



**TUDOR GOLD CORP.**

**(An Exploration Stage Company)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2018**

**(Expressed in Canadian Dollars)**

**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**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 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 financial statements of Tudor Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgments based on information currently available.

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

**TUDOR GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

	September 30, 2018	March 31, 2018
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 408,032	\$ 302,362
Amounts receivable	139,099	334,861
Investment (Note 5)	125,000	156,250
Prepays and deposits	24,379	20,788
	<u>696,510</u>	<u>814,261</u>
<b>Reclamation deposits</b> (Note 4)	145,600	145,600
<b>Exploration and evaluation assets</b> (Note 4)	18,655,705	16,247,301
<b>Property and equipment</b> (Note 6)	176,497	187,421
	<u>19,674,312</u>	<u>17,394,583</u>
<b>Total assets</b>	<u>\$ 19,674,312</u>	<u>\$ 17,394,583</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 8)	\$ 2,479,944	\$ 2,680,522
Current portion of lease obligations (Note 9)	19,187	19,573
Loan payable (Note 8)	-	240,000
	<u>2,499,131</u>	<u>2,940,095</u>
<b>Lease obligations</b> (Note 9)	30,322	39,820
<b>Credit facility</b> (Note 8)	640,926	664,888
	<u>3,170,379</u>	<u>3,644,803</u>
<b>Total liabilities</b>	<u>3,170,379</u>	<u>3,644,803</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	22,384,798	17,839,637
Share subscriptions received in advance (Note 7)	-	628,000
Equity reserves (Note 7)	894,879	811,113
Accumulated other comprehensive loss	(31,250)	-
Deficit	(6,744,494)	(5,528,970)
	<u>16,503,933</u>	<u>13,749,780</u>
<b>Total shareholders' equity</b>	<u>16,503,933</u>	<u>13,749,780</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 19,674,312</u>	<u>\$ 17,394,583</u>

Nature of operations (Note 1)

Basis of presentation (Note 2)

Subsequent events (Note 14)

**On behalf of the Board:**"Walter Storm"

Director

"Robert Quinn"

Director

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

**TUDOR GOLD CORP.**

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**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
<b>EXPENSES</b>				
Accretion	\$ 235	\$ -	\$ 420	\$ -
Automobile	3,759	2,574	7,114	5,148
Consulting fees (Note 8)	42,064	48,332	123,814	80,232
Depreciation (Note 6)	8,858	5,625	17,316	11,083
General exploration costs	-	4,694	-	7,767
Management fees (Note 8)	36,000	36,000	72,000	72,000
Office and miscellaneous (Note 8)	60,711	64,531	171,856	114,343
Professional fees	18,370	16,445	23,893	50,160
Salaries and wages (Note 8)	50,951	37,011	91,507	63,854
Shareholder information	3,690	5,029	5,000	5,176
Share-based compensation (Note 7)	15,356	-	44,389	-
Transfer agent, listing and filing fees	11,853	14,626	14,381	16,211
Travel	6,596	3,433	6,596	26,108
<b>Loss from operations</b>	(258,443)	(238,300)	(578,286)	(452,082)
Foreign exchange gain	-	-	54	-
Interest expense	16,670	-	(80,581)	-
Write-down of exploration and evaluation assets (Note 4)	-	-	(556,711)	-
<b>Net loss for the period</b>	\$ (241,773)	\$ (238,300)	\$ (1,215,524)	\$ (452,082)
<b>Other comprehensive loss</b>				
Fair value adjustments on investment (Note 5)	-	62,500	(31,250)	-
<b>Comprehensive loss for the period</b>	(241,773)	(175,800)	(1,246,774)	(452,082)
<b>Basic and diluted loss per common share</b>	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
<b>Weighted average number of common shares outstanding (basic and diluted)</b>	91,718,142	78,609,417	88,906,470	77,318,532

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

**TUDOR GOLD CORP.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in Canadian dollars)

	<u>Share Capital</u>		Share Subscriptions Received in Advance	Equity Reserves	Accumulated Other Comprehensive Income	Deficit	Total
	Number of Shares	Amount					
<b>Balance, March 31, 2017</b>	<b>65,625,000</b>	<b>\$ 13,793,704</b>	\$ -	\$ 334,968	\$ (62,500)	\$ (1,839,702)	\$ 12,226,470
Private placements	4,045,291	2,851,740	-	-	-	-	2,851,740
Exercise of options	50,000	5,000	-	-	-	-	5,000
Exercise of warrants	11,000,000	1,100,000	-	-	-	-	1,100,000
Shares for exploration and evaluation assets	300,000	156,000	-	-	-	-	156,000
Share issue costs	95,147	(204,743)	-	38,180	-	-	(166,563)
Flow-through share premium liability	-	(7,172)	-	-	-	-	(7,172)
Fair value reversal on exercise of options	-	4,472	-	(4,472)	-	-	-
Fair value adjustment on investment	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(452,082)	(452,082)
<b>Balance, September 30, 2017</b>	<b>81,115,438</b>	<b>17,699,001</b>	-	<b>368,676</b>	<b>(62,500)</b>	<b>(2,291,784)</b>	<b>15,713,393</b>
Private placements	410,000	241,900	-	45,100	-	-	287,000
Shares for exploration and evaluation assets	-	27,000	-	-	-	-	27,000
Share issue costs	-	(20,684)	-	-	-	-	(20,684)
Share subscriptions received in advance	-	-	628,000	-	-	-	628,000
Flow-through share premium liability	-	(107,580)	-	-	-	-	(107,580)
Share-based compensation	-	-	-	397,337	-	-	397,337
Fair value adjustment on investment	-	-	-	-	(31,250)	-	(31,250)
Reclass adjustment for impairment included in net loss	-	-	-	-	93,750	-	93,750
Loss for the period	-	-	-	-	-	(3,237,186)	(3,237,186)
<b>Balance, March 31, 2018</b>	<b>81,525,438</b>	<b>17,839,637</b>	<b>628,000</b>	<b>811,113</b>	-	<b>(5,528,970)</b>	<b>13,749,780</b>
Private placements	12,048,623	4,181,700	(628,000)	30,000	-	-	3,583,700
Exercise of warrants	2,000,000	200,000	-	-	-	-	200,000
Shares for exploration and evaluation assets	1,100,000	253,000	-	-	-	-	253,000
Share issue costs	-	(89,539)	-	9,377	-	-	(80,162)
Share-based compensation	-	-	-	44,389	-	-	44,389
Fair value adjustment on investment	-	-	-	-	(31,250)	-	(31,250)
Loss for the period	-	-	-	-	-	(1,215,524)	(1,215,524)
<b>Balance, September 30, 2018</b>	<b>96,674,061</b>	<b>\$ 22,384,798</b>	\$ -	\$ 894,879	\$ (31,250)	\$ (6,744,494)	\$ 16,503,933

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

**TUDOR GOLD CORP.**  
(An Exploration Stage Company)  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian dollars)

Six months ended September 30,	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (1,215,524)	\$ (452,082)
Accretion on lease obligations	420	34
Accrued interest expense	80,868	-
Depreciation	17,316	11,083
Share-based compensation	44,389	-
Write-down of exploration and evaluation assets	556,711	-
Changes in non-cash working capital items:		
Amounts receivable	195,762	(91,302)
Prepays and deposits	(3,591)	(78,382)
Accounts payable and accrued liabilities	(255,408)	9,765
Net cash used in operating activities	(579,057)	(600,884)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Exploration and evaluation assets - option payments	(50,000)	(256,542)
Exploration and evaluation assets - exploration expenses	(2,662,115)	(1,609,255)
Purchase of property and equipment	(6,392)	(6,866)
Net cash used in investing activities	(2,718,507)	(1,872,663)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance lease payments	(10,304)	(15,852)
Proceeds from private placements, net	3,503,538	2,685,177
Proceeds from exercise of options	-	5,000
Proceeds from exercise of warrants	200,000	1,100,000
Repayment of credit facility	(50,000)	-
Repayment of loans	(240,000)	-
Net cash provided by financing activities	3,403,234	3,774,325
<b>Change in cash during the period</b>	105,670	1,300,778
<b>Cash, beginning of period</b>	302,362	94,303
<b>Cash, end of period</b>	\$ 408,032	\$ 1,395,081

**Supplemental disclosures with respect to cash flows (Note 13)**

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

## **TUDOR GOLD CORP.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2018

(Expressed in Canadian dollars)

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#### **1. NATURE OF OPERATIONS**

Tudor Gold Corp. (the “Company”) was incorporated under the Business Corporations Act (Alberta) on January 20, 2010. On April 28, 2016, the Company was continued from the Province of Alberta to the Province of British Columbia. The Company changed its name to Tudor Gold Corp. on May 11, 2016. On April 6, 2016, the Company completed its Qualifying Transactions by entering into a definitive acquisition agreement with Tudor Holdings Ltd. (“Tudor Holdings”) involving the issuance of 30,000,000 common shares of the Company at a deemed price of \$0.10 per share in exchange for rights to the Mackie property located in the Skeena Mining Division of northwestern British Columbia (Notes 4 and 7). The Company is listed on the TSX Venture Exchange (“TSX-V”) under the trading symbol “TUD”. The Company is a junior resource exploration company that is involved in the acquisition and exploration of mineral properties in Canada.

The head office and principal business address of the Company is Suite 205 – 837 West Hastings St., Vancouver, BC, V6C 3N6.

#### **2. BASIS OF PRESENTATION**

##### Statement of Compliance

These condensed interim financial statements, including comparatives have been prepared in accordance with IAS 34, “Interim Financial Reporting” of the International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting process. These condensed interim financial statements should be read in conjunction with the Company’s annual financial statements for the year ended March 31, 2018.

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on November 28, 2018.

##### Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for certain financial instruments as described in Note 11, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

Certain comparative financial information has been reclassified to conform with this year’s presentation.

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2018

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**Going Concern**

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral property interests, is dependent on the Company's ability to obtain the necessary financing. During the six months ended September 30, 2018, the Company completed four private placements for net proceeds of over \$3,500,000 private placement, and received another \$200,000 from the exercise of warrants. However, the Company will require additional capital to finance future operations and growth. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern. There can be no assurance that management's plans will be successful.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. The carrying value of the Company's exploration and evaluation properties does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**3. SIGNIFICANT ACCOUNTING POLICIES****Use of estimates and measurement uncertainties**

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the measurements of assets, liabilities, revenues, expenses and certain disclosures reported in these financial statements. Significant estimates made by management include the following:

**Valuation of stock options and share purchase warrants**

Management uses the Black-Scholes option pricing model to determine the fair value of employee stock options and share purchase warrants issued for goods or services. This model requires assumptions of the expected future price volatility of the Company's common shares, expected life of options and warrants, future risk-free interest rates and the dividend yield of the Company's common shares.

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### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2018

(Expressed in Canadian dollars)

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#### Income taxes

Provisions for income and other taxes are based on management's interpretation of taxation laws, which may differ from the interpretation by taxation authorities. Such differences may result in eventual tax payments differing from amounts accrued. Reported amounts for deferred tax assets and liabilities are based on management's expectation for the timing and amounts of future taxable income or loss, as well as future taxation rates. Changes to these underlying estimates may result in changes to the carrying value, if any, or deferred income tax assets and liabilities.

#### Economic recoverability of exploration and evaluation assets

Management has determined that exploration and evaluation costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

#### **Changes in accounting policies**

##### IFRS 9 – Financial Instruments

The Company adopted IFRS 9, which replaced IAS 39 – Financial Instruments: Recognition and Measurement, in its financial statements beginning January 1, 2018. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities, however it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Under IFRS 9 there are three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. IFRS replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measure at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The adoption of IFRS 9 did not impact the carrying amounts of any of our financial assets on the transition date. The Company designated its equity securities as FVTOCI, where they will be recorded initially at fair value. Subsequent changes in fair value will be recognized in other comprehensive income.

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**IFRS 15 – Revenue from contracts with customers**

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the goods or services. The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations.

The adoption of IFRS 15 did not have any impact on the financial statements as the Company had no revenue since inception.

**Future changes in accounting policies****IFRS 16 – Leases**

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted.

The Company is currently assessing the impact of the adoption of IFRS 16.

**TUDOR GOLD CORP.**

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**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2018

(Expressed in Canadian dollars)

**4. EXPLORATION AND EVALUATION ASSETS**

	Mackie East	Mackie West	Treaty Creek	Electrum	Other	Total
<b>ACQUISITION</b>						
<b>Balance, March 31, 2018</b>	<b>\$ 1,050,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,877,400</b>	<b>\$ 2,377,400</b>	<b>\$ 1,094,670</b>	<b>\$ 7,399,470</b>
Share option payments	-	-	-	-	253,000	253,000
Cash option payments	-	-	-	50,000	-	50,000
Impairment write-down	-	-	-	-	(475,500)	(475,500)
<b>Balance, September 30, 2018</b>	<b>\$ 1,050,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,877,400</b>	<b>\$ 2,427,400</b>	<b>\$ 872,170</b>	<b>\$ 7,226,970</b>
<b>EXPLORATION</b>						
<b>Balance, March 31, 2018</b>	<b>\$ 49,506</b>	<b>\$ 13,519</b>	<b>\$ 7,926,953</b>	<b>\$ 776,642</b>	<b>\$ 81,211</b>	<b>\$ 8,847,831</b>
Air transportation	-	-	757,280	-	774	758,054
Assaying	-	-	11,277	6,715	-	17,992
Consulting fees	-	-	154,525	117,407	-	271,932
Drilling	-	-	983,086	-	-	983,086
Field costs	-	-	581,040	12,464	-	593,504
Geology	-	-	11,765	400	-	12,165
Road access	-	-	-	5,158	-	5,158
Travel	-	-	20,224	-	-	20,224
Impairment write-down	-	-	-	-	(81,211)	(81,211)
<b>Balance, September 30, 2018</b>	<b>\$ 49,506</b>	<b>\$ 13,519</b>	<b>\$ 10,446,150</b>	<b>\$ 918,786</b>	<b>\$ 774</b>	<b>\$ 11,428,735</b>
<b>CARRYING VALUE</b>						
March 31, 2018	\$ 1,099,506	\$ 1,013,519	\$ 9,804,353	\$ 3,154,042	\$ 1,175,881	\$ 16,247,301
<b>September 30, 2018</b>	<b>\$ 1,099,506</b>	<b>\$ 1,013,519</b>	<b>\$ 12,323,550</b>	<b>\$ 3,346,186</b>	<b>\$ 872,944</b>	<b>\$ 18,655,705</b>

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(Expressed in Canadian dollars)

	<b>Mackie East</b>	<b>Mackie West</b>	<b>Doc</b>	<b>Treaty Creek</b>	<b>Electrum</b>	<b>Other</b>	<b>Total</b>
<b>ACQUISITION</b>							
<b>Balance, March 31, 2017</b>	<b>\$ 1,050,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,038,500</b>	<b>\$ 1,877,400</b>	<b>\$ 2,377,400</b>	<b>\$ 1,623,709</b>	<b>\$ 8,967,009</b>
Share option payments	-	-	-	-	-	183,000	183,000
Cash option payments	-	-	-	-	-	256,542	256,542
Impairment write-down	-	-	(1,038,500)	-	-	(968,581)	(2,007,081)
<b>Balance, March 31, 2018</b>	<b>\$ 1,050,000</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>	<b>\$ 1,877,400</b>	<b>\$ 2,377,400</b>	<b>\$ 1,094,670</b>	<b>\$ 7,399,470</b>
<b>EXPLORATION</b>							
<b>Balance, March 31, 2017</b>	<b>\$ 49,006</b>	<b>\$ 13,519</b>	<b>\$ 75,238</b>	<b>\$ 2,063,688</b>	<b>\$ 441,299</b>	<b>\$ 89,792</b>	<b>\$ 2,732,542</b>
Air transportation	-	-	-	1,663,953	3,409	-	1,667,362
Assaying	-	-	-	423,681	16,496	-	440,177
Consulting fees	500	-	-	224,180	98,868	-	323,548
Drilling	-	-	-	3,015,880	7,394	-	3,023,274
Field costs	-	-	-	486,655	15,514	-	502,169
Geology	-	-	-	43,568	-	-	43,568
Road access	-	-	-	-	193,662	-	193,662
Travel	-	-	-	5,348	-	-	5,348
Impairment write-down	-	-	(75,238)	-	-	(8,581)	(83,819)
<b>Balance, March 31, 2018</b>	<b>\$ 49,506</b>	<b>\$ 13,519</b>	<b>\$ -</b>	<b>\$ 7,926,953</b>	<b>\$ 776,642</b>	<b>\$ 81,211</b>	<b>\$ 8,847,831</b>
<b>CARRYING VALUE</b>							
March 31, 2017	\$ 1,099,006	\$ 1,013,519	\$ 1,113,738	\$ 3,941,088	\$ 2,818,699	\$ 1,713,501	\$ 11,699,551
<b>March 31, 2018</b>	<b>\$ 1,099,506</b>	<b>\$ 1,013,519</b>	<b>\$ -</b>	<b>\$ 9,804,353</b>	<b>\$ 3,154,042</b>	<b>\$ 1,175,881</b>	<b>\$ 16,247,301</b>

## **TUDOR GOLD CORP.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the six months ended September 30, 2018

(Expressed in Canadian dollars)

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#### **Mackie East, Mackie West and Doc claims**

On April 6, 2016, the Company completed a definitive acquisition agreement with Tudor Holdings involving the issuance of 30,000,000 common shares of the Company at a value of \$0.10 per share (issued) (Note 7) in exchange for rights to the Mackie Property located in the Skeena Mining Division of northwestern British Columbia. The 30,000,000 common shares will be subject to an escrow agreement, under which the shares will be released over the next three years. The Mackie Property consists of three main claim groups: Mackie East, Mackie West and the Doc claims.

The Mackie East claims are subject to an option agreement, whereby the Company can acquire a 100% interest in the claims by making property payments totaling \$250,000 over the next three years (\$50,000 paid). The Mackie East claims are subject to a 2.5% net smelter return (“NSR”) royalty.

The Mackie West claims are not subject to an underlying option agreement and will be wholly owned on completion of the acquisition agreement. There are no NSR royalties in respect of these claims.

The Doc claims were subject to an option agreement, whereby the Company would acquire a 100% interest in the claims by making property payments totaling \$2,000,000 over the next three years. The option agreement was amended in November 2016, such that the \$50,000 cash payment due in November 2016 was replaced by the issuance of 70,000 common shares of the Company’s shares to the optionor (issued with a value of \$38,500) (Note 7). The Doc claims are subject to a 2.5% NSR royalty. During the year ended March 31, 2018, the Company recorded a provision for write-down of \$1,113,738 to a carrying value of \$Nil related to the Doc claims.

In September 2018, the Company entered into an agreement (the “Amending Agreement”) with John Bot (the “Optionor”) amending certain payment terms of the original option agreement to acquire a 100% interest in the Doc claims. The Amending Agreement provides for the issuance of 150,000 common shares of the Company in lieu of a cash payment of \$50,000 due on September 15, 2018 as well as an extension of the remaining scheduled payments. Payment schedule per the Amending Agreement is as follows:

- \$50,000 due on or before November 20, 2018 has been extended to August 29, 2019; and
- \$1,825,000 due on or before November 20, 2019 has been extended to August 29, 2020.

#### **Treaty Creek Property**

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Treaty Creek Property located in northwestern British Columbia by acquiring a 31% interest from American Creek Resources Ltd. (“American Creek”), which held a 51% stake, and a 29% interest from Teuton Resources Corp. (“Teuton”), which held a 49% interest. The Company acquired the combined 60% interest by issuing 500,000 common shares to each of American Creek and Teuton with a combined value of \$1,260,000 (issued) (Note 7). As part of the agreement, the Company agreed to complete a minimum of \$1,000,000 in exploration expenditures on the Treaty Creek Property during 2016 (completed).

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Pursuant to the agreement, the Company holds a 60% interest and each of American Creek and Teuton hold a 20% interest. Both American Creek's and Teuton's 20% interests are carried during the exploration period until a production notice is given, at which time they will each be responsible for 20% of the costs under and subject to the terms of the joint venture agreement. The Property is subject to 3% NSR royalties and under the terms of the agreement, and the Company is designated as operator of the joint venture.

**Electrum Property**

On May 10, 2016, the Company entered into a joint venture agreement, under which it acquired a 60% interest in the Electrum Property located in northwestern British Columbia from American Creek, by issuing 1,000,000 common shares with a value of \$1,260,000 (issued) (Note 7) and paying \$500,000 (paid). As part of the agreement, the Company also acquired 3,125,000 shares of American Creek by investing \$250,000 pursuant to a private placement, at a price of \$0.08 per American Creek share (Note 5). Under the terms of the agreement, the Company is designated as operator of the joint venture.

The Electrum Property comprises eight claims, of which six claims are subject to a 2% NSR royalty which can be purchased at any time for \$1,000,000.

**Eskay North Property**

On May 10, 2016, the Company acquired a 100% interest in a single mining claim in the Skeena Mining Division of northwestern British Columbia, known as the Eskay North Property. As consideration for the claim, the Company issued 750,000 common shares over a twelve-month period (issued with a combined value of \$605,000) (Note 7). The Eskay North Property is subject to a 2.5% NSR royalty payable to the vendor.

**Orion Property**

On June 1, 2016, the Company entered into an option agreement to acquire a 100% interest in the Orion Property located in the Skeena Mining Division of northwestern British Columbia by making option payments totaling \$700,000 (\$100,000 paid) and the issuance of 700,000 common shares over a five-year period (300,000 common shares issued with a value of \$375,000) (Note 7). The Property is subject to a 2.5% NSR royalty. In the period ended September 30, 2018, the Company's option on the Orion property was allowed to lapse and the Company wrote off its \$556,711 investment in the property.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Orion property in which certain payment terms have been amended. Pursuant to the amended payment terms, in order to maintain its option the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018 (Note 7); and in order to maintain the option must issue 50,000 common shares on or before June 1, 2019; 50,000 common shares on or before June 1, 2020 and 250,000 common shares on or before June 1, 2021.

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#### **Fairweather, Delta and High North Property Option Agreements**

In the period ended June 30, 2018, the Company's option agreements on the Fairweather, Delta and High North properties were allowed to lapse.

On May 24, 2016, the Company entered into agreements with Tudor Holdings to assume option agreements on three properties in the Skeena Mining Division of northwestern British Columbia. The Company was granted the right to acquire the 100% interest in the three properties pursuant to the terms of assignment and assumption agreements. The properties are known as the Fairweather Property, the Delta Property, and the High North Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$568,743 to a carrying value of \$Nil related to the Fairweather Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$205,951 to a carrying value of \$Nil related to the Delta Property.

During the year ended March 31, 2018, the Company recorded a provision for write-down of \$202,468 to a carrying value of \$Nil related to the High North Property.

In August 2018, the Company reached an agreement with Teuton to replace the original option agreement on the Fairweather property, the Delta property and the High North property in which certain payment terms have been amended. The amended payment terms are as follows:

- Fairweather property: in order to maintain the option the Company issued 216,667 common shares valued at \$49,833 on September 28, 2018 (Note 7); and in order to maintain the option must issue 50,000 common shares on or before December 15, 2018; 50,000 common shares on or before December 15, 2019 and 250,000 common shares on or before December 15, 2020.
- Delta property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 7).
- High North property: the Company issued 333,333 common shares valued at \$76,667 on September 28, 2018 (Note 7).

#### **Reclamation Bonds**

During the year ended March 31, 2018, the Company paid \$14,000 for a reclamation bond for the Electrum Property to the Minister of Finance.

During the year ended March 31, 2017, the Company paid \$66,600 for a reclamation bond for the Mackie Property and \$65,000 for a reclamation bond for the Treaty Creek Property to the Minister of Finance. The bonds are recoverable, subject to the Company meeting the B.C. Ministry of Energy and Mines reclamation requirements.

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**5. AVAILABLE-FOR-SALE INVESTMENTS**

Pursuant to the Company's joint venture agreement with American Creek related to the Electrum Property, the Company acquired 3,125,000 shares of American Creek by investing \$250,000 at a price of \$0.08 per American Creek share (Note 4).

	September 30, 2018		March 31, 2018	
	Cost	Fair Value	Cost	Fair Value
<b>American Creek:</b>				
3,125,000 common shares	\$ 250,000	\$ 125,000	\$ 250,000	\$ 156,250
	\$ 250,000	\$ 125,000	\$ 250,000	\$ 156,250

During the six months ended September 30, 2018, the Company recognized a fair value adjustment on the investment in the amount of \$31,250 (2017 - \$Nil).

**6. PROPERTY AND EQUIPMENT**

	Building	Land	Equipment	Vehicle	Website	Total
<b>COSTS</b>						
Balance, March 31, 2017	\$ 38,750	\$ 33,750	\$ -	\$ 27,000	\$ 23,424	\$ 122,924
Additions / Reductions	-	-	90,481	3,000	(1,321)	92,160
<b>Balance, March 31, 2018</b>	<b>38,750</b>	<b>33,750</b>	<b>90,481</b>	<b>30,000</b>	<b>22,103</b>	<b>215,084</b>
Additions / Reductions	-	-	-	-	6,392	6,392
<b>Balance, September 30, 2018</b>	<b>\$ 38,750</b>	<b>\$ 33,750</b>	<b>\$ 90,481</b>	<b>\$ 30,000</b>	<b>\$ 28,495</b>	<b>\$ 221,476</b>
<b>ACCUMULATED DEPRECIATION</b>						
Balance, March 31, 2017	\$ 937	\$ -	\$ -	\$ 1,297	\$ 2,928	\$ 5,162
Depreciation	1,938	-	11,310	3,562	5,691	22,501
<b>Balance, March 31, 2018</b>	<b>2,875</b>	<b>-</b>	<b>11,310</b>	<b>4,859</b>	<b>8,619</b>	<b>27,663</b>
Depreciation	969	-	11,310	1,875	3,162	17,316
<b>Balance, September 30, 2018</b>	<b>\$ 3,844</b>	<b>\$ -</b>	<b>\$ 22,620</b>	<b>\$ 6,734</b>	<b>\$ 11,781</b>	<b>\$ 44,979</b>
<b>NET BOOK VALUE</b>						
March 31, 2018	\$ 35,875	\$ 33,750	\$ 79,171	\$ 25,141	\$ 13,484	\$ 187,421
<b>September 30, 2018</b>	<b>\$ 34,906</b>	<b>\$ 33,750</b>	<b>\$ 67,861</b>	<b>\$ 23,266</b>	<b>\$ 16,714</b>	<b>\$ 176,497</b>

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## **7. SHAREHOLDERS' EQUITY**

### **Authorized share capital**

Unlimited common shares, without par value.

Unlimited preferred shares issuable in series.

### **Share issuances**

On April 10, 2017, an aggregate of 11,000,000 share purchase warrants of the Company were exercised at a price of \$0.10 each, resulting in the issuance of 11,000,000 shares of the Company for proceeds of \$1,100,000.

On May 31, 2017, the Company issued 250,000 common shares valued at \$152,500 related to the Eskay North Property, and issued 50,000 common shares valued at \$30,500 related to the Orion Property (Note 4).

On June 6, 2017, an aggregate of 50,000 stock options of the Company were exercised at a price of \$0.10 each, resulting in the issuance of 50,000 common shares of the Company for proceeds of \$5,000.

On August 21, 2017, the Company closed the first tranche of a non-brokered private placement consisting of 717,200 flow-through common shares ("FT Shares") at a price of \$0.80 per FT Share, 1,139,452 non-flow-through common shares ("Non-FT Shares") at a price of \$0.64 per Non-FT Share, and 1,263,639 units at a price of \$0.64 per unit for gross proceeds of \$2,111,740. Each unit consists of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$1.00 per share for a period of two years.

On August 30, 2017, the Company closed the second tranche of a non-brokered private placement consisting of 925,000 FT Shares at a price of \$0.80 per FT Share for gross proceeds of \$740,000. In connection with both the first and second tranches of this private placement, the Company paid finders' fees totaling \$83,726, issued 98,802 finders' warrants valued at \$38,180, issued 95,147 finders' common shares valued at \$75,166, and incurred other share issuance costs totaling \$103,521. The finders' warrants were valued using the Black-Scholes option pricing model using the following weighted average assumptions: term of 2 years; expected volatility of 93.60%; risk-free rate of 1.31%; and expected dividends of Nil.

On October 30, 2017, the Company closed a non-brokered private placement consisting of 410,000 units at a price of \$0.70 per unit for gross proceeds of \$287,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$1.00 for a period of two years. A value of \$45,100 was attributed to the warrant component of the units.

On April 16, 2018, the Company closed a non-brokered private placement, consisting of 2,080,000 shares at a price of \$0.40 per share and 2,920,000 units at a price of \$0.40 per unit, for aggregate gross proceeds of \$2,000,000. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.65 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of \$9,115.

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On June 11, 2018, the Company issued 2,000,000 common shares, pursuant to the exercise of 2,000,000 warrants for proceeds of \$200,000.

On July 5, 2018, the Company closed a non-brokered private placement, consisting of 1,000,000 units at a price of \$0.35 per unit for aggregate gross proceeds of \$350,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 per share for a period of two years from the closing. In connection with the offering, the Company paid a cash finder's fee of \$21,000 and issued 60,000 non-transferable finder's warrants, with each finder's warrant exercisable for a common share of the Company at an exercise price of \$0.45 per share for a period of two years.

On July 26, 2018, the Company closed a non-brokered private placement, consisting of 2,857,142 units at a price of \$0.35 per unit for aggregate gross proceeds of \$1,000,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.55 per share for a period of two years from the closing.

On September 25, 2018, the Company closed a non-brokered private placement, consisting of 3,191,481 units at a price of \$0.27 per unit for aggregate gross proceeds of \$861,700. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of \$0.40 per share for a period of one year from the closing.

On September 28, 2018, the Company issued 333,333 common shares valued at \$76,667 related to the High North property; 216,667 common shares valued at \$49,833 related to the Fairweather property; 333,333 common shares valued at \$76,667 related to the Delta property; and 216,667 common shares valued at \$49,833 related to the Orion property (Note 4).

**Escrow shares**

As at September 30, 2018, 9,172,500 (March 31, 2018 – 13,758,750) common shares are held in escrow and released over 36 months following the April 6, 2016 completion of the Company's Qualifying Transaction.

**Stock options**

The Company adopted an incentive stock option plan (the "Option Plan") which allows the Company's Board of Directors, at its discretion and in accordance with TSX-V requirements, to grant non-transferable options to purchase common shares to its directors, officers, employees and technical consultants to the Company. The number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to ten years from the date of grant and vesting terms will be determined at the time of grant by the Board of Directors.

On April 19, 2016, the Company granted 2,850,000 stock options with an exercise price of \$0.10 per share expiring April 19, 2026. The fair value of the stock options was estimated to be \$254,904 using the Black-Scholes option pricing model with the following assumptions: term of 10 years; expected volatility of 100%; risk-free rate of 1.49%; and expected dividends of Nil.

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On March 7, 2017, the Company granted 300,000 stock options with an exercise price of \$0.55 per share expiring March 7, 2019. The fair value of the stock options was estimated to be \$89,049 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 100%; risk-free rate of 0.74%; and expected dividends of Nil.

On October 2, 2017, the Company granted 600,000 stock options with an exercise price of \$1.00 per share expiring October 2, 2019. The fair value of the stock options was estimated to be \$173,772 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 94.51%; risk-free rate of 1.53%; and expected dividends of Nil.

On March 15, 2018, the Company granted 1,200,000 stock options with an exercise price of \$0.55 per share expiring March 15, 2020. The fair value of the stock options was estimated to be \$218,016 using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 90.45%; risk-free rate of 1.77%; and expected dividends of Nil.

On March 15, 2018, the Company granted 300,000 stock options with an exercise price of \$0.45 per share expiring March 15, 2020, with 25% of the options vesting every three months from the date of grant. The fair value of the stock options was estimated to be \$61,260, of which \$29,033 was recognized during the period using the Black-Scholes option pricing model with the following assumptions: term of 2 years; expected volatility of 90.45%; risk-free rate of 1.77%; and expected dividends of Nil.

Changes in stock options for the six months ended September 30, 2018 and the year ended March 31, 2018 are as follows:

	<b>September 30, 2018</b>		<b>March 31, 2018</b>	
	<b>Number of stock options</b>	<b>Exercise price</b>	<b>Number of stock options</b>	<b>Exercise price</b>
Outstanding, beginning	<b>4,800,000</b>	<b>\$ 0.38</b>	2,750,000	\$ 0.15
Granted	-	\$ -	2,100,000	\$ 0.66
Exercised	-	\$ -	(50,000)	\$ 0.10
Outstanding, ending	<b>4,800,000</b>	<b>\$ 0.38</b>	4,800,000	\$ 0.38
Exercisable, ending	<b>4,650,000</b>	<b>\$ 0.37</b>	4,500,000	\$ 0.37

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Stock options outstanding as at September 30, 2018 are as follows:

<b>Grant Date</b>	<b>Number of stock options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
April 19, 2016	2,400,000	\$0.10	April 19, 2026
March 7, 2017	300,000	\$0.55	March 7, 2019
October 2, 2017	600,000	\$1.00	October 2, 2019
March 15, 2018	1,200,000	\$0.55	March 15, 2020
March 15, 2018	300,000	\$0.45	March 15, 2020
	<b>4,800,000</b>		

**Warrants**

Changes in share purchase warrants for the six months ended September 30, 2018 and the year ended March 31, 2018 are as follows:

	<b>September 30, 2018</b>		<b>March 31, 2018</b>	
	<b>Number of warrants</b>	<b>Exercise price</b>	<b>Number of warrants</b>	<b>Exercise price</b>
Outstanding, beginning	3,567,441	\$ 0.49	13,000,000	\$ 0.10
Issued	8,568,623	\$ 0.51	1,567,441	\$ 0.99
Exercised	(2,000,000)	\$ 0.10	(11,000,000)	\$ 0.10
Outstanding, ending	<b>10,136,064</b>	<b>\$ 0.58</b>	3,567,441	\$ 0.49

Share purchase warrants outstanding as at September 30, 2018 are as follows:

<b>Issue Date</b>	<b>Number of warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
August 22, 2017	1,263,639	\$1.00	August 21, 2019
August 22, 2017	43,302	\$0.85	August 21, 2019
August 30, 2017	55,500	\$0.85	August 31, 2019
October 30, 2017	205,000	\$1.00	October 30, 2019
April 16, 2018	1,460,000	\$0.65	April 16, 2020
July 5, 2018	1,000,000	\$0.55	July 5, 2020
July 5, 2018	60,000	\$0.45	July 5, 2020
July 26, 2018	2,857,142	\$0.55	July 26, 2020
September 25, 2018	3,191,481	\$0.40	September 25, 2019
	<b>10,136,064</b>		

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**8. RELATED PARTY TRANSACTIONS**

As at September 30, 2018, a total of \$96,018 (March 31, 2018 - \$96,566) was owing to officers and directors of the Company and is included in accounts payable and accrued liabilities.

**Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly and indirectly. Key management personnel include the Company's executive officers and Board of Director members.

The Company paid and/or accrued management fees of \$48,000 (2017 - \$48,000) to Morfopoulos Consulting Associates Ltd, a company controlled by the Chief Financial Officer of the Company, for management, accounting and administrative services.

The Company paid and/or accrued consulting fees of \$90,000 (2017 - \$60,000) to Ray Marks, the Executive VP and director of the Company, for management and supervision of field operations. The Company also paid and/or accrued a total of \$32,881 (2017 - \$155,270) to Ray Marks for exploration-related expenditures (labour, logistics, third party costs) incurred on behalf of the Company during the period. As at September 30, 2018, \$63,265 (March 31, 2018 - \$31,500) is owing to Ray Marks and included in accounts payable.

In the period ended September 30, 2018, the Company accrued salaries and wages of \$60,000 (2017 - \$36,000) to Walter Storm, the Chief Executive Officer of the Company.

The Company paid and/or accrued management fees of \$24,000 (2017 - \$24,000) to Tudor Holdings, a company controlled by an officer and director of the Company. As at June 30, 2018, \$Nil (March 31, 2018 - \$4,200) is owing to this company and included in accounts payable.

On May 10, 2016, the Company entered into a credit facility agreement with Tudor Holdings for up to \$650,000 for the purpose of funding the acquisition, exploration and development of the Company's mineral properties. The credit facility is due to be repaid on May 10, 2020, is unsecured and non-convertible, with an interest rate of 8% per annum. As at September 30, 2018, the amount of \$600,000 in principal and \$40,926 in interest is owing on this credit facility.

The Company paid and/or accrued consulting fees of \$Nil (2017 - \$5,000) to Robert Quinn, a director of the Company. As at September 30, 2018, \$32,753 (March 31, 2018 - \$34,643) is owing to Robert Quinn and included in accounts payable.

**Other related party transactions**

During the year ended March 31, 2017, the Company entered into various agreements with Tudor Holdings, a company controlled by an officer and director of the Company to acquire various exploration and evaluation assets (Note 4).

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During the year ended March 31, 2018, the Company received a short-term loan of \$240,000 from Walter Storm, the Chief Executive Officer of the Company. The loan was unsecured, non-interest bearing and due on demand. In April 2018, the Company repaid the loan in full.

#### **9. LEASE OBLIGATION**

On June 16, 2017, the Company entered into a four year finance lease for field equipment. The Company paid \$10,000 plus taxes on signing as its first lease payment and is required to pay \$1,605 per month plus taxes until May 2021. The present value of the total lease obligation was \$85,295 using the financing rate of 3.99%. As at September 30, 2018, \$19,187 (March 31, 2018 - \$19,573) of the lease obligation is due within one year and \$30,322 (March 31, 2018 - \$39,820) is due to be repaid over the remaining term of the lease. During the six months ended September 30, 2018, the Company recorded a total accretion expense of \$420 (2017 - \$Nil) related to this lease obligation.

#### **10. FLOW-THROUGH LIABILITY**

On August 30, 2017, the Company closed a non-brokered private placement and issued a total of 1,642,200 FT Shares at a price of \$0.80 per FT Share for gross proceeds of \$1,313,760. The FT Shares premium liability was calculated to be \$114,752. The Company is required to incur eligible Canadian Exploration Expenditure by August 2019. Upon renunciation of the expenses to the investors, the FT Shares premium liability will be reversed as a recovery of deferred income tax assets previously not recognized. During the year ended March 31, 2018 the Company recognized a gain on settlement of flow-through liability of \$114,752.

#### **11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

As at September 30, 2018, the Company's financial instruments are comprised of cash, investment, accounts payable and accrued liabilities, lease obligations and credit facility. The fair values of these financial instruments approximate their carrying values due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – Inputs that are not based on observable market data (unobservable inputs).

As at September 30, 2018, the fair value of cash and investments (Note 5) held by the Company was based on level 1 of the fair value hierarchy. The fair value of the Company's lease obligations and credit facility approximate the carrying values as the contractual interest rates are comparable to current market interest rates.

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

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**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 credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset backed commercial paper.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at September 30, 2018, the Company had cash of \$408,032 to settle current liabilities of \$2,499,131. All of the Company's current financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company requires additional cash to meet the payment obligations.

**Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices.

Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company's current exposure to interest rate risk is limited to its cash and cash equivalents yielding interest income at varying rates. The Company's interest obligations on its credit facility, loan payable and certain accounts payable balances, are fixed. The Company's current exposure to interest rate risk is insignificant.

Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has nominal expenses denominated in a foreign currency, so it is not exposed to any significant foreign currency risk.

Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

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**12. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity and any debt that it may issue. As at September 30, 2018, the Company's shareholders' equity was \$16,503,933 and it had current liabilities of \$2,499,131. The Company's objectives when managing capital are to maintain financial viability and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company's current capital was received from the issuance of common shares as well as a loan and a credit facility from related parties. The net proceeds raised to date will only be sufficient to identify and evaluate a limited number of assets and businesses. Additional funds may be required to finance the Company's future business opportunities.

The Company is not subject to any externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period ended September 30, 2018.

**13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS****During the six months ended September 30, 2018**

The Company issued a total of 1,000,000 common shares valued at \$253,000 for the acquisitions of exploration and evaluation assets (Notes 4 and 7).

In connection with July 5, 2018 private placement, the Company issued 60,000 finders' warrants valued at \$9,377 (Note 7).

**During the six months ended September 30, 2017**

The Company issued a total of 300,000 common shares valued at \$156,000 for the acquisitions of exploration and evaluation assets (Notes 4 and 7).

In connection with August 2017 private placement, the Company issued 98,532 finders' warrants valued at \$38,180 and issued 95,147 finders' common shares valued at \$75,166 (Note 7).

In August 2017, the Company issued a total of 1,642,200 FT Shares at \$0.80 per FT Share for gross proceeds of \$1,313,760, resulting in a flow-through share premium liability of \$7,172.

The Company recorded a reversal in the amount of \$4,472 between reserves and share capital in connection with stock options exercised.