

Goldstrike Resources Ltd.
Condensed Interim Consolidated Financial Statements
Nine months ended September 30, 2018

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE TO READER

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

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

The Company's independent auditor has not performed a review of these consolidated financial statements in accordance with the standards established by CPA Canada for a review of consolidated interim financial statements by an entity's auditor.

Goldstrike Resources Ltd.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	September 30, 2018	December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 1,580,615	\$ 5,048,127
Accounts receivable	4	253,683	103,083
Prepaid expenses and deposits	5	35,774	111,543
Investment	8	2,478,146	-
		4,348,218	5,262,753
Non-current assets			
Deposit	5	18,329	58,329
Equipment		6,450	6,638
Exploration and evaluation assets	6	10,979,510	13,867,109
Petroleum and natural gas assets	9	714,885	671,014
TOTAL ASSETS		\$ 16,067,392	\$ 19,865,843
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10	\$ 118,495	\$ 122,957
		118,495	122,957
Non-Current Liabilities			
Decommissioning liability	13	303,096	303,288
TOTAL LIABILITIES		421,591	426,245
EQUITY			
Share capital	11	45,341,827	48,537,360
Share-based payment reserves	11	18,362,073	18,257,999
Equity reserve		1,195,608	1,195,608
Deficit		(49,253,707)	(48,551,369)
TOTAL EQUITY		15,645,801	19,439,598
TOTAL LIABILITIES AND EQUITY		\$ 16,067,392	\$ 19,865,843

Subsequent event (Note 15)

Approved on Behalf of the Board on November 21, 2018

``Lucy Zhang``

Director

``Terry King``

Director

See accompanying notes to the condensed interim consolidated financial statements

Goldstrike Resources Ltd.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars - Unaudited)

	Note	Three month ended September 30		Nine month ended September 30	
		2018	2017	2018	2017
Expenses					
Listing and filing fees		\$ 3,607	\$ 2,387	\$ 25,563	\$ 49,916
Management consulting	12	68,250	18,750	126,400	56,250
Bonus		-	-	-	300,000
Consulting fees		-	-	-	1,500
Corporate development and communication	12	21,943	25,832	73,608	63,722
Investor relations		3,775	1,500	19,200	17,095
Office and miscellaneous	12	36,244	33,223	131,891	108,142
Professional fees	12	71,464	20,214	267,779	193,816
Rent	12	14,460	9,900	32,287	39,600
Accretion	13	780	780	2,340	2,340
Stock-based compensation	11	51,859	(26,037)	104,074	3,176,240
		272,382	86,549	783,142	4,008,621
Other items					
Interest income		(3,357)	(9,292)	(26,801)	(26,564)
Royalty income		(7,489)	(3,095)	(19,956)	(11,120)
Amortization		732	657	2,308	2,067
Foreign Exchange		5,621	53,183	(61,368)	107,949
Loss (gain) on disposal of well-site equipment		-	1,352	-	1,352
Gain from distribution as per arrangement	7	(6,792,626)	-	(6,792,626)	-
Fair value adjustment on investments	8	21,854	-	21,854	-
Adjustment to accrued liabilities		-	-	3,159	-
		(6,775,265)	42,804	(6,873,430)	73,683
Net and comprehensive gain (loss) for the period					
		\$ 6,502,883	\$ (129,353)	\$ 6,090,288	\$ (4,082,304)
Gain (loss) per share, basic and diluted					
		\$ 0.034	\$ (0.001)	\$ 0.032	\$ (0.023)
Weighted average number of common shares outstanding, basic and diluted					
		190,343,723	184,712,981	190,343,723	174,283,426

See accompanying notes to the condensed interim consolidated financial statements

Goldstrike Resources Ltd.
Condensed Interim Consolidated Statement of Changes in Equity
(Expressed in Canadian dollars - Unaudited)

	Share capital		Equity Reserve	Share-based Payment Reserve	Deficit	Total
	Number of shares	Amount				
Balance at January 1, 2018	190,343,723	\$ 48,537,360	\$ 1,195,608	\$ 18,257,999	\$ (48,551,369)	\$ 19,439,598
Comprehensive loss for the period	-	-	-	-	6,090,288	6,090,288
Distribution as per plan arrangement		(3,195,533)		-	(6,792,626)	(9,988,159)
Stock-based compensation	-	-	-	104,074	-	104,074
Balance at September 30, 2018	190,343,723	\$ 45,341,827	\$ 1,195,608	\$ 18,362,073	\$ (49,253,707)	\$ 15,645,801

	Share capital		Equity Reserve	Share-based Payment Reserve	Deficit	Total
	Number of shares	Amount				
Balance at January 1, 2017	167,623,436	\$ 42,603,543	\$ -	\$ 15,117,115	\$ (44,459,559)	\$ 13,261,099
Comprehensive loss for the period	-	-	-	-	(4,082,304)	(4,082,304)
Shares issued for private placement, net issuance cost	12,705,715	5,909,844	-	-	-	5,909,844
Warrant exercised	2,533,830	417,189	-	(1,450)	-	415,739
Option exercised	1,125,000	519,788	-	(457,289)	-	62,499
Stock-based compensation	-	-	-	3,176,240	-	3,176,240
Balance at September 30, 2017	183,987,981	\$ 49,450,364	\$ -	\$ 17,834,616	\$ (48,541,863)	\$ 18,743,117

See accompanying notes to the condensed interim consolidated financial statements

Goldstrike Resources Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars – Unaudited)

	Three months ended September 30		Nine months ended September 30,	
	2018	2017	2018	2017
Operating activities				
Net Income (loss) for the year	\$ 6,502,883	\$ (129,353)	\$ 6,090,288	\$ (4,082,304)
Adjustments for non-cash items:				
Amortization	732	657	2,308	2,067
Accretion	780	780	2,340	2,340
Stock-based compensation	51,859	(26,037)	104,074	3,176,240
Adjustments to accrued liabilities	-	-	3,159	-
Gain from plan arrangement	(6,792,626)	-	(6,792,626)	-
Fair value adjustment on investment	21,854	-	21,854	-
Changes in non-cash working capital:				
Receivable	(177,590)	(141,908)	(150,600)	(181,717)
Prepaid expenses and deposits	48,591	33,464	115,769	(38,561)
Trade payables and accrued liabilities	(24,540)	226,273	(7,621)	607,437
Net cash flows used in operating activities	(368,057)	(36,124)	(611,055)	(514,498)
Investing activities				
Purchase of equipment	-	(4,134)	(2,120)	(4,134)
Exploration and evaluation assets	136,367	(4,074,740)	(307,933)	(6,115,760)
Investment	(2,500,000)	-	(2,500,000)	-
Exploration and evaluation assets option payment received	-	-	-	1,349,200
Petroleum and natural gas assets	2,456	(1,609)	(43,871)	(52,721)
Reclamation costs	(2,533)	(22,748)	(2,533)	(51,898)
Net cash flows used in investing activities	(2,363,710)	(4,103,232)	(2,856,457)	(4,875,314)
Financing activities				
Private placement, net of issuance costs	-	-	-	5,909,844
Exercise of warrants	-	-	-	415,739
Exercise of option	-	-	-	62,499
Net cash flows from financing activities	-	-	-	6,388,082
Increase (decrease) in cash and cash equivalents	(2,731,767)	(4,139,356)	(3,467,512)	998,270
Cash and cash equivalents, beginning	4,312,382	9,524,089	5,048,127	4,386,463
Cash and cash equivalents, ending	\$ 1,580,615	\$ 5,384,733	\$ 1,580,615	\$ 5,384,733
Cash and cash equivalents consist of:				
Cash	\$ 113,602	\$ 2,028,648	\$ 113,602	\$ 2,028,648
GIC	1,467,013	3,356,085	1,467,013	3,356,085
	\$ 1,580,615	\$ 5,384,733	\$ 1,580,615	\$ 5,384,733

See accompanying notes to the condensed interim consolidated financial statements

Goldstrike Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
(Expressed in Canadian dollars - Unaudited)
Nine months ended September 30, 2018 and 2017

1. Nature of operations

Goldstrike Resources Ltd. (the “Company”) was incorporated under the laws of the province of British Columbia, Canada. The Company trades on the TSV Venture Exchange (the “TSX-V”) under the symbol “GSR.V”, and the Frankfurt Stock Exchange under the symbol “KCG”. The registered office of the Company is located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, B.C.

The Company is a mineral exploration company focusing on acquiring and developing exploration and evaluation assets.

2. Basis of presentation and statement of compliance

These condensed interim consolidated 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 the interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The notes presented in these condensed consolidated interim financial statements include only significant events and transactions occurring since the Company’s last fiscal year end and they do not include all of the information required in the Company’s most recent annual consolidated financial statements. Other than the adoption of IFRS 9, these condensed consolidated interim financial statements follow the same accounting policies and methods of application as the Company’s annual financial statements, and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2017, which were prepared in accordance with IFRS as issued by IASB. There have been no changes in judgment or estimates from those disclosed in the consolidated financial statements for the year ended December 31, 2017.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiary. The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control and continues to be consolidated until the date such control ceases. Details of the controlled entity are as follows:

Entity:	Country of incorporation:	Ownership interest	
		September 30, 2018	December 31, 2017
Petro One	Canada	100%	100%

Inter-company balances and transactions have been eliminated upon consolidation.

Significant estimates and assumptions

The preparation of these financial statements in accordance with IFRS requires management to make certain estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the recoverability of the carrying value of exploration and evaluation assets and petroleum and natural gas assets, the measurements for financial instruments and share-based payments, the recoverability of deferred tax assets and the measurement of decommissioning liabilities.

Critical judgements in applying accounting policies

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company’s financial statements: the assessment of the Company’s ability to continue as a going concern, the identification of cash-generating units and the classification of evaluation and exploration assets.

2. Basis of presentation and statement of compliance (continued)

Changes in Accounting Policies – Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments (“IFRS 9”) as of January 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking “expected loss” impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company’s accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The following is the Company’s new accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification IAS 39	New classification IFRS 9
Accounts receivable	Amortized cost	Amortized cost
Deposits	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

(ii) Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise.

Goldstrike Resources Ltd.
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(Expressed in Canadian dollars - Unaudited)
Nine months ended September 30, 2018 and 2017

2. Basis of presentation and statement of compliance (continued)

(iii) Impairment of financial asset at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

3. Cash and cash equivalents

	September 30, 2018	December 31, 2017
Cash	\$ 113,602	\$ 1,370,294
GIC	1,467,013	3,677,833
	\$ 1,580,485	\$ 5,048,127

4. Accounts receivable

	September 30, 2018	December 31, 2017
GST receivable	\$ 48,861	\$ 27,212
Government grant receivable	-	37,633
Royalty income receivable	4,834	3,374
Receivable from oil sales	61,001	34,864
Other receivables	138,977	-
	\$ 253,683	\$ 103,083

5. Prepaid expenses and deposits

	September 30, 2018	December 31, 2017
Current prepaid expenses	\$ 35,774	\$ 111,543
Non-current deposits	18,329	58,329
	\$ 54,103	\$ 169,872

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6. Exploration and evaluation assets

A continuity of the Company's exploration and evaluation assets is as follows:

	Balance at December 31, 2017	Acquisition	Exploration										Subtotal	Balance at September 30, 2018
			Assay	Trenching & Drilling	Contractors & Labour	Exploration Management	Logistics	Field Equipment	Travel & Accommodation	Mapping	Geological & Geophysical Consulting			
Mineral Property Interests														
Cando2	56,039	-	-	-	-	-	-	-	-	-	-	-	-	56,039
Plateau	10,556,094	17,172	14,683	10,781	10,651	89,451	16,714	(2,123)	17,676	10,670	124,218	292,721	10,865,987	
St. Patrick	13,389	-	-	-	-	-	-	-	-	-	-	-	13,389	
Strike Claims	44,095	-	-	-	-	-	-	-	-	-	-	-	44,095	
Total:	10,669,617	17,172	14,683	10,781	10,651	89,451	16,714	(2,123)	17,676	10,670	124,218	292,721	10,979,510	

Goldstrike Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
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6. Exploration and evaluation assets (continued)

Plateau Property

The Company has a 100% interest in the Plateau Property which is subject to a 3% Net Smelter Royalty (“NSR”) royalty which may be reduced by 1% for a payment of \$1,500,000.

During the year ended December 31, 2017, the Company entered into an investment agreement and an earning and venture agreement with Newmont Canada FN Holdings ULC (“Newmont”), whereby Newmont agreed to acquire 12,705,715 units of the Company for gross proceeds of USD\$4,500,000 (\$6,025,050) (the “Investment”) and the Company granted the options to Newmont to earn the participating interest in the Plateau Property up to 80% (“Earn-In Transaction”). Each unit consists of one share and one share-purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at \$0.75 per share for 4 years following the closing of the Investment.

The following commitments set out in the earning and venture agreement:

Phase 1: Newmont will earn up to a 51% participating interest in the Plateau Property by fulfilling the following commitments:

- Cash payments of USD\$6,000,000 in aggregate
 - USD\$1,000,000 on the closing of the Earn-In Transaction (received - \$1,349,200);
 - USD\$1,000,000 on or before December 15, 2018;
 - USD\$1,000,000 on or before December 15, 2019; and
 - USD\$3,000,000 on or before December 15, 2020.
- Exploration expenditures of US\$13,000,000 in aggregate
 - USD\$4,000,000 at minimum on or before December 15, 2018;
 - USD\$4,000,000 at minimum on or before December 15, 2019; and
 - USD\$5,000,000 at minimum on or before December 15, 2020.
- Delivery of a NI43-101 compliant technical report for resource estimates by December 31, 2020.

If Newmont does not complete Phase 2, its interest will revert to 49%.

Phase 2: Newmont will earn an additional 29% participating interest in the Plateau Property by fulfilling the following commitments:

- Exploration expenditures of \$16,000,000 at minimum by December 15, 2027;
- Delivery of a feasibility report by December 15, 2027; and
- Election of funding all future exploration expenditures, development expenditures and venture expenditures.

Summit

On April 10, 2018, the Company has abandoned and surrendered the Option Agreement with Generic Gold Corp. in respect of all mineral claims of the Summit Property.

Cando2 Property

The Company has a 100% interest in the Cando2 Property which is subject to a 3% NSR.

Strike Claims Property

The Company has a 100% interest in the Strike Claims Property.

St. Patrick Property

The Company has a 100% interest in the St. Patrick Property.

Goldstrike Resources Ltd.
Notes to Condensed Interim Consolidated Financial Statements
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7. Plan of Arrangement

On August 10th, 2018, the Company completed the plan of arrangement with Luckystrike Resources Ltd.. Under the arrangement agreement:

- The Company's shareholders received one common share of Luckystrike for every seven common shares held by the Company's shareholders;
- Luckystrike indirectly acquired the Company's six 100% owned White Gold District properties, being the Lucky Strike, Hotspot, Bull's Eye, BRC, Gold Source and King's Ransom properties; and
- The Company invested an aggregate of \$2,500,000 in Luckystrike by subscribing for 8,333,334 units of Luckystrike at a subscription price of \$0.30 per Unit. Each Unit is comprised of one Luckystrike Share and one share purchase warrant, with each Warrant entitling the holder to acquire one Luckystrike Share at a price of \$0.60 for a period of 36 months from August 10, 2018, subject to acceleration.

Consideration received:	
Fair value of Luckystrike common shares received	\$8,157,575
Fair value of stock options received	927,513
Fair value of warrants received	903,071
	\$9,988,159
Less fair value of assets transferred:	
White Gold District properties	(3,195,533)
Gain from distribution as per plan of arrangement	\$6,792,626

8. Investment in associate

The Company holds a total of 8,333,334 Luckystrike's common shares at \$0.30 per share, which is representing 22.17% of the issued and outstanding Luckystrike Shares. The Company's interest in Luckystrike shares is accounted for using the equity method.

	Carrying Value
Fair value of Luckystrike investment acquired under plan arrangement	\$ 2,500,000
Share of loss for period ended September 30, 2018	(21,854)
Carrying value at September 30, 2018	\$ 2,478,146

Summarized financial information for Luckystrike as at September 30, 2018 as follows:

	September 30, 2018
Total assets	\$ 13,122,927
Total liabilities	113,775
Net loss	\$ 98,551

Goldstrike Resources Ltd.

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian dollars - Unaudited)

Nine months ended September 30, 2018 and 2017

9. Petroleum and natural gas assets

		Well Equipment		Exploration and Development		Total
Balance at December 31, 2017	\$	116,269	\$	554,745	\$	671,014
Additions		-		43,871		43,871
Amortization		(8,504)		8,504		-
Balance at September 30, 2018	\$	107,765	\$	607,120	\$	714,885

10. Accounts payables and accrued liabilities

	September 30, 2018	December 31, 2017
Accounts Payable	\$ 44,598	\$ 47,944
Accrued Liabilities	43,897	53,249
Due to related parties (Note 10)	-	21,764
Prepaid rent advance received	30,000	-
	\$ 118,495	\$ 122,957

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11. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Stock option

As at September 30, 2018 the Company had the following options outstanding and exercisable:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable
January 26, 2011	January 26, 2021	\$ 0.0875	650,000	650,000
August 5, 2011	August 5, 2021	\$ 0.1488	100,000	100,000
August 5, 2011	August 5, 2021	\$ 0.0875	2,900,000	2,900,000
August 19, 2011	August 19, 2021	\$ 0.0875	100,000	100,000
October 17, 2011	October 17, 2021	\$ 0.1488	100,000	100,000
June 23, 2014	June 23, 2024	\$ 0.0875	1,700,000	1,700,000
August 15, 2014	August 15, 2024	\$ 0.0875	2,100,000	2,100,000
March 6, 2015	March 5, 2020	\$ 0.0875	1,000,000	1,000,000
February 29, 2016	August 3, 2020	\$ 0.0875	125,000	125,000
February 29, 2016	November 26, 2020	\$ 0.0875	725,000	725,000
February 29, 2016	February 2, 2021	\$ 0.0875	75,000	75,000
February 29, 2016	May 5, 2021	\$ 0.0875	225,000	225,000
February 29, 2016	July 31, 2024	\$ 0.0875	1,450,000	1,450,000
April 11, 2016	April 11, 2021	\$ 0.1400	100,000	100,000
April 19, 2016	April 19, 2026	\$ 0.1488	1,000,000	1,000,000
April 28, 2016	April 28, 2026	\$ 0.1575	2,350,000	2,350,000
May 6, 2016	May 6, 2026	\$ 0.1575	3,000,000	3,000,000
July 26, 2016	July 26, 2021	\$ 0.2275	100,000	100,000
July 29, 2016	July 29, 2021	\$ 0.2275	200,000	200,000
October 11, 2016	October 11, 2021	\$ 0.2275	500,000	437,500
May 18, 2017	May 18, 2027	\$ 0.2975	9,250,000	9,250,000
September 29, 2017	September 29, 2022	\$ 0.2975	500,000	250,000
			28,250,000	27,937,500

The following is a summary of the Company's stock option activities:

September 30, 2018		
	Number of options	Weighted average exercise price
Options outstanding, beginning of period	28,350,000	\$ 0.21
Option cancelled	(100,000)	0.30
Options outstanding, end of period	28,250,000	\$ 0.18

For nine months ended September 30, 2018, the Company recognized share-based compensation of \$104,074.

As at September 30, 2018, 27,937,500 options were exercisable. The weighted average life and weighted average exercise price of exercisable options are 6.32 years and \$0.18 respectively.

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11. Share capital (continued)

Share purchase warrants

As at September 30, 2018, the Company had the following warrants outstanding:

Date issued	Expiry date	Exercise price	Number of warrants outstanding
February 13, 2015	February 13, 2020	\$ 0.05250	11,420,000
March 24, 2016	March 24, 2019	\$ 0.21875	11,695,979
April 5, 2016	April 5, 2019	\$ 0.21875	4,461,538
April 24, 2017	April 24, 2021	\$ 0.65625	12,705,715
			40,283,232

The following is a summary of the Company's warrant activities:

	September 30, 2018	
	Number of Common Shares Issuable	Weighted Average Exercise Price
Warrants outstanding, beginning	44,664,996	\$ 0.35
Warrants expired	(4,381,764)	0.30
Warrants outstanding, ending	40,283,232	\$ 0.31

As at September 30, 2018, the weighted average exercise price and weighted average life of the warrants are \$0.31 and 1.39 years, respectively.

12. Related party transactions

Related party transactions with directors and officers are as follows:

	September 30, 2018	September 30, 2017
Legal fees incurred to a firm of which the Chairman of the Company is a principal	\$ -	\$ 236,417
Rents incurred to a company controlled by the spouse of the Chief Operating Officer of the Company	\$ -	\$ 11,138
Rents incurred to a company controlled by the Chairman of the Company	\$ -	\$ 11,138

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12. Related party transactions (Continued)

Key personnel compensation:

	September 30, 2018	September 30, 2017
Management and accounting fees incurred to a company controlled by the Chief Financial Officer of the Company	\$ 97,500	\$ 112,500
Management fee incurred to a company controlled by the Chief Executive Officer	\$ 85,143	\$ -
Corporate development and communication fees incurred to a company controlled by the Chief Operating Officer of the Company	\$ 73,608	\$ 63,723
Exploration management fees incurred to a company controlled by the Chief Operating Officer and capitalized to exploration and evaluation assets	\$ 132,232	\$ 121,277
Performance onus paid to a company controlled by the Chief Operating office of the Company	\$ -	\$ 300,000
Directors' fees incurred to directors of the Company	\$ 9,000	\$ 9,000

As at September 30, 2018, \$nil (December 31, 2017 - \$21,764) was owing to related parties and has been included in accounts payables and accrued liabilities (Note 8). The amounts are unsecured, non-interest bearing and due on demand.

13. Decommissioning liabilities

Opening balance, December 31, 2017	\$	303,288
Accretion		2,341
Reclamation expense		(2,533)
Closing balance, September 30, 2018	\$	303,096

The Company's decommissioning liabilities result from ownership interests in petroleum and natural gas interests including well sites, gathering systems and processing facilities. The total decommissioning liabilities were estimated by management based on the Company's net ownership interest in all wells, estimated costs to reclaim and abandon the wells and the estimated timing of the costs to be incurred in future periods. The Company has estimated the total undiscounted amount of future cash flows to settle the liabilities to be \$410,000 as at September 30, 2018. These payments are expected to be made over the next two to five years.

14. Contingencies

As of September 30, 2018, the Company has two guaranteed letters of credit in the amount of \$173,070 (expiring and renewable in June 2019) (2017 - \$173,070) and \$145,230 (expiring and renewable in January 2019) (2017 - 145,230), issued by Bank of Montreal for the Minister of Finance – the Saskatchewan Oil and Gas Orphan Fund.

15. Subsequent event

In November 2018, 500,000 stock options which were previously issued to a consultant of the Company at the exercise price of \$0.2975 per share were cancelled after the consulting agreement was terminated.