(16,246)
Loan receivable	71,803	–
Cash used in investing activities	(251,167)	(699,276)
FINANCING ACTIVITIES		
Issuance of shares	370,264	924,055
Shares subscribed	–	285,000
Advances payable	50,000	–
Cash provided by financing activities	420,264	1,209,055
(DECREASE) INCREASE IN CASH DURING THE PERIOD	(100,636)	85,515
CASH, BEGINNING OF THE YEAR	126,597	284,608
CASH, END OF THE PERIOD	\$ 25,961	\$ 370,123

SUPPLEMENTAL CASH FLOW INFORMATION AND NON CASH TRANSACTION

Exploration and evaluation assets included in accounts payable to related parties	\$ 37,414	\$ 1,254,500
Shares issued for exploration and evaluation assets	\$ –	\$ 42,779

WALKER RIVER RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS THREE AND NINE MONTHS ENDED AUGUST 31, 2018 AND 2017
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1. NATURE OF OPERATIONS

Walker River Resources Corp. (the “Company”) was incorporated pursuant to the British Columbia Business Corporations Act on December 16, 2010. The principal business of the Company is the identification, exploration and evaluation, as well as exploration of mineral properties once acquired. The Company’s shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol WRR.

The address of the Company’s corporate office and its principal place of business is 820 – 1130 West Pender Street, Vancouver, British Columbia, Canada. The Company has a November 30 fiscal year-end.

The Company is an exploration stage company and is in the process of exploring its interest in the Lapon Canyon Gold Project (Nevada, USA) (“Lapon Project”). At August 31, 2018, the Company has not yet determined whether this property contains ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and future profitable production from the properties or realizing proceeds from their disposition.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with IAS 34 Interim Financial Reporting (“IAS34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended November 30, 2017.

The financial statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

These consolidated financial statements include the accounts of the Company and its subsidiary:

	Country of Incorporation	% of Interest
Walker River Resources LLC	USA	100%

The consolidated financial statements were authorized for issue by the Board of Directors on October 30, 2018.

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2. BASIS OF PREPARATION (continued)

b) Going concern

These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. To date, the Company has incurred losses and is unable to generate cash from operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

c) Functional currency

The functional and presentation currency of the Company is the Canadian dollar.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Measurement basis

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

b) Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

c) Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i. the carrying value and the recoverability of the exploration and evaluation assets included in the consolidated statements of financial position;
- ii. the provision for the income tax expense which is included in profit or loss and the measurement of deferred income tax liabilities included in the consolidated statements of financial position; and
- iii. the inputs used in accounting for share-based payments in profit or loss.

WALKER RIVER RESOURCES CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Critical accounting judgments

- i. the determination of categories of financial assets and financial liabilities identified as financial instruments, which involves judgments or assessments made by management;
- ii. the determination of whether it is likely that future economic benefits associated with the exploration and evaluation expenditures capitalized will flow to the Company, which may be based on assumptions about future events or circumstances; and
- iii. the determination of whether it is likely that future taxable profits will be available to utilize against any deferred tax assets.

e) Deferred finance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

f) Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of any rehabilitation obligation. Depreciation of the equipment is calculated using the declining balance method at a rate of 30% per year.

Equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of comprehensive loss.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Exploration and evaluation assets

All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as exploration and evaluation assets and classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if one of the following factors are present:

- the rights to explore have expired or are near to expiry with no expectation of renewal,
- no further substantive expenditures are planned or budgeted,
- exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered,
- an indication that the carrying amount is unlikely to be recovered in full by development or sale.

The recoverability of mineral properties and capitalized exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to exploration and evaluation assets may not necessarily reflect present or future values.

Exploration costs renounced due to flow-through share subscription agreements remain capitalized, however, for corporate income tax purposes, the Company has no right to claim these costs as tax deductible expenses.

The recorded costs of exploration and evaluation assets are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount. Payments on mineral property option agreements are made at the discretion of the Company and, accordingly, are recorded on a cash basis.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the asset impaired. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

Exploration and evaluation assets are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount of reserve properties may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of the value in use and fair value less costs to sell. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance costs. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

As at August 31, 2018, the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties. However, the state of Nevada required the company to post a bond of \$11,834 US (\$16,246 CDN) on its Lapon Project to cover future decommissioning costs.

j) Government assistance

Quebec mining exploration tax credits for certain exploration expenditures incurred in Quebec are treated as a reduction of the exploration and development costs of the respective mineral property.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Share capital – flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. In accordance with IAS 12, Income Taxes, a deferred tax liability is recognized, with certain specific exceptions, for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. At the time flow-through shares are issued, there is a potential premium paid on the flow-through shares calculated based on the share issuance price and the market price at the time of closing. In the absence of a market price, the Company uses the fair value as determined by the price per share in recent non flow-through share financings or other techniques as considered necessary. This premium is recorded as liabilities reducing share capital and is drawn down proportionately as the flow-through exploration spending occurs and recorded as other income. In instances where the Company has sufficient deductible temporary differences available to offset the deferred income tax liability created from renouncing qualifying expenditures, the realization of the deductible temporary differences will be shown as a recovery in operations in the period of renunciation.

l) Share-based payments

The Company has an equity-settled share-based compensation plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date, using the Black-Scholes Option Pricing Model, and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to contributed surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

n) Income taxes

Income tax on profit or loss comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial position date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Income taxes (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

o) Amounts receivable

Amounts receivable include amounts due from Revenue Canada and Revenu Quebec for sales input tax credits.

p) Loan receivable

On July 11, 2018, the Company's loan receivable for \$55,000 US (\$71,214 CDN) was paid and the funds were used to pay the option fee of \$55,000 US on the Garfield flats property. (Note 5)

q) Financial assets

All financial assets are initially recorded at fair value and classified upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

r) Financial liabilities

All financial liabilities are initially recorded at fair value and classified upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and due to a related party are classified as other financial liabilities.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r) Financial liabilities (continued)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading and recognized at fair value with changes in fair value with changes in fair value recognized in earnings unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized in earnings.

s) New accounting standards, interpretations and amendments to existing standards

At the date of the approval of the consolidated financial statements, a number of standards and interpretations were in issue but not yet effective. The Company considers these new standards and interpretations either not applicable or not expected to have a significant impact on the Company's consolidated financial statements.

4. EQUIPMENT

	Vehicle	ATV and Trailer	Total
Cost			
Balance at November 30, 2017	\$ 24,309	\$ 21,621	\$ 45,930
Additions during the period	-	-	-
Balance at August 31, 2018	\$ 24,309	\$ 21,621	\$ 45,930
Accumulated Depreciation			
Balance at November 30, 2017	\$ 18,811	\$ 3,243	\$ 22,054
Depreciation for the period	1,237	4,135	5,372
Balance at August 31, 2018	\$ 20,048	\$ 7,378	\$ 27,426
Net Carrying Amounts			
Balance, November 30, 2017	\$ 5,498	\$ 18,378	\$ 23,876
Balance, August 31, 2018	\$ 4,261	\$ 14,243	\$ 18,504

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5. EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

Three and nine months ended August 31, 2018:

	Lapon Project	Garfield Project	Total
Acquisition costs:			
Balance, beginning of year	\$ 3,639,012	\$ –	\$ 3,639,012
Shares	–	–	–
Cash	–	115,446	115,446
Balance, end of period	3,639,012	115,446	3,754,459
Deferred exploration expenditures:			
Balance, beginning of the year	755,207	–	755,207
Geologist fees and assays (Note 6)	170,110	–	170,110
Equipment depreciation (Note 4)	5,372	–	5,372
Balance, end of period	930,688	–	930,688
	\$ 4,569,701	115,446	4,685,147

Year ended November 30, 2017:

	Lapon Project
Acquisition costs:	
Balance, beginning of year	\$ 465,596
Shares	2,860,195
Cash	313,221
Balance, end of year	3,639,012
Deferred exploration expenditures:	
Balance, beginning of the year	290,728
Geologist fees and assays (Note 6)	458,879
Equipment depreciation (Note 4)	5,600
Balance, end of year	755,207
	\$ 4,394,219

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Lapon Canyon Gold Project, Nevada

On February 1, 2014, the Company entered into a release agreement with District Gold Inc. ("District") and World Ventures Inc. ("WVI") to acquire 100% of the Lapon Canyon Gold Project ("Lapon Project") directly from Donald Potts ("Potts"). In consideration, the Company issued a total of 300,000 common shares and paid \$200,000 to District and WVI. The Company will also pay District and WVI a royalty on revenues received from the Lapon Project equal to 1% of Net Smelter Returns ("NSR"). The Company has an option to buy the NSR for \$300,000.

On March 1, 2014 the Company signed a Lease Agreement with the Estate of Donald Potts ("the Potts estate"), Terms of the agreement were that the Company would pay the Potts estate \$13,500 US per three month period as a lease payment for three years and issue 200,000 shares per year for a total of 800,000 shares.

On June 1, 2017, the Company paid a final \$217,000 US (\$292,950 CDN) to buyout the lease agreement from the Potts estate. The Potts estate will retain a .5% NSR on the Lapon Project.

On April 10, 2017 the Company issued the final payment of 200,000 shares (Note 7)

The Company has now purchased 100% of the lease of the Lapon Project from the Potts estate.

On September 16, 2015, the Company entered into Exploration and Option Agreement to form a joint venture on the Lapon Project with Nevada Canyon Gold Corp ("Nevada Canyon"). Nevada Canyon had an option to acquire an initial 25% of the Lapon Project for US\$250,000 of exploration expenditures within 1 year and an option to acquire a further 25% for an additional US\$250,000 of exploration within 2 years. On October 15, 2016, Nevada Canyon completed the required expenditure of \$250,000 and acquired a 25% interest in the Lapon Project.

As at June 30, 2017, Nevada Canyon had completed a further \$50,000 in eligible exploration expenditures and their interest in the Property increased to 30%.

On July 5, 2017, the Company agreed to purchase Nevada Canyon's 30% interest in the Lapon Project in exchange for 9,100,000 shares of the Company with a fair value of \$1,228,500 and issued 11,900,000 warrants. Each warrant is exercisable for a period of five years without further consideration into one common share of the Company. The terms of the warrants contain a provision that Nevada Canyon cannot exercise any warrants which would result in it owning 10% of the Company. The warrants were valued at \$1,605,695 (Note 7).

Additionally, the Company has staked an additional 60 claims and renewed its original 36 claims for a total of \$20,271 in fees. The property now consists of 96 claims.

Garfield Flats Project, Nevada

On July 11, 2018, the Company signed an Exploration Lease with Option to Purchase Agreement ("Option") with Nevada Canyon Gold Corp. on the Garfield Flats Project, located in Mineral County, Nevada about 18 miles southeast of the town of Hawthorne, NV.

The Option gives the Company the exclusive purchase option and right to acquire 100% ownership of the Garfield Flats Project. Consideration for the acquisition of the Option is a cash payment of \$55,000 US. The Company cancelled its loan of \$55,000 US to Nevada Canyon to pay the acquisition fee. (Note 3)

The Garfield Flats Project consists of 156 unpatented mining claims (3120 acres) that cover several past producing small scale high grade gold and copper mines, altered and mineralized zones discovered by previous geological compilations and mapping of the historical workings. Historical sampling on the project has revealed the presence of copper, bismuth, and antimony as well as pervasive lower grade gold mineralization, cut by vein structures (some previously mined) of higher grade gold. Previous induced polarization surveys also denoted the presence of significant coincident I.P. anomalies.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Garfield Flats Project, Nevada (continued)

The Garfield Flats Project is within the Walker Lane shear zone, a 60-mile-wide structural corridor extending in a southeast direction from Reno, Nevada, located 18 miles southeast of Hawthorne, NV along U.S. Highway 95. The project has excellent year-round access and infrastructure.

The term of the Option commenced on June 7, 2017 and continues for ten years, subject to the right to extend the Agreement for two additional terms of ten years each, and subject to an option to purchase the Property. Full consideration of the agreement consists of the following:

- \$15,000 US (paid) initial cash payment upon the execution of the agreement on June 7, 2017,
- \$15,000 US (paid) on the first anniversary of the agreement,
- \$20,000 US to be paid on the second and third anniversary of the agreement,
- \$25,000 US to be paid on the fourth and fifth anniversary of the agreement,
- \$40,000 US to be paid on the sixth and any succeeding anniversary of the agreement.

The Company has the option to purchase the Garfield Flats Project for \$300,000 US

6. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related party transactions and balances

During the nine months ended August 31, 2018 the following amounts were incurred or paid to officers and directors and/or their related companies:

- i) The Company incurred \$115,000 (2017: \$107,500) for deferred exploration expenses on the Lapon Project to a company controlled by a director of the Company.
- ii) Accounts payable and accrued liabilities to a company controlled by a director of the Company for unpaid consulting fees, deferred exploration fees and expenses is \$47,654 (November 30, 2017: \$58,083). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- iii) Accounts payable and accrued liabilities to a director and officer of the Company for unpaid management fees and expenses is \$42,747 (November 30, 2017: \$55,421). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- iv) Accounts payable to a director and officer of the Company for unpaid expenses is \$4,858 (November 30, 2017: \$4,858). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.
- v) The Company incurred \$4,500 (2017: \$nil) in consulting fees to a director of the company.
- vi) Accounts payable to a director and officer of the Company for unpaid expenses is \$4,725 (November 30, 2017: \$nil). These amounts are unsecured, non-interest bearing, with no fixed terms of repayment.

These transactions are in the normal course of operations and have been measured in these consolidated financial statements at the amount of consideration established and agreed to by the related parties.

b) Key management compensation

Key management includes directors and key officers of the Company, including the President, CEO and CFO. During the nine months ended August 31, 2018:

The Company paid or accrued \$46,000 (2017: \$36,000) in management fees to directors and officers of the Company.

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7. SHARE CAPITAL AND CONTRIBUTED SURPLUS

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

As at August 31, 2018, the issued share capital comprised of 103,014,115 common shares.

During the year ended November 30, 2017:

- i) On March 16, 2018, the Company issued 5,136,667 units in a private placement, at a price of \$0.06 per unit for gross proceeds of \$308,200. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share before March 16, 2020 at a price of \$0.10 per share. The warrants have an acceleration provision that, in the event the closing sale price of the Company's shares on the TSX Venture Exchange is \$0.25 or greater for a period of ten consecutive trading days then the warrant holders will have thirty days to exercise their warrants; otherwise the warrants will expire on the 31st day.
- ii) On April 11, 2018, the Company issued 1,200,000 units in a private placement, at a price of \$0.06 per unit for gross proceeds of \$72,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share before April 11, 2020 at a price of \$0.10 per share. The warrants have an acceleration provision that, in the event the closing sale price of the Company's shares on the TSX Venture Exchange is \$0.25 or greater for a period of ten consecutive trading days then the warrant holders will have thirty days to exercise their warrants; otherwise the warrants will expire on the 31st day.

During the year ended November 30, 2017:

- i) On January 5, 2017, the Company issued 625,000 common shares pursuant to the exercise of warrants for gross proceeds of \$31,250
- ii) On May 31, 2017, the Company issued 4,457,000 common shares pursuant to the exercise of warrants for gross proceeds of \$222,850.
- iii) On April 4, 2017, the Company issued 500,000 common shares pursuant to the exercise of warrants for gross proceeds of \$25,000.
- iv) On April 10, 2017, the Company issued 200,000 common shares to the estate of Donald Potts pursuant to the Mining Lease Agreement Amendment for the Lapon Project. The fair value of the 200,000 common shares issued was \$26,000. (Note 5)
- v) On May 1, 2017, the Company issued 10,000,000 units in a private placement, at a price of \$0.07 per unit for gross proceeds of \$700,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share before April 30, 2019 at a price of \$0.12 per share.
- vi) On July 18, 2017, the Company issued 9,100,000 common shares to Nevada Canyon Gold at a value of \$0.135 per share for a total value of \$1,228,500, as payment for Nevada Gold's 30% share of the Lapon Project. As well, 11.9 million warrants were issued to Nevada Gold. (Note 5)
- vii) On September 8, 2017, the Company issued 4,650,000 units in a private placement, at a price of \$0.10 per unit for gross proceeds of \$465,000. Each unit consisted of one common share and one share purchase warrant. Each warrant is exercisable into one common share before September 7, 2019 at a price of \$0.15 per share. The warrants have an acceleration provision that, in the event the closing sale price of the Company's shares on the TSX Venture Exchange is \$0.30 or greater for a period of ten consecutive trading days then the warrant holders will have thirty days to exercise their warrants; otherwise the warrants will expire on the 31st day.

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7. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

c) Stock options

On January 16, 2012, the Company adopted a Stock Option Plan (the "Plan") to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of ten years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

On August 22, 2017, 9,000,000 stock options with a total value of \$796,252 were issued to certain officers, directors, consultants and employees at a price of \$0.12 per common share for a period of five years.

c) Warrants

A summary of the Company's share purchase warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Balance, November 30, 2016	6,424,799	0.06
Exercised	(5,482,000)	0.05
Issued	10,000,000	0.12
Issued	4,650,000	0.15
Issued for exploration and evaluation property	11,900,000	0.00
Balance, November 30, 2017	27,492,799	0.07
Issued	5,136,667	0.10
Issued	1,200,000	0.10
Expired	(900,000)	0.10
Expired	(42,799)	0.10
Balance, August 31, 2018	32,886,667	0.08

As at August 31, 2018, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Years Remaining	Expiry Date
10,000,000	0.12	.66	April 30, 2019
4,650,000	0.15	1.02	September 8, 2019
11,900,000	0.00	3.88	July 18, 2022
5,136,667	0.10	1.54	March 16, 2020
1,200,000	0.10	1.61	April 10, 2020
Total		2.05	
32,886,667	0.07		

8. MANAGEMENT OF CAPITAL

As at August 31, 2018, the Company had capital resources consisting of all the components of shareholder's equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company will continue to rely on capital markets to support continued growth.

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9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 13, Fair-Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments

The Company's financial instruments include cash, accounts payable and due to a related party. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

As at August 31, 2018:

	Level 1	Level 2	Level 3	Total
Cash	\$ 25,961	–	–	\$ 25,961

Financial risk management objectives and policies

The Company's financial instruments include cash, accounts payable and due to a related party. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars, except for certain exploration and evaluation expenditures incurred during the year were denominated in U.S. dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk is on its loan receivable which is due from a mineral exploration company that does not have cash flows from operations. Credit risk on this receivable is therefore assessed as high. The Company is also exposed to credit risk on its cash. To minimize the credit risk on cash the Company places the instrument with a major financial institution.

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9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

As at August 31, 2018, the Company has cash of \$113,316 to settle accounts payable of \$634,879 and amounts due to related parties of \$139,059 for payment within twelve months of the balance date. The Company does not have adequate funds to settle liabilities and will rely on raising additional funds from equity financing.

The Company's non-derivative financial liabilities at November 30, 2016 mature as follows:

	<1 year	1 – 3 Years	Total
Accounts payable	\$ 672,531	\$ –	\$ 672,531
Due to a related parties	\$ 99,984	\$ –	\$ 99,984

(v) *Commodity Price Risk*

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

10. COMMITMENTS

In relation to the flow-through private placements completed during the years ended November 30, 2013 and 2014, the Company was committed to incur and renounce \$613,500 in Canadian exploration expenditures by December 31, 2014. The Company was unable to incur \$520,116 of these expenditures. The flow-through share premium liability of \$139,059 represents the premium paid by investors on the portion of the required expenditures not incurred.

The Company agreed to indemnify the flow-through shareholders for certain costs they incurred as a result of not meeting its obligation to spend the flow-through share proceeds on qualifying Canadian exploration expenditures in compliance with the applicable tax rules and pursuant to the share subscription agreement entered into. As at August 31, 2018 the Company has included a provision for the indemnification of flow-through shareholders of \$343,640 (November 30, 2017: \$331,538) in accounts payable. During the nine months ended August 31, 2018, the Company recorded interest in the amount of \$7,135 (2017: \$6,293) related to the flow-through shares described above.