



LAURION MINERAL EXPLORATION INC.

**FINANCIAL STATEMENTS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2018
AND SEPTEMBER 30, 2017**

LAURION MINERAL EXPLORATION INC.

For the Nine Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

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Laurion Mineral Exploration Inc.

Condensed Interim Statements of Operations

For the Nine Month Periods Ended September 30, 2018 and 2017

(expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Administrative expenses (Note 3)	\$ (132,901)	\$ (68,146)	\$ (368,759)	\$ (218,890)
Amortization	-	(271)	-	(814)
Loss on settlement of debt	-	-	(364,468)	-
Interest income	-	-	176	-
Exploration expenses	(508,506)	(1,611)	(783,676)	(7,755)
Net loss and comprehensive loss for the period	\$ (641,507)	\$ (78,028)	\$ (1,516,727)	\$ (227,459)
Basic loss per share	\$ (0.004)	\$ (0.001)	\$ (0.011)	\$ (0.002)
Diluted loss per share	\$ (0.004)	\$ (0.001)	\$ (0.011)	\$ (0.002)
Weighted average number of common shares outstanding	149,442,850	108,233,002	134,176,459	108,233,002

The accompanying notes form part of the unaudited condensed interim financial statements
 These unaudited condensed interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Condensed Interim Statements of Financial Position
As at September 30, 2018 and December 31, 2017
(expressed in Canadian Dollars)

	September 30, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	\$ 394,526	\$ 17,984
Other receivables	58,169	2,541
Prepaid expenses	67,860	-
	520,555	20,525
<hr/>		
TOTAL ASSETS	\$ 520,555	\$ 20,525
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EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables (Note 7)	\$ 478,474	\$ 854,924
Loan payable (Note 7)	24,000	24,000
	502,474	878,924
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Equity/(Deficiency)		
Share capital (Note 6)	15,048,652	13,891,054
Warrants reserve	3,503,450	2,429,274
Share based payments reserve	4,137,499	3,976,066
Deficit	(22,671,520)	(21,154,793)
	18,081	(858,399)
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TOTAL EQUITY/(DEFICIENCY) AND LIABILITIES	\$ 520,555	\$ 20,525

Going concern (Note 1b)
Contingencies and commitments (Notes 10, 11)
Subsequent events (Note 12)

Approved by: "Cynthia Le Sueur-Aquin"
Cynthia Le Sueur- Aquin, CEO

Approved by: "Douglas Bolton"
Douglas Bolton, CFO

The accompanying notes form part of the unaudited condensed interim financial statements
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Laurion Mineral Exploration Inc.

Condensed Interim Statements of Changes in Equity/(Deficiency)
For the Nine Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

	Share capital (Note 6)	Warrants Reserve	Share Based Payments Reserve	Deficit	Total
Balance as at December 31, 2016	\$ 13,891,054	\$ 2,429,274	\$ 3,970,155	\$(20,848,135)	\$ (557,652)
Share based payments	-	-	4,852	-	4,852
Net loss for the period	-	-	-	(227,459)	(227,459)
Balance as at September 30, 2017	\$ 13,891,054	\$ 2,429,274	\$ 3,975,007	\$(21,075,594)	\$ (780,259)
Balance as at December 31, 2017	\$ 13,891,054	\$ 2,429,274	\$ 3,976,066	\$(21,154,793)	\$ (858,399)
Units issued for cash	215,496	1,074,176	-	-	1,289,672
Share based payments	-	-	1,777	-	1,777
Options granted as compensation for accrued directors' fees			159,656		159,656
Shares issued for mineral property acquisition	13,600				13,600
Shares issued for debt repayment	928,502				928,502
Net income/(loss) for the period	-	-	-	(1,516,727)	(1,516,727)
Balance as at September 30, 2018	\$ 15,048,652	\$ 3,503,450	\$ 4,137,499	\$(22,671,520)	\$ 18,081

The accompanying notes form part of the unaudited condensed interim financial statements
These unaudited condensed interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Condensed Interim Statements of Cash Flows

For the Nine Month Periods Ended September 30, 2018 and 2017

(expressed in Canadian Dollars)

	September 30, 2018	September 30 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (1,516,727)	\$ (227,459)
Amortization	-	814
Share-based payments	1,777	4,852
Loss on shares for debt settlement	364,468	-
Exploration and evaluation expenditures settled by shares	13,600	-
Net changes in non-cash working capital		
Other receivables	(55,628)	9,724
Prepaid expenses	(67,860)	(340)
Trade and other payables	(347,241)	205,608
NET CASH USED IN OPERATING ACTIVITIES	(913,129)	(6,801)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds on issued units	1,289,672	-
Proceeds from loan payable	-	24,000
NET CASH PROVIDED FROM FINANCING ACTIVITIES	1,289,672	24,000
Net change in cash	376,543	17,199
Cash at beginning of period	17,983	21,483
Cash at end of period	\$ 394,526	\$ 38,682

The accompanying notes form part of the unaudited condensed interim financial statements
These unaudited condensed interim financial statements have not been reviewed by the Corporation's auditors

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

a. Nature of Operations

Laurion Mineral Exploration Inc. (the "Corporation") is a mid-stage exploration company focused on the development of a near surface gold-silver and gold-rich polymetallic mineralization on its Ishkoday Project. The address of the Corporation's registered office is 40 King Street West, Suite 5800, Toronto, Ontario. The Corporation is a public company listed on the TSX Venture Exchange under the symbol LME and the OTC PINK under the symbol LMEFF.

The Corporation has key interests in prospective mining properties located in Ontario, Canada. The Corporation holds title and interest in two resource properties, as follows:

- I) The Ishkoday Property ("Ishkoday") is situated in the Onaman-Tashota Greenstone Belt, 220km northeast of Thunder Bay, Ontario. Ishkoday is composed of a 4,442-hectare land package consisting of 20 contiguous mining leases (1,178 hectares) and 17 mining claims totalling 204 units (3,264 hectares) located in Irwin, Walters, Elmhirst and Pifher Townships, 25km northeast of the Town of Beardmore; and
- II) A 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals on the Midlothian Property. The Midlothian Property consists of 11 claims (152 claim units) covering an area of approximately 2,432 hectares and is located 80km west-southwest of Kirkland Lake and 25km west-southwest of the town of Matachewan.

b. Going Concern

The Corporation is in the process of exploring its flagship property, the Ishkoday Property. The Corporation has not yet determined whether the property contains economically recoverable resources. The recoverability of the carrying values of mineral exploration properties and deferred exploration costs is dependent upon the discovery of economically recoverable resources, the preservation of the Corporation's interest in the underlying patented leases and mineral claims, the ability of the Corporation to obtain financing necessary to continue the development of the Ishkoday Property, or any of its other properties, or alternatively upon the Corporation's ability to dispose of its interests on an advantageous basis.

These unaudited condensed interim financial statements of the Corporation have been prepared using accounting policies applicable to a going concern, which contemplate the realization of assets and settlement of liabilities in the normal course of business as they fall due for the foreseeable future. For the nine-month period ended September 30, 2018, cash used in operation by the Corporation was \$913,129 (2017 - \$6,801) and the Corporation carried an accumulated deficit of \$22,671,520 (2017 - \$21,075,594). Furthermore, the Corporation had not generated revenue from operations.

The Corporation's current assets exceeded its current liabilities by \$18,081 as at September 30, 2018 (December 31, 2017 – current liabilities exceeded its current assets by \$858,399). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. In view of these circumstances, the Corporation requires additional immediate financing to settle outstanding debt and to complete its planned exploration and evaluation program on the Ishkoday property and will continue to explore financing alternatives to raise capital. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms or that the Corporation will achieve profitable operation.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

1. Nature of Operations and Going Concern (continued)

b. Going Concern (continued)

These unaudited condensed interim financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. These adjustments could be material.

2. Summary of Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including International Accounting Standards ("IAS") 34, Interim Financial Reporting. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS and interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC") as issued by the IASB in effect as of December 31, 2017.

The accounting policies and methods of computation remain the same as presented in the audited annual financial statements for the year ended December 31, 2017.

These unaudited condensed interim financial statements have been approved by the Board of Directors on November 27, 2018.

3. Administrative Expenses

Administrative expenses are composed of the following:

For the year ended	September 30, 2018	September 30, 2017
Management fees (Note 10)	\$ 58,970	\$ 57,850
Consulting fees	1,481	-
Office and administrative expenses (Note 10)	18,377	16,725
Professional fees	144,264	45,365
Rent	2,700	2,700
Shareholder information	55,994	68,898
Share based payments	1,777	4,852
Transfer listing and filing fees	39,808	13,113
Travel and automotive	45,388	9,387
	\$ 368,759	\$ 218,890

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

4. Income (Loss) Per Share

Basic and diluted income (loss) per share

The calculation of basic and diluted income (loss) per shares at the period end is based on the net income (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding at the end of the reporting period. In the current reporting period and in 2017, the Corporation was in a loss position and, therefore, its options and warrants were anti-dilutive.

5. Investment in Mineral Properties and Deferred Exploration

I. The Ishkoday Property

The Ishkoday Property comprises the following acquisitions:

1. The Ishkoday Property

On October 4, 2007, the Corporation entered into an agreement with St. Andrew Goldfields Ltd. for the purchase of a 100% interest in the Ishkoday Property, located 25km northeast of the Town of Beardmore, 220km northeast of Thunder Bay, Ontario, for a consideration of 500,000 common shares issued at \$0.10 per share. These leases are in the renewal process.

The Ishkoday Property consists of 15 contiguous mining leases (657 hectares) located in Irwin, Walters, Elmhirst and Pifher Townships.

2. The Ishkoday North Property

On July 7, 2011, the Corporation acquired an undivided 100% interest from two prospectors (collectively, "Bond and Renner"), the Ishkoday North Claims, for a consideration of 800,000 common shares of the Corporation issued at \$0.085 per share.

The Ishkoday North Property is composed of 13 mining claim units aggregating 179 contiguous units covering an area of approximately 2,864 hectares, located in Pifher and Elmhirst Townships. The Ishkoday North Claims are situated to the north of, and are contiguous with, the Ishkoday Property.

3. The Jubilee-Elmhirst Property

On August 30, 2011, the Corporation entered into an option agreement with Jubilee Gold Inc. ("Jubilee") in which the Corporation received an option to acquire up to a 100% interest in 4 mining leases totalling 74 hectares located in Elmhirst Township. The agreement closed on September 9, 2011. The Jubilee-Elmhirst Property is located in Elmhirst Township, contiguous and to the east of the Corporation's Ishkoday Property.

Under the terms of the agreement, the Corporation issued 290,000 common shares, incurred \$500,000 in exploration expenditures and made cash payments totalling \$42,000 to acquire a 60% interest in the mining leases by making cash and share payments and incurring exploration expenditures over a 60 month period from the closing date.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

5. Investment in Mineral Properties and Deferred Exploration (continued)

3. The Jubilee-Elmhirst Property (continued)

The Corporation, in consideration for acting as the operator, is entitled to a management fee equal to 10% of the expenditures it incurs. This management fee will be applied against the required exploration expenditures noted above.

Once the Corporation has earned the 60% interest in the mining leases, the Corporation has an option to acquire an additional 40% interest by making cash payments in the aggregate amount of \$30,000, issuing 160,000 common shares of the Corporation, incurring an additional \$333,333 in exploration expenditures and granting Jubilee a 2% net smelter royalty on production from the leases. The Corporation has the option to purchase 50% of the royalty by paying an additional amount of \$1,000,000.

On May 14, 2018, the company agreed with Jubilee Gold Inc. to amend the addendum to the August 30, 2011 Option Agreement to acquire an additional 40% interest in the Jubilee Leases in the Elmhirst Township. The agreement calls for the Corporation to incur an aggregate of \$313,000 of expenditures on the leases, make a cash payment of \$50,000 (monthly payments of \$10,000 in June, July and August of 2018 and February and March of 2019), issue 160,000 common shares on June 30, 2018 and grant Jubilee a 2% net smelter royalty on production from the leases (50% of which can be purchased by the Corporation at any time by paying an additional \$1,000,000).

4. The Ishkoday East Property

On September 8, 2011, the Corporation entered into an option agreement with Argonaut Gold Inc., in which the Corporation received an option to acquire an undivided 100% interest in 3 mineral claims comprising 21 claim units totalling 336 hectares in Walter and Elmhirst Townships. The agreement closed on October 7, 2011. The Ishkoday-East property is located in Elmhirst Township, contiguous to the east of the Corporation's Ishkoday Property.

Under the terms of the agreement, the Corporation issued 500,000 common shares and incurred \$75,000 in exploration expenditures over a 36-month period from the closing date.

The Ishkoday East Property was transferred to Laurion on July 15, 2015.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

5. Investment in Mineral Properties and Deferred Exploration (continued)

5. The Beauxox Property

On May 7, 2012, Laurion completed a definitive agreement with Beauxox Mines Limited ("Beauxox"), whereby the Corporation received the option to acquire up to a 100% in 1 mining lease, covering an area of 447 hectares. The Beauxox property is contiguous to the Corporation's Ishkoday Property north eastern boundary and is located in the south western quarter of Elmhirst Township.

Pursuant to the terms of the Agreement, Laurion acquired an undivided 100% interest by issuing 4,500,000 common shares and by incurring a total of \$400,000 in exploration expenditures. 90% of the 4,500,000 Common Shares to be issued by Laurion shall be held pursuant to an escrow agreement and released in accordance with a structured schedule over a period of 36 months. The Beauxox property is subject to a 3% net smelter return ("NSR") royalty (the "Royalty") in favour of Beauxox (0.5%), David Malouf (2%) and Regean Gosselin (0.5%). At any time, Laurion may purchase 1.5% of the Royalty for \$1,500,000 or 1% of the Royalty for \$1,000,000. Beginning in the fourth year of the agreement, there shall be an annual advance net smelter return royalty of \$30,000. Laurion shall have the right to waive the advanced royalty payment by committing to execute a minimum of \$300,000 of audited assessment credits on the leases and to renew the leases within two years.

The Beauxox Property was transferred to Laurion on March 1, 2013.

6. The Ishkoday South Property

In June 2012, the Corporation staked 1 mineral claim (64 hectares) in Walters Township which is contiguous to the Ishkoday-Hercules Property and to the east of the Ishkoday Property.

II. The Alliance Properties

On July 22, 2014, the Corporation executed a Purchase and Sale Agreement with Kiska Metals Corporation ("Kiska") for the disposition of the Corporation's 51% interest in the Midlothian Project. The Corporation received \$25,000 cash payment plus the return of the 500,000 common shares of the corporation held by Kiska. Pursuant to the agreement, the Corporation will also receive a 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals. Kiska further agrees to incur a minimum of \$2,000,000 of mineral exploration expenditures on or before July 22, 2019 or may elect to make a cash payment equal to the difference between the \$2,000,000 and the actual mineral exploration expenditures incurred. Failure to do so will result in a 100% interest in the property reverting back to the Corporation and Kiska retaining a net smelter royalty of 1%. In addition, the Corporation is to receive \$500,000 upon completion of a mineral resource estimate of at least 500,000 gold equivalent ounces ("GEOs") and an additional \$1,000,000 upon the decision to commence the development and construction of a mine for the project.

In March 2016, Kiska announced that it had entered into an agreement ("Agreement") to sell its non-core Midlothian Project ("Property") to Canadian Gold Miner Corp. ("CGM"), a subsidiary of Transition Metals Corp. Pursuant to this agreement, the Corporation will retain their 2.5% net smelter royalty with respect to precious metals and a 1.5% net smelter royalty with respect to all other metals.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

6. Share Capital and Reserves

a. Authorized

Unlimited	special shares, voting, redeemable, convertible, participating
500,000	class A shares, voting, non-redeemable, convertible, non-participating
Unlimited	common shares

Issued common shares

	Number of shares	Amount
Balance at December 31, 2017	108,233,002	\$ 13,891,054
Issued March 22, 2018	4,340,000	209,500
Less: warrant valuation		(178,850)
Issued June 25, 2018 for debt settlement	10,366,080	881,117
Issued June 27, 2018 for mineral property acquisition	160,000	13,600
Issued July 12, 2018 for debt settlement	564,812	47,385
Issued July 18, 2018	8,947,857	626,350
Less: warrant valuation		(500,278)
Issued August 2, 2018	5,353,888	453,822
Less: warrant valuation		(395,048)
Balance at September 30, 2018	137,965,639	\$ 15,048,652

b. Shares Issued

On March 22, 2018, the Corporation announced a non-brokered private placement (the "Private Placement") consisting of 4,340,000 units ("Units") at a subscription price of \$0.05 per Unit for aggregate gross proceeds to the Corporation of \$217,000. Each Unit is comprised of one common share (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of \$0.07 for a period of 24 months following the date of issue.

The fair value of the warrants issued is estimated on the date of issue using the Black Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 0.73%; expected dividend rate – nil%; expected life – 2 years; and expected volatility rate – 203.44%.

On June 25, 2018, the Corporation issued 10,366,080 common shares to certain members of management in exchange for the settlement of certain debts of the Corporation totalling \$518,304.

On June 27, 2018, the Corporation issued 160,000 common shares in connection with the amended Option Agreement with Jubilee Gold (see note 5(3)).

On July 12, 2018, the corporation completed a shares-for debt transaction whereby it settled an aggregate of \$45,185 in payables by issuing an aggregate of 564,812 common shares at a deemed price of \$0.08 per share.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

6. Share Capital and Reserves (continued)

b. Shares Issued (continued)

On July 18, 2018, the corporation completed a non-brokered private placement consisting of 8,947,857 units at a subscription price of \$0.07 per unit for gross proceeds of \$626,350. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.09 per share for a period of 24 months following the date of issue.

The fair value of the warrants issued is estimated on the date of issue using the Black Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 0.73%; expected dividend rate – nil%; expected life – 2 years; and expected volatility rate – 168.16%.

On August 2, 2018, the corporation closed a non-brokered private placement consisting of an aggregate of 4,673,888 flow-through units and 680,000 non-flow-through units at a subscription price of \$0.09 per unit for gross proceeds of \$481,850. Each flow-through unit consists of one flow through common share and one common share purchase warrant. Each non-flow-through unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one non-flow-through common share at a price of \$0.12 per share for a period of 24 months following the date of issue.

Certain arm's-length finders received an aggregate of \$24,500 as a cash finders fee plus an aggregate of 272,221 finders' warrants. Each warrant entitles the holder to acquire one non-flow-through common share at a price of \$0.12 per share for a period of 24 months following the date of issue.

The fair value of the warrants issued is estimated on the date of issue using the Black Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 0.73%; expected dividend rate – nil%; expected life – 2 years; and expected volatility rate – 168.16%.

c. Warrants

Warrant transactions are as follows:

	Number of Warrants	Average Exercise Price
Balance at December 31, 2017	600,000	\$ 0.05
Issued – March 22, 2018	4,340,000	0.07
Issued – July 18, 2018	8,947,857	0.09
Issued – August 2, 2018 – finders' warrants	272,221	0.12
Issued – August 2, 2018	5,353,888	0.12
Balance at September 30, 2018	19,513,966	\$ 0.07

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

6. Share Capital and Reserves (continued)

d. Stock Options

On October 4, 2010, the Corporation adopted the 2010 Option Plan.

The 2010 Option Plan has a "rolling plan" to allow the Corporation to issue options to a maximum of 10% of the issued and outstanding common shares of the Corporation. Options will be exercisable over periods of up to ten years as determined by the Board. Options are required to have an exercise price of no less than the closing market price of the Corporation's shares prevailing on the day that the option is granted less a discount of up to 25%. The amount of the discount will vary with the market price in accordance with the policies of the TSXV.

All outstanding options granted under the Original Option Plan will remain outstanding and be governed by the terms of the Original Option Plan. The Original Option Plan allowed the Corporation to issue options to directors, officers and service providers, enabling them to purchase common shares. The Corporation set aside 4,000,000 common shares for the exercise of options granted pursuant to the plan. Each option granted under the plan had a maximum term of five years. The exercise price was determined by the Corporation's Board of Directors at the time the option is granted and was subject to regulatory approval.

On June 15, 2018, the Corporation granted, to three directors and two former directors, options to acquire 2,000,000 common shares of the Corporation at an exercise price of \$0.05 per common share for a period of ten years. These options were granted as compensation for accrued director fees of \$130,900.

Stock option transactions are as follows:

	Number of Options	Average Exercise Price (\$)
Balance at December 31, 2017	8,510,000	0.085
Granted – June 15, 2018	2,000,000	0.050
Balance at September 30, 2018	10,510,000	0.078

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

6. Share Capital and Reserves (continued)

d. Stock Options (continued)

Details of options outstanding at September 30, 2018 are:

Grant Date	Expiry Date	Exercise Price \$	Number of Option	Exercisable Options	Weighted Average Remaining Life (Years)
December 31, 2010	December 31, 2020	0.12	1,800,000	1,800,000	2.25
December 31, 2011	December 31, 2021	0.10	600,000	600,000	3.25
December 31, 2012	December 31, 2022	0.10	2,770,000	2,770,000	4.25
December 31, 2013	December 31, 2023	0.05	1,490,000	1,490,000	5.25
December 31, 2014	December 31, 2024	0.05	1,600,000	1,600,000	6.25
April 6, 2017	April 6, 2027	0.05	250,000	83,333	8.51
June 15, 2018	June 15, 2028	0.05	2,000,000	666,668	9.25
Options outstanding as at September 30, 2018			10,510,000	9,010,001	

7. Related Party Transactions

Compensation to Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation determined that the key management personnel consist of the President, Chief Financial Officer and the Board of Directors.

The Corporation has a contract for consulting services with AquinTerra Inc. ("AquinTerra") a company wholly owned by the President of the Corporation. Consulting services include, but are not limited to, accounting consultation, administrative personnel services, administrative management, corporate development, investor relations and exploration services. Fees for these services are \$850 per day (but not to exceed \$225,000 annually) and are subject to annual review. The Corporation also reimburses all reasonable out of pocket expenses incurred.

Trade and other payables include \$170,617 (2017 - \$386,059) due to AquinTerra. The balance is non-interest bearing and payable on demand. Charges by AquinTerra during the period include exploration services of \$71,274 (2017 - \$3,840) and other expenses including office space, staffing and administrative overhead of \$2,700 (2017 - \$2,700). Management fees and compensation of investor relations charges includes \$104,157 (2017 - \$118,280).

During the prior year AquinTerra advanced \$24,000 in working capital loans to the Corporation. These loans are unsecured, non-interest bearing and due on demand.

Trade and other payables include \$21,300 (2017 - \$104,075) due to Bolton & Bolton Inc. ("Bolton & Bolton") - a company owned by the Chief Financial Officer. The balance is non-interest bearing and payable on demand. The amount includes accounting consultation, office space, staffing and administrative overhead.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
(expressed in Canadian Dollars)

7. Related Party Transactions (continued)

Trade and other payables include \$nil (2017 - \$183,200) due for unpaid director fees. The prior period balance was non-interest bearing and payable on demand. Of this debt \$130,900 was settled on July 13, 2018 for options to acquire 2,000,000 common shares at an exercise price \$0.05 per share for a period of 10 years and \$25,200 was settled in exchange for 287,500 common shares of the Corporation and \$27,100 was forgiven.

The President is entitled to participate in the Corporations stock option plan (see Note 6(d)).

Remuneration of the Board of Directors and the President and the Chief Financial Officer and their related companies is shown in the table below:

	Short-term Compensation	Value of options vested during period	Directors Fees	Total
September 30, 2017	\$ 169,760	\$ 4,582	\$ -	\$ 174,612
September 30, 2018	\$ 253,131	\$ -	\$ -	\$ 253,131

8. Financial Instruments

a. Fair Value

The carrying value of cash and investments is measured at fair value as they are classified as FVTPL. Trade and other payables are classified as other financial liabilities, which are measured at amortized cost which approximates fair value due to the short-term nature of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS. Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities. Level two includes inputs that are observable other than quoted prices included in level one. Level three includes inputs that are not based on observable data. Cash and investments are considered to be level 1 under the fair value hierarchy. There has been no movement between levels during the year.

b. Credit Risk

Credit risk is the risk of loss associated with a counterpart's inability to fulfil its payment obligations. The Corporation's credit risk relates to cash and other receivables. Cash is held with a reputable financial institution and is closely monitored by management. The Corporation's maximum credit exposure is \$452,695 at September 30, 2018 (2017 - \$40,889). Management believes the credit risk with respect to cash is not significant.

Laurion Mineral Exploration Inc.

Notes to the Unaudited Condensed Interim Financial Statements
For the Nine-Month Periods Ended September 30, 2018 and 2017
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8. Financial Instruments (continued)

c. Liquidity Risk

Liquidity risk refers to the risk that the Corporation will not be able to meet its financial obligations when they become due. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at September 30, 2018, the Corporation had a cash balance of \$394,526 (2017 - \$38,682), to settle current liabilities of \$502,474 (2017 - \$826,092). All of the Corporation's financial liabilities have contractual maturities of less than 30 days, except for liabilities owing to related parties.

The Corporation has no income and relies on equity financing to support its exploration program. Additional financing is required to fund the related operating expenses required to manage the Corporation through the fiscal year of 2018. Management prepares budgets and ensures funds are available prior to commencement of any exploration program.

9. Capital Disclosures

The Corporation's objective when managing capital is to raise sufficient funds to execute its exploration plan. At September 30, 2018, the Corporation's working capital in the amount of \$18,081 (2017 – a working capital deficiency of \$780,259).

The properties in which the Corporation currently has an interest are in the exploration stage; as such the Corporation is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management to sustain future development of the business. The Corporation does not have any externally imposed capital requirements. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2017 or 2016.

10. Contingencies and Commitments

The Corporation is required to make minimum annual payments to AquinTerra in the amount of \$225,000 and Bolton & Bolton in the amount of \$60,000.

The Corporation is party to certain consulting contracts that provide for aggregate contingent payments of up to approximately \$337,500 to AquinTerra and \$60,000 to Bolton & Bolton upon termination or the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements.

11. Environmental Contingencies

The Corporation's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Corporation has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Laurion Mineral Exploration Inc.

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12. Subsequent Events

1. On April 23, 2018, the corporation announced that it has entered into a non-binding letter of intent (the "LOI") outlining the principal terms and conditions pursuant to which a private investment group (the "Investor") will finance and otherwise support the development and extraction of gold and potentially other metals (such as silver, copper and zinc) from historic surface stockpiles (the "Surface Stockpiles") located on the Corporation's wholly-owned Ishkoday property (the Ishkoday Project) situated 220 kilometres northeast of Thunder Bay, Ontario, as well as the advancement of exploration at the Ishkoday Project.

The Investor will help further fund the processing of the Surface Stockpiles by completing an approximate \$4.5 million investment in Newco, which included an immediate interim financing for gross proceeds of \$500,000 to Laurion (the "Laurion Private Placement"). The interim financing was included in the private placement that closed on July 18, 2018 as noted below.

2. On October 1, 2018, the Corporation entered into a Consulting Agreement with GloRes Capital Inc. ("GloRes") to provide certain Investor Relations and related services to the Corporations. The agreement with GloRes is for a twelve-month term with one-time payment of \$7,000. GloRes has also been issued 66,667 stock options.
3. On October 2, 2018, the Corporation reported that incorporation and organization of a wholly-owned subsidiary of Laurion ("Newco") had been completed, which is expected to acquire the Surface Stockpiles from Laurion in exchange for additional common shares in the capital of Newco (the "Surface Stockpile Transfer"), and that the Corporation would be entering into certain contracting agreement with Newco with regards to the Stockpiles. It is expected that Laurion and the Investor will each own an equity interest in Newco of 51% and 49%, respectively.
4. On October 11, 2018, warrants to acquire 600,000 common shares of the Corporation at an exercise price of \$0.05 per share expired without being exercised.
5. On November 2, 2018, an investor from the March 13, 2018 Private Placement exercised 800,000 warrants at a price of \$0.07 per common share purchase warrant, for aggregate gross proceeds of \$56,000.
6. On November 14, 2018, a consultant exercised options to acquire 126,667 common shares of the Corporation at an exercise price of \$0.05 per share.