



ASTORIUS RESOURCES LTD.

INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2018

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review

These unaudited consolidated interim financial statements of Astorius Resources Ltd. (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

ASTORIUS RESOURCES LTD.Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	June 30	December 31
	2018	2017
ASSETS		
Current assets		
Cash	\$ 173,424	\$ 8,233
GST recoverable	7,004	2,069
Prepaid expenses	10,200	2,933
	190,628	13,235
Mineral properties (note 3)	868,951	224,216
	\$ 1,059,579	\$ 237,451
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 83,693	\$ 68,116
Loan from related party (note 5)	97,966	55,226
	181,659	123,342
SHAREHOLDERS' EQUITY		
Share capital (note 4)	3,726,235	1,962,939
Share subscriptions received	15,900	-
Contributed surplus	450,916	196,429
Deficit	(3,315,131)	(2,045,259)
	877,920	114,109
	\$ 1,059,579	\$ 237,451

Nature and continuance of operations (note 1)

Going concern (note 2(b))

Approved on behalf of the Board:

Director "Arthur Brown"
Arthur Brown, DirectorDirector "Sandy MacDougall"
Sandy MacDougall, Director*The accompanying notes are an integral part of these interim financial statements*

ASTORIUS RESOURCES LTD.Interim Statements of Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Three months ended		Nine months ended	
	June 30		June 30	
	2018	2017	2018	2017
EXPENSES				
Accounting and audit fees	\$ 1,568	\$ 4,500	\$ 10,568	\$ 13,500
Consulting fees (note 5)	-	6,100	54,555	102,253
Filing and transfer agent fees	2,798	1,171	36,758	13,713
Corporate communications	7,741	521	238,644	59,418
Legal (note 5)	-	4,865	-	12,015
Management fees (note 5)	64,824	40,500	186,824	131,500
Office and general (note 5)	12,815	7,282	75,353	53,075
Rent	5,407	-	5,407	-
Travel	-	880	24,036	18,704
Share-based compensation	-	-	254,487	-
Loss before other items	(95,153)	(65,819)	(886,632)	(404,178)
Other expenses				
Write-down of mineral properties (note 3)	(379,500)	-	(379,500)	-
Interest and finance expense	(1,247)	(1,247)	(3,740)	(3,966)
	(380,747)	(1,247)	(383,240)	(3,966)
Loss and comprehensive loss for the period	(475,900)	(67,066)	(1,269,872)	(408,144)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.02)
Weighted average number of common shares outstanding	50,372,665	26,238,967	46,946,780	24,843,363

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

ASTORIUS RESOURCES LTD.

Interim Statements of Cash Flow

(Unaudited - Expressed in Canadian Dollars)

	For the nine months ended June 30	
	2018	2017
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (1,269,872)	\$ (408,144)
Add item not involving cash:		
Write-down of mineral properties	379,500	-
Share-based payment expense	254,487	-
Non-cash working capital items		
Other receivable	-	1,000
GST recoverable	(4,934)	3,352
Prepaid expenses	(7,267)	8,671
Due to related party	3,740	3,966
Accounts payable and accrued liabilities	15,577	72,238
Net cash used in operating activities	(628,769)	(318,917)
Investing activities		
Mineral properties acquisition and exploration	(349,236)	(189,630)
Net cash used in investing activities	(349,236)	(189,630)
Financing activities		
Subscriptions received	15,900	-
Exercise of warrants	120,000	170,000
Proceeds from issuance of common shares	1,030,000	-
Share issue costs	(61,704)	-
Loan proceeds from related party	39,000	50,000
Net cash provided by (used in) financing activities	1,143,196	220,000
Change in cash during the period	165,191	(288,547)
Cash, beginning of the period	8,233	324,820
Cash, end of the period	\$ 173,424	\$ 36,273
Cash paid for interest	\$ -	\$ -

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

ASTORIUS RESOURCES LTD.Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Subscriptions received	Contributed Surplus	Deficit	Total Equity
Balance at October 1, 2016	23,706,000	\$ 1,792,939	\$ -	\$ 196,429	\$ (1,658,988)	\$ 330,380
Exercise of warrants	3,100,000	170,000	-	-	-	170,000
Loss for the period	-	-	-	-	(408,144)	(408,144)
Balance at June 30, 2017	26,806,000	1,962,939	-	196,429	(2,067,132)	92,236
Balance at October 1, 2017	26,806,000	1,962,939	-	196,429	(2,045,259)	114,109
Issue of common shares for cash on exercise of share purchase warrants (note 4)	2,400,000	120,000				120,000
Issue of common shares for property interest	4,500,000	675,000				675,000
Share subscriptions received	-	-	15,900			15,900
Shares issued in exchange for debt (note 4)	200,000	30,000				30,000
Private placement of shares	16,666,665	1,000,000				1,000,000
Share issuance costs	-	(61,704)				(61,704)
Share-based payment expense	-	-	-	254,487		254,487
Loss for the period	-	-	-		(1,269,872)	(1,269,872)
Balance at June 30, 2018	50,572,665	\$ 3,726,235	\$ 15,900	\$ 450,916	\$ (3,315,131)	\$ 877,920

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

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Astorius Resources Ltd. (the “Company”) was incorporated under the Business Corporation Act of British Columbia on May 4, 2007 and is listed on the TSX Venture Exchange (“TSX-V”), trading under the symbol ASQ. The address of the Company’s corporate office and its principal place of business is 304-700 West Pender Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North America, Argentina and Ecuador. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related capitalized exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from the disposition thereof.

These interim financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

These interim financial statements were authorized for issue on August 29, 2018 by the directors of the Company.

2. BASIS OF PREPARATION

a) Statement of compliance

These interim financial statements are 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 Standard (“IAS”) 34, Interim Financial Reporting, and the International Financial Reporting Interpretations Committee (“IFRIC”).

The Company has consistently applied the same accounting policies in its interim financial statements and throughout all periods presented. These interim financial statements do not contain all of the information required for full annual financial statements. These interim financial statements for the nine months ended June 30, 2018 should be read in conjunction with the annual September 30, 2017 financial statements, which were prepared in accordance with IFRS as issued by the IASB.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION (continued)

b) Going Concern

These interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period. The Company has incurred losses since its inception and has working capital of \$8,969 and an accumulated deficit of \$3,315,131 at June 30, 2018; these factors form a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

c) Measurement basis

These interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies within Note 3 of the September 30, 2017 financial statements. All amounts are expressed in Canadian dollars unless otherwise stated.

d) Accounting Standards and Amendments Issued but not yet Effective

The following standards have not been adopted by the Company. The Company is currently evaluating the impact these amendments are expected to have on its financial statements.

The following standard will be adopted by the Company effective October 1, 2018:

- *IFRS 15 Revenue from Contracts with Customers* - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.
- *IFRS 9 Financial Instruments* - The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments.

The following standard will be adopted by the Company effective October 1, 2019:

- *IFRS 16 Leases* will be effective for accounting periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15. This standard sets out a new model for lease accounting.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

3. MINERAL PROPERTIES

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

	June 30, 2018	September 30, 2017
Acquisition costs		
Opening balance of acquisition costs	\$ 1	\$ 1,741
Property option payments - cash	333,561	-
Property option payments - shares	675,000	-
Write-down of mineral properties	(139,611)	(1,740)
Subtotal of acquisition costs	\$ 868,951	\$ 1
Exploration costs		
Opening balance of exploration costs	\$ 224,215	\$ 13,030
Assays	-	28,583
Drilling	-	35,716
Environmental studies	-	52,024
Field and supplies	-	8,667
Fuel	-	4,859
Geological consulting	3,383	41,653
Labour	-	1,215
Mobilization	-	4,049
Other costs	-	9,335
Permits	11,460	24,363
Professional fees	-	4,064
Travel	830	9,687
Write-down of mineral property costs	(239,889)	(13,030)
Subtotal of exploration costs	-	224,215
Ending balance	\$ 868,951	\$ 224,216

a) The Babine Property

As of June 30, 2018, 4 mineral claims are owned, covering an area of 482 hectares (September 30, 2017 - 482 hectares) in the Babine Project area, located in British Columbia.

The Company does not intend to conduct exploration on the Babine project during the upcoming fiscal year and has accordingly written down the property to \$1 as at September 30, 2017.

During the year ended September 30, 2016, the Company recorded an impairment write-down of mineral property acquisition costs and exploration costs in the amount of \$197,000 as a result of the forfeiture of 25 claims that covered an area of 5,196 hectares.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

3. MINERAL PROPERTIES (continued)

b) The Condor Gold Property

On October 25, 2016, the Company entered into an option agreement to acquire 100% of the issued and outstanding shares of Lateegra Ecuador SA, title holder of the Condor gold property in southeast Ecuador, from Condor Mines SA. As consideration, the Company agreed to make periodic payments of cash totaling \$1,200,000 and issue 5,500,000 common shares of the Company by September 15, 2017. These terms were subsequently amended.

On November 28, 2017, the Company announced that it renegotiated the option terms for the Condor gold property with Lateegra Ecuador (the optionor) and has initiated an exploration program in Eduardo aiming to explore the recently optioned Condor properties.

The option terms are defined below:

Date	Cash	Exploration expenditures
Payment in December 31, 2017	\$25,000 USD	–
On or before March 30, 2018	\$50,000 USD	–
On or before March 31, 2018	–	\$50,000 USD
TOTAL	\$75,000 USD	\$50,000 USD

The Company is also required to pay the annual patent tax and to comply with the filing and audit requirements applicable to mineral properties in Ecuador on March 15, 2018.

The renegotiated Condor option has the following payment terms:

- Periodic cash payments totalling USD \$1,200,000 dollars; and
- Issuance of 4,500,000 shares.

During the period ended June 30, 2018, the Company recorded an impairment write-down of mineral property acquisition costs and exploration costs in the amount of \$92,261 as a result of the termination of this agreement.

c) The Osos 1 Gold Property

On December 1, 2016, the Company entered into an option agreement to acquire 100% of the Osos 1 gold property in El Oro province, southwest Ecuador, comprising an area totaling 229 hectares. As consideration, the Company agreed to make periodic payments of cash totalling \$600,000 USD and issue 1,000,000 common shares of the Company by November 15, 2017. These terms were subsequently amended.

On December 5, 2017, the Company announced that it has renegotiated the option for the Osos 1 gold property with Mr. Francisco Soria (the Optionor) and has initiated an exploration program in Eduardo aiming to explore the recently optioned Osos 1 properties.

The option terms are as follows:

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

3. MINERAL PROPERTIES (continued)

c) The Osos 1 Gold Property

Date	Cash	Common Shares	Exploration expenditures
Payment in December 31, 2017	\$ 25,000 USD		–
On or before March 30, 2018	\$ 50,000 USD	100,000	–
On or before March 31, 2018	–	–	\$ 50,000 USD
On or before September 30, 2018	\$100,000 USD	200,000	\$100,000 USD
On or before March 31, 2019	\$150,000 USD	300,000	–
On or before September 30, 2019	\$300,000 USD	400,000	–
TOTAL	\$625,000 USD	1,000,000	\$150,000 USD

The Company is also required to pay the annual patent taxes and to comply with the filing and audit requirements applicable to mineral properties in Ecuador on March 15, 2018. Additionally, the Company will grant the optionor a 1.5% NSR on or before September 30, 2019.

During the period ended June 30, 2018, the Company recorded an impairment write-down of mineral property acquisition costs and exploration costs in the amount of \$93,399 as a result of the termination of this agreement.

d) Rainbow Canyon Gold Property

On February 8, 2017, the Company entered into an option agreement with Alba Minerals Ltd. to acquire 100% interest in the Rainbow Canyon gold property in Nevada, comprising 55 unpatented lode mining claims that cover an area of 417 hectares in the Olinghouse Mining District about 40 km east of Reno in Washoe County.

On September 25, 2017, the Company finalized the agreement. The Company can earn 100% interest in the Rainbow Canyon Property by paying an aggregate of \$80,000 cash over various periods extending over the period to June 15, 2018. The payment terms are:

- i. A cash payment of \$15,000 upon the signing of the agreement (PAID);
- ii. A further cash payment of \$20,000 on or before March 1, 2017 (PAID);
- iii. A further cash payment of \$5,000 on or before June 1, 2017 (PAID);
- iv. A further cash payment of \$10,000 on or before September 1, 2017 (PAID);
- v. A further cash payment of \$10,000 on or before December 1, 2017 (PAID);
- vi. A further cash payment of \$10,000 on or before March 1, 2018 (defaulted); and
- vii. A further cash payment of \$10,000 on or before June 15, 2018.

\$60,000 cash was paid on November 10, 2017, which satisfied the cash payment required of the terms (i) to (v).

On April 16, 2018, the Company recorded an impairment of \$193,840 as the option agreement was terminated.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

3. MINERAL PROPERTIES (continued)

e) Taca Taca District

On November 24, 2017, the Company received TSX-V approval to acquire 100% of two mineral concessions in the Taca Taca District, in Salta, Argentina. The Taca Taca District is located in the western Puna of Salta, close to the Chilean border.

The Company paid \$150,000 USD and issued 4,500,000 common shares. The Company is additionally required to incur \$275,000 USD in exploration expenditures and to pay \$300,000 USD upon acceptance of a NI 43-101 Report by the TSX-V.

4. SHARE CAPITAL

Authorized

Unlimited common shares without par value.

Issued

On January 29, 2018, the Company entered into a settlement agreement with a creditor and settled \$30,000 of debt with the issuance of 200,000 common shares of the Company at a deemed price of \$0.15 per common share. This was approved by the TSX Venture Exchange on February 16, 2018.

On November 28, 2017, the Company issued 200,000 common shares for exercise of warrants.

On November 24, 2017, the Company issued 4,500,000 common shares at a market price of \$0.15 for the acquisition of 100% of two mineral concessions in the Taca Taca District, in Salta, Argentina.

On November 8, 2017, the Company issued 800,000 common shares for exercise of warrants.

On November 7, 2017, the Company closed a private placement for total gross proceeds of \$1,000,000. The Company issued a total of 16,666,665 units at a price of \$0.06 per unit. Each unit contains one (1) common share and one (1) transferrable share purchase warrant. Each warrant is exercisable at a price of \$0.10 for a period of 12 months from the date of issuance.

On October 25, 2017, the Company issued 1,400,000 common shares for exercise of warrants.

On June 12, 2017, the Company issued 600,000 common shares for exercise of warrants.

On April 26, 2017, the Company issued 300,000 common shares for exercise of warrants.

On March 27, 2017, the Company issued 1,000,000 common shares for exercise of warrants.

On February 9, 2017, the Company issued 200,000 common shares for exercise of warrants.

On January 24, 2017, the Company issued 1,000,000 common shares for exercise of warrants.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL (continued)

Stock Options

The Company has established a stock option plan for directors, employees, and consultants. Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the pricing policies of the TSX Venture Exchange. Options vest immediately when granted and expire five years from the date of the grant, unless the Board establishes more restrictive terms.

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

On October 27, 2017, the Company granted 2,400,000 share purchase options to directors, an officer and consultants with an exercise price of \$0.10 per share for a period of five years, expired October 27, 2022. All options are granted in accordance with the Company Stock Option Plan and subject to TSX-V approval. The Company recorded \$254,487 as share-based payment expenses. The fair values of the options granted were determined using the Black-Scholes pricing model, using the following weighted average assumptions:

Risk-free interest rate	1.66%
Expected dividend yield	0%
Share price volatility	152.92%
Expected life of options	5 years

Continuity of stock options for the period ended June 30, 2018 and year ended September 30, 2017 is as follows:

	June 30 2018		September 30 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	400,000	\$ 0.10	400,000	\$ 0.10
Granted	2,400,000	0.10	-	\$ -
Expired	(400,000)	0.10	-	\$ -
Cancelled	(750,000)	0.10	-	\$ -
Outstanding - end of period	1,650,000	\$ 0.10	400,000	\$ 0.10

The following table summarizes the stock options outstanding and exercisable at June 30, 2018 and September 30, 2017:

Expiry Date	Number of Options Outstanding	Number of Options Vested	Number of Options Unvested	Weighted Average Exercise Price	Weighted Average Remaining Life
October 27, 2022	1,650,000	1,650,000	Nil	\$ 0.10	4.33 years

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

4. SHARE CAPITAL (continued)

Warrants

Warrant activity for the period ended June 30, 2018 and year ended September 30, 2017 are presented below:

	June 30 2018		September 30 2017	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	7,346,000	\$ 0.11	11,946,000	\$ 0.09
Exercised	(2,400,000)	0.05	(3,100,000)	0.06
Expired	-	-	(1,500,000)	0.10
Granted	16,666,665	0.10	-	-
Outstanding - end of period	21,612,665	\$ 0.11	7,346,000	\$ 0.11

As at June 30, 2018, the following warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry date	Remaining Life (years)
16,666,665	\$ 0.10	November 7, 2018	0.36
800,000	\$ 0.05	May 13, 2021	2.87
4,146,000	\$ 0.15	August 16, 2021	3.13
21,612,665	\$ 0.11		

5. RELATED PARTY TRANSACTIONS

During the nine months ended June 30, 2018 and 2017, the Company entered into the following related party transactions:

- The Company incurred office services of \$10,763 (2017 - \$15,750) to a company controlled by the former CFO.
- The Company incurred accounting fees of \$9,000 (2017 - \$13,500) and management fees of \$Nil (2017 - \$31,500) to a company controlled by the former CFO.
- The Company incurred management fees of \$90,000 (2017 - \$50,000) paid to the CEO of the Company.
- The Company incurred management fees of \$90,000 (2017 - \$50,000) paid to the Chairman of the Company.
- The Company granted \$254,487 (2017 - \$nil) of share-based compensation to directors and officers.
- The Company incurred legal fees and disbursements of \$Nil (2017 - \$12,015) from a law firm of which a former director is a principal.
- The Company incurred consulting fees of \$6,824 (2017 - \$Nil) to a company controlled by a director.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

5. RELATED PARTY TRANSACTIONS (continued)

- h) The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties as follows:

	June 30, 2018	June 30, 2017
Consulting fees	\$ 6,824	\$ 39,705
Management fees	\$ 180,000	\$ 131,500

At June 30, 2018, accounts payable and accrued liabilities included \$64,704 (September 30, 2017: \$27,933) for amounts due to companies controlled by the CEO and two Directors. All amounts payable are non-interest bearing, unsecured and due on demand.

By loan agreement dated January 1, 2017, the Company received a loan of \$50,000 from the Company's President which bears interest at 10% per annum with a financing fee of \$1,500 that was to be repaid by June 30, 2017. During the nine months ended June 30, 2018, the Company received an additional loan of \$39,000 from the Company's President which is non-interest bearing. As at June 30, 2018, \$97,966 (September 30, 2017 - \$55,226) the balance of the loan payable plus financing fees and accrued interest is outstanding and due on demand.

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company does not have any externally imposed capital requirements to which it is subject.

As at June 30, 2018 the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Classification

The Company has classified its cash as fair value through profit or loss. Accounts payable are classified as other financial liabilities.

The following table summarizes information regarding the carrying values and classification of the Company's financial instruments:

	June 30, 2018	September 30, 2017
Fair value through profit or loss (i)	\$ 176,424	\$ 8,233
Other financial liabilities (ii)	181,659	123,342

- (i) Cash
- (ii) Accounts payable and loan from related parties

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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 volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. Accounts payable and accrued liabilities and loans are classified under Level 3.

Fair value

As at June 30, 2018 the Company's financial instruments consist of cash, accounts payable and loan from related parties. The fair values of these financial instruments approximate their carrying values because of their current nature.

IFRS 7 Financial Instruments – Disclosures, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The fair values of the Company's financial assets and liabilities as of June 30, 2018 were calculated as follows:

	Balance at June 30, 2018 \$	Quoted Prices in Active Markets For Identical Assets (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$
Financial Assets:				
Cash	173,424	173,424	-	-

The Company's financial instruments are exposed to the following risks:

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk

The Company plans its holding of cash is sufficient to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. As at June 30, 2018, the Company has working capital of \$8,969 and requires additional cash to fund operation and exploration activities. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk

The Company does not have foreign currency denominated financial instruments and is not exposed to significant foreign exchange risk.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital is subject to risks associated with fluctuations in the stock market. Management closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

ASTORIUS RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

As at and for the periods ended June 30, 2018 and 2017
(Unaudited - Expressed in Canadian Dollars)

8. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (British Columbia and Nevada) and in South America (Ecuador and Argentina).