
TEMBO GOLD CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2018

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2018 \$	December 31, 2017 \$
ASSETS			
Current assets			
Cash		8,791	5,174
GST receivable		1,507	2,994
Prepaid expenses and deposits		<u>3,542</u>	<u>300</u>
Total current assets		<u>13,840</u>	<u>8,468</u>
Non-current assets			
Property, plant and equipment	3	248,459	260,505
Exploration and evaluation assets	4	<u>5,618,648</u>	<u>5,293,221</u>
Total non-current assets		<u>5,867,107</u>	<u>5,553,726</u>
TOTAL ASSETS		<u>5,880,947</u>	<u>5,562,194</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	1,994,937	1,590,994
Advances payable	5	<u>245,000</u>	<u>80,000</u>
TOTAL LIABILITIES		<u>2,239,937</u>	<u>1,670,994</u>
SHAREHOLDERS' EQUITY			
Share capital	6	37,667,781	37,667,781
Share-based payments reserve		13,993,948	13,993,948
Foreign currency translation reserve		5,942,715	5,796,737
Deficit		<u>(53,963,434)</u>	<u>(53,567,266)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>3,641,010</u>	<u>3,891,200</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,880,947</u>	<u>5,562,194</u>

Nature of Operations and Going Concern - See Note 1

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on November 29, 2018 and are signed on its behalf by:

/s/ David Scott
David Scott
Director

/s/ Simon Benstead
Simon Benstead
Director

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in Canadian Dollars)

	Note	Three Months Ended September 30,		Nine Months Ended September 30,	
		2018 \$	2017 \$	2018 \$	2017 \$
Expenses					
Accounting and administration		4,000	1,900	8,600	16,300
Audit		9,095	-	30,495	20,500
Depreciation	3	6,849	6,564	20,244	20,546
Executive management compensation	7	30,945	44,660	91,468	137,835
Interest expense on advances	5	1,625	806	3,693	2,393
Investment conference		-	-	-	7,805
Legal		-	-	7,785	-
Office		368	564	1,820	6,150
Professional fees		2,620	3,006	8,654	16,017
Regulatory		14,243	1,300	17,793	7,393
Rent	7	12,938	12,399	38,242	38,812
Salaries and benefits		50,989	48,866	150,720	152,966
Transfer agent		960	900	3,383	3,090
Travel		-	-	-	3,489
		<u>134,632</u>	<u>120,965</u>	<u>382,897</u>	<u>433,296</u>
Loss before other item		(134,632)	(120,965)	(382,897)	(433,296)
Other item					
Foreign exchange		<u>7,698</u>	<u>13,018</u>	<u>(13,271)</u>	<u>24,463</u>
Net loss for the period		(126,934)	(107,947)	(396,168)	(408,833)
Other comprehensive (loss) income					
Change in currency translation of foreign subsidiary		<u>(80,502)</u>	<u>(187,911)</u>	<u>145,978</u>	<u>(357,152)</u>
Comprehensive loss for the period		<u>(207,436)</u>	<u>(295,858)</u>	<u>(250,190)</u>	<u>(765,985)</u>
Basic and diluted loss per common share		<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>	<u>\$(0.00)</u>
Weighted average number of common shares outstanding		<u>162,732,634</u>	<u>162,732,634</u>	<u>162,732,634</u>	<u>161,705,758</u>

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended September 30, 2018						
Share Capital						
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Equity \$
Balance at December 31, 2017	162,732,634	37,667,781	13,993,948	5,796,737	(53,567,266)	3,891,200
Currency translation adjustment				145,978	-	145,978
Net loss for the period	-	-	-	-	(396,168)	(396,168)
Balance at September 30, 2018	162,732,634	37,667,781	13,993,948	5,942,715	(53,963,434)	3,641,010

Nine Months Ended September 30, 2017						
Share Capital						
	Number of Shares	Amount \$	Share-Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Deficit \$	Total Equity \$
Balance at December 31, 2016	155,232,634	37,452,906	13,993,948	6,128,347	(53,023,831)	4,551,370
Common shares issued for:						
cash - private placement	7,500,000	225,000	-	-	-	225,000
Share issue costs	-	(10,125)	-	-	-	(10,125)
Currency translation adjustment	-	-	-	(357,152)	-	(357,152)
Net loss for the period	-	-	-	-	(408,833)	(408,833)
Balance at September 30, 2017	162,732,634	37,667,781	13,993,948	5,771,195	(53,432,664)	4,000,260

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

TEMBO GOLD CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in Canadian Dollars)

	Nine Months Ended September 30	
	2018 \$	2017 \$
Operating activities		
Net loss for the period	(396,168)	(408,833)
Adjustment for:		
Depreciation	20,244	20,546
Unrealized foreign exchange	-	(79)
Changes in non-cash working capital items:		
GST receivable	1,487	(2,500)
Prepaid expenses and deposits	(3,231)	6,341
Accounts payable and accrued liabilities	241,313	127,694
Net cash used in operating activities	<u>(136,355)</u>	<u>(256,831)</u>
Investing activities		
Expenditures on exploration and evaluation assets	(25,049)	(62,718)
Expenditures on property, plant and equipment	-	(25,536)
Net cash used in investing activities	<u>(25,049)</u>	<u>(88,254)</u>
Financing activities		
Issuance of common shares	-	215,000
Share issue costs	-	(10,125)
Advances received	165,000	6,000
Repayment of advances	-	(13,278)
Net cash provided by financing activities	<u>165,000</u>	<u>197,597</u>
Effect of exchange rate changes on cash	<u>21</u>	<u>142,926</u>
Net change in cash	3,617	(4,562)
Cash at beginning of period	<u>5,174</u>	<u>10,667</u>
Cash at end of period	<u>8,791</u>	<u>6,105</u>

Supplemental cash flow information - See Note 9

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

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations and Going Concern

Tembo Gold Corp. (the “Company”) is a public company incorporated on March 3, 1937 pursuant to the laws of the Province of Ontario, Canada. The Company is a publicly listed company with its common shares listed on the TSX Venture Exchange (“TSXV”) under the symbol “TEM”.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties located in Tanzania. On the basis of information to date, the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the exploration and evaluation assets is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Exploration and evaluation assets represent costs incurred to date, less amounts depreciated and/or written off, and do not necessarily represent present or future values.

The Company’s material mineral properties are located in Tanzania and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations relating to the mining industry.

These condensed consolidated interim financial statements have been prepared on a going concern basis. As at September 30 2018 the Company has a working capital deficit of \$2,226,097 and an accumulated deficit of \$53,963,434. The Company has not yet produced any revenues from its mineral interests and further funds will be required to fund existing levels of overhead and planned exploration expenditures over the course of the next twelve months. The Company will need to raise additional capital from the sale of common shares or other equity or debt instruments. If the Company is unable to raise the necessary capital and generate sufficient cash flows to meet obligations as they come due, the Company may have to reduce or curtail its operations or obtain financing at unfavourable terms. The material uncertainty may cast significant doubt about the Company’s ability to continue as a going concern. Furthermore, failure to continue as a going concern would require the Company’s assets and liabilities be restated on a liquidation basis which would differ significantly from the going concern basis. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017 which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company’s consolidated financial statements for the year ended December 31, 2018 other than the adoption of IFRS 9 - *Financial Instruments* (“IFRS 9”).

Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9 - *Financial Instruments* (“IFRS 9”) using the modified retrospective approach. IFRS 9 did not impact the Company’s classification and measurement of financial assets and liabilities. The standard did not have an impact on the carrying amounts of the Company’s financial instruments at the transition date. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The classification and measurement of financial assets is based on the Company’s business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9.

Basis of Measurement

The Company's condensed consolidated interim financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise stated.

Details of the Group

In addition to the Company, these consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

3. Property, Plant and Equipment

Cost:	Office Furniture and Equipment \$	Exploration Equipment and Camp Facility \$	Computer Software \$	Vehicles \$	Total \$
Balance at December 31, 2016	125,988	484,974	72,361	4,699	688,022
Additions	-	-	-	25,536	25,536
Foreign exchange movement	(8,276)	(31,857)	(4,753)	(1,409)	(46,295)
Balance at December 31, 2017	117,712	453,117	67,608	28,826	667,263
Foreign exchange movement	3,754	14,447	2,155	919	21,275
Balance at September 30, 2018	<u>121,466</u>	<u>467,564</u>	<u>69,763</u>	<u>29,745</u>	<u>688,538</u>
Accumulated Depreciation:					
Balance at December 31, 2016	(116,080)	(214,068)	(72,361)	(4,699)	(407,208)
Depreciation	(4,348)	(19,701)	-	(3,161)	(27,210)
Foreign exchange movement	7,771	14,721	4,753	415	27,660
Balance at December 31, 2017	(112,657)	(219,048)	(67,608)	(7,445)	(406,758)
Depreciation	(3,237)	(14,658)	-	(2,349)	(20,244)
Foreign exchange movement	(3,609)	(7,063)	(2,155)	(250)	(13,077)
Balance at September 30, 2018	<u>(119,503)</u>	<u>(240,769)</u>	<u>(69,763)</u>	<u>(10,044)</u>	<u>(440,079)</u>
Carrying Value:					
Balance at December 31, 2017	<u>5,055</u>	<u>234,069</u>	<u>-</u>	<u>21,381</u>	<u>260,505</u>
Balance at September 30, 2018	<u>1,963</u>	<u>226,795</u>	<u>-</u>	<u>19,701</u>	<u>248,459</u>

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

	Total \$
Balance at December 31, 2016	<u>5,442,739</u>
Exploration costs	
Technical services	188,544
Acquisition costs	
Property / concession payments	26,677
Foreign exchange movement	<u>(364,739)</u>
Balance at December 31, 2017	<u>5,293,221</u>
Exploration costs	
Technical services	128,004
Acquisition costs	
Property / concession payments	27,812
Foreign exchange movement	<u>169,611</u>
Balance at September 30, 2018	<u>5,618,648</u>

Tembo Project

The Tembo Project is located in northwest Tanzania, and is comprised of 38 contiguous prospecting licenses and license applications covering approximately 110 square kilometres.

The Company will be required to make a US \$250,000 payment to a third party upon a production decision being made on the Tembo Project. Further payments totalling US \$4,750,000 may then be payable as follows:

- (i) US \$250,000 payment upon production of 250,000 ounces of gold;
- (ii) US \$1,000,000 payment upon production of 1,000,000 ounces of gold;
- (iii) US \$1,500,000 payment upon production of 1,500,000 ounces of gold; and
- (iv) a final payment of US \$2,000,000 upon production of 2,000,000 ounces of gold.

5. Advances Payable

	September 30, 2018 \$	December 31, 2017 \$
Advance (a)	129,000	64,000
Advance (b)	16,000	16,000
Advance (c)	<u>100,000</u>	<u>-</u>
	<u>245,000</u>	<u>80,000</u>

- (a) The advances were received from shareholders of the Company, bear interest at a rate of 5% per annum and have no fixed terms of repayment. During the nine months ended September 30, 2018 the Company recorded \$3,693 (2017 - \$2,393) of interest expense which was unpaid and included in accounts payable and accrued liabilities.
- (b) The advance is non-interest bearing and is due on demand. As at September 30, 2018 the advance is due to a director of the Company.
- (c) The Company received an advance from a shareholder. The advance is non-interest bearing and is due on demand. As consideration for the advance, the Company has agreed to pay an arrangement fee in the amount of 500,000 common shares of the Company subject to TSXV approval.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares. All issued common shares are fully paid.

(b) ***Reconciliation of Changes in Share Capital***

Nine Months Ended September 30, 2018

There were no equity financings conducted by the Company during the nine months ended September 30, 2018.

Fiscal 2017

On March 2, 2017 the Company completed a non-brokered private-placement financing of 7,500,000 common shares at a price of \$0.03 per share to raise gross proceeds of \$225,000. The Company recorded a finder's fee of \$7,000 and incurred \$3,125 of share issue costs relating to this private placement.

(c) ***Warrants***

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at September 30, 2018 and 2017 and the changes for the nine months ended on those dates, is as follows:

	2018		2017	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning and end of period	87,171,921	0.12	87,171,921	0.12

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at September 30, 2018:

Number	Exercise Price \$	Expiry Date
73,371,421	0.12	December 2, 2018
12,800,500	0.12	January 9, 2019
1,000,000	0.125	March 11, 2019
87,171,921		

(d) ***Share Option Plan***

The Company has established a rolling share option plan (the "Plan") in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of five years.

During the nine months ended September 30, 2018 and 2017 no share options were granted.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide a reliable measure of the fair value of the Company's share options.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

6. Share Capital (continued)

A summary of the Company's share options at September 30, 2018 and 2017 and the changes for the nine months ended on those dates, is as follows:

	2018		2017	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning and end of period	400,000	0.10	400,000	0.10

As at September 30, 2018 there were share options outstanding and exercisable to purchase 400,000 common shares of the Company at an exercise price of \$0.10 per share with an expiry date of November 20, 2018.

See also Note 11.

7. Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period. Transactions made with related parties are made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Transactions with Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and executive officers.

- (a) During the nine months ended September 30, 2018 the Company incurred \$191,598 (2017 - \$239,466) for executive management compensation. Of this amount \$100,130 (2017 - \$101,631) has been capitalized to exploration and evaluation assets based on the nature of the expenditures. As at September 30, 2018, \$677,251 (December 31, 2017 - \$752,390) remained unpaid and has been included in accounts payable and accrued liabilities.
- (b) The Company incurred rent in Tanzania for housing accommodation provided to the President of the Company. The value of the accommodation for the nine months ended September 30, 2018 was \$38,242 (2017 - \$38,812). As at September 30, 2018, \$69,476 (December 31, 2017 - \$55,160) remained unpaid and has been included in accounts payable and accrued liabilities.
- (c) During the nine months ended September 30, 2018 the Company incurred \$8,600 (2017 - \$16,300) for accounting and administration services provided by a private corporation owned by the Corporate Secretary of the Company. As at September 30, 2018, \$17,293 (December 31, 2017 - \$7,348) remained unpaid and has been included in accounts payable and accrued liabilities.
- (d) See also note 5(b).

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); amortized costs; fair value through other comprehensive income; and other financial liabilities. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	September 30, 2018 \$	December 31, 2017 \$
Cash	FVTPL	8,791	5,174
Accounts payable and accrued liabilities	Amortized costs	(1,994,937)	(5,190,994)
Advances payable	Amortized costs	(245,000)	(80,000)

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities and time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities and advances payable approximate their fair value due to their short-term nature. The recorded amounts for cash approximate their fair value.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company’s credit risk is primarily attributable to cash. Management believes that the potential loss related to the credit risk included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company’s financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

	Contractual Maturity Analysis at September 30, 2018				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	8,791	-	-	-	8,791
Accounts payable and accrued liabilities	(1,994,937)	-	-	-	(1,994,937)
Advances payable	(245,000)	-	-	-	(245,000)

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 commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash bears floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's significant subsidiaries are located in Tanzania and have adopted the US Dollar as their currency. The Company also maintains cash deposits in US Dollars with its Canadian bank. As such, the fluctuation of the Canadian Dollar in relation to the US Dollar will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At September 30, 2018, 1 Canadian Dollar was equal to 0.77 US Dollar.

Balances are as follows:

	US \$	CDN \$ Equivalent
Cash	381	495
Accounts payable and accrued liabilities	<u>(1,327,083)</u>	<u>(1,723,485)</u>
	<u>(1,326,702)</u>	<u>(1,722,990)</u>

Based on the net exposures as of September 30, 2018 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's net loss being approximately \$166,000 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, cash and cash equivalents and short-term investments. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

TEMBO GOLD CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Unaudited - Expressed in Canadian Dollars)

9. Supplemental Cash Flow Information

During the nine months ended September 30, 2018 and 2017 non-cash activities were conducted by the Company as follows:

	2018 \$	2017 \$
Operating activity		
Accounts payable and accrued liabilities	<u>130,767</u>	<u>90,466</u>
Investing activity		
Exploration and evaluation assets	<u>(130,767)</u>	<u>(90,466)</u>
Financing activities		
Advances repaid	-	10,000
Issuance of share capital	<u>-</u>	<u>(10,000)</u>
	<u>-</u>	<u>-</u>

10. Segmented Information

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Tanzania and its corporate assets are located in Canada.

The Company's total assets are segmented geographically as follows:

	<u>As at September 30, 2018</u>		
	Canada \$	Tanzania \$	Total \$
Current assets	11,862	1,978	13,840
Property, plant and equipment	-	248,459	248,459
Exploration and evaluation assets	<u>-</u>	<u>5,618,648</u>	<u>5,618,648</u>
	<u>11,862</u>	<u>5,869,085</u>	<u>5,880,947</u>
	<u>As at December 31, 2017</u>		
	Canada \$	Tanzania \$	Total \$
Current assets	8,273	195	8,468
Property, plant and equipment	-	260,505	260,505
Exploration and evaluation assets	<u>-</u>	<u>5,293,221</u>	<u>5,293,221</u>
	<u>8,273</u>	<u>5,553,921</u>	<u>5,562,194</u>

11. Event after the Reporting Period

Subsequent to September 30, 2018 options to acquire 400,000 common shares of the Company, at an exercise price of \$0.10 per share, expired without exercise.