

NEW DIMENSION RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the three months ended
AUGUST 31, 2018**

Unaudited – Prepared by management

(Expressed in Canadian Dollars)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim consolidated financial statements for the three months ended August 31, 2018.

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

Unaudited

As at

	Note	August 31, 2018 \$	May 31, 2018 \$
ASSETS			
Current			
Cash		973,368	3,637,549
Receivables	3	215,040	172,296
Prepaid expenses		43,663	637
		<u>1,232,071</u>	<u>3,810,482</u>
Non-current			
Receivables	3	562,655	476,576
Exploration and evaluation assets	6	3,983,508	3,452,153
		<u>4,546,163</u>	<u>3,928,729</u>
TOTAL ASSETS		<u>5,778,234</u>	<u>7,739,211</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	4	405,844	964,932
Contractual obligation payable	7	377,662	391,500
		<u>783,506</u>	<u>1,356,432</u>
Non-current			
Contractual obligation payable	7	1,510,647	1,487,210
		<u>1,510,647</u>	<u>1,487,210</u>
SHAREHOLDERS' EQUITY			
Share capital	8	13,508,352	13,508,352
Reserves – warrants		322,680	322,680
Reserves – options		1,089,241	763,297
Reserves – Foreign currency translation		(1,085,590)	1,722
Deficit		<u>(10,350,602)</u>	<u>(9,700,482)</u>
		<u>3,484,081</u>	<u>4,895,569</u>
TOTAL LIABILITIES AND EQUITY		<u>5,778,234</u>	<u>7,739,211</u>
Nature of operations and going concern	1		
Basis of presentation	2		
Subsequent events	13		

APPROVED ON BEHALF OF THE BOARD ON OCTOBER 29, 2018:

"Eric Roth"
Director

"John Wenger"
Director

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

Unaudited

For the three months ended

	Note	August 31, 2018 \$	August 31, 2017 \$
General and administrative expenses			
Share-based payments	8	325,944	1,221
Management and administrative fees	9	148,823	4,445
Salaries and benefits		77,716	1,500
Office and general		77,390	3,174
Professional fees		33,689	-
Property investigation costs		-	10,000
Shareholder information and meetings		11,788	5,387
Regulatory and transfer agent fees		1,446	614
		(676,796)	(26,341)
Foreign exchange gain		30,825	-
Interest and other income		5,450	(610)
Contractual obligation payable interest	7	(9,599)	-
Loss for the period		(650,120)	(26,951)
Other comprehensive loss			
Foreign currency translation		(1,087,312)	-
Comprehensive loss for the period		(1,737,432)	(26,951)
Loss per share – basic and diluted		\$ (0.01)	\$ (0.00)
Weighted average number of shares outstanding		48,499,732	21,756,216

- See accompanying notes to the condensed interim consolidated financial statements -

New Dimension Resources Ltd.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

Unaudited

For the three months ended

	Note	August 31, 2018 \$	August 31, 2017 \$
Cash provided by (used in):			
Operating activities			
Loss for the period		(650,120)	(26,951)
Items not affecting cash:			
Share-based payments		325,944	1,221
Contractual obligation payable interest		9,599	-
Foreign exchange		(30,825)	-
Changes in non-cash working capital	11	(612,754)	6,860
		<u>(958,156)</u>	<u>(18,870)</u>
Financing activities			
Financing costs		<u>(65,580)</u>	<u>-</u>
Investing activities			
Exploration and evaluation costs		(1,275,602)	(112,810)
Acquisition of subsidiaries		<u>(311,674)</u>	<u>-</u>
		<u>(1,587,276)</u>	<u>(112,810)</u>
Effect of fluctuations in exchange rate		<u>(53,169)</u>	<u>-</u>
Change in cash		(2,664,181)	(131,680)
Cash – beginning of year		3,637,549	257,839
Cash – end of period		973,368	126,159

Supplemental cash flow information

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- See accompanying notes to the condensed interim consolidated financial statements –

New Dimension Resources Ltd.

Condensed Interim Consolidated Statement of Shareholders' Equity

Expressed in Canadian Dollars

Unaudited

For the three months ended

	Share capital (Number of Shares) (i)	Share capital (Amount)	Reserves – Warrants	Reserves – Options	Reserves- Foreign Currency Translation	Accumulated Deficit	Total
		\$	\$	\$	\$	\$	\$
May 31, 2017	21,756,216	9,365,158	322,680	761,687	-	(9,122,695)	1,326,830
Share-based payments	-	-	-	1,221	-	-	1,221
Loss for the period	-	-	-	-	-	(26,951)	(26,951)
August 31, 2017	21,756,216	9,365,158	322,680	762,908	-	(9,149,646)	1,301,100
Share-based payments	-	-	--	389	-	-	389
Shares issued for exploration and evaluation interests	40,000	4,400	--	-	-	-	4,400
Loss for the period	-	-	--	-	-	(550,836)	(550,836)
Shares issued on acquisition	4,972,521	546,977	--	-	-	-	546,977
Shares issued net of share issuance costs	34,772,727	3,585,817	--	-	-	-	3,585,817
Shares issued on exercise of warrants	12,000	6,000	--	-	-	-	6,000
Foreign currency translation	-	-	--	-	1,722	-	1,722
May 31, 2018	48,499,732	13,508,352	322,680	763,297	1,722	(9,700,482)	4,895,569
Share-based payments	-	-	--	325,944	-	-	325,944
Loss for the period	-	-	--	-	-	(650,120)	(650,120)
Foreign currency translation	-	-	--	-	(1,087,312)	-	(1,087,312)
August 31, 2018	48,499,732	13,508,352	322,680	1,089,241	(1,085, 590)	(10,350,602)	3,484,081

(i) refer to Note 1 for detail on share consolidation undertaken during the year ended May 31, 2018

-- See accompanying notes to the condensed interim consolidated financial statements --

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended August 31, 2018

Expressed in Canadian Dollars

Unaudited

1. Nature of Operations and Going Concern

New Dimension Resources Ltd. (the "Company") is incorporated under the laws of the Province of British Columbia, Canada. The Company's corporate office is at Suite 960, 780 W Pender St, Vancouver V6C 1H2 with the registered address and records office being located at 8681 Clay Street, Mission, British Columbia.

The Company engages primarily in the acquisition, exploration and evaluation of mineral properties in Canada and Argentina.

During the year ended May 31, 2018, the Company consolidated its share capital on the basis of 2.5 to 1. All share, per share, stock option, share purchase warrant and other share information has been retroactively presented on a post-consolidated basis.

These unaudited condensed interim consolidated financial statements (the "interim financial statements") have been prepared on the assumption that the Company is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. The Company has incurred a deficit of \$10,350,602 at August 31, 2018 and has no current source of revenue. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom and/or raise funds sufficient to meet current and future obligations. There can be no assurances that management's future plans for the Company will be successful. The Company will require additional financing in order to fund working capital requirements and conduct additional acquisitions, exploration and evaluation of mineral properties. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of assets and liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Basis of Presentation

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the annual consolidated financial statements for the year ended May 31, 2017 (the "Annual Financial Statements"), which were prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee. The accounting policies used in these interim financial statements are consistent with those disclosed in the Annual Financial Statements for the year ended May 31, 2018.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended August 31, 2018

Expressed in Canadian Dollars

Unaudited

2. Basis of Presentation - continued

Principles of Consolidation

The interim financial statements include the accounts of the Company and its 100% controlled entities as follows:

Entity	Country of Incorporation	Functional Currency
Minera Mariana Argentina S. A.	Argentina	Argentinean Peso
Sierra Blanca S.A.	Argentina	Argentinean Peso
NDR Guernsey Limited	Guernsey	Canadian dollar
NDR Holdings Limited	Guernsey	Canadian dollar
New Dimension Guernsey Limited	Guernsey	Canadian dollar
Mariana International Limited	Guernsey	Canadian dollar
Dimension Resources (USA) Inc.	U.S.A.	Canadian dollar

Change in Accounting Policies – Financial Instruments

On July 24, 2014, the IASB issued the completed *IFRS 9, Financial Instruments*, ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted. IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in *IAS 39 Financial Instruments: recognition and measurement*, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 on May 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on January 1, 2018. The impact on the classification and measurement of its financial instruments is set out below. All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Asset /Liability	Original classification	New classification
Cash and cash equivalents	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Payables and accrued liabilities	Amortized cost	Amortized cost
Contractual Obligation payable	Amortized cost	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended August 31, 2018

Expressed in Canadian Dollars

Unaudited

2. Basis of Presentation- continued

Approval

These unaudited condensed interim consolidated financial statements of the Company for the three months ended August 31, 2018 were approved and authorized for issue by the Board of Directors on October 29, 2018.

Historical cost

These interim financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value.

Significant Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experiences and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and further periods if the revision affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, the valuation of share-based payments, the valuation of other income on deferred premiums, the valuation of the contractual obligation payable, the valuation of amounts receivable from governments and the valuation of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- (i) **Economic recoverability and probability of future benefits of exploration and evaluation costs.**
Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- (ii) **Valuation of share-based payments**
The Company uses the Black-Scholes Option Pricing Model for valuation of share based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rates and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and Company's earnings and equity reserves.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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Unaudited

2. Basis of Presentation- continued

(iii) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

iv) Non-cash transactions

Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When this cannot be determined, it is based on the fair value of non-cash consideration.

When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

v) Other income on deferred premiums

The Company calculates the value of the other income on the deferred premiums based on exploration expenditures incurred which qualify for Canadian Exploration Expenses.

vi) Functional currency

The Company has evaluated the economic environment its entities operate in and determined that the functional currency of its Argentinian subsidiaries is the Argentinian peso and that the functional currency of its other entities, including the parent, is the Canadian dollar.

vii) Contractual obligation payable

During the year the Company entered into a contractual obligation to pay up to \$400,000 per year for a period of up to 15 years to acquire certain assets in Argentina. The Company has assessed the contractual obligation payable for the acquisition of the Argentinian assets as being more likely than not to not continue past 5 years.

New Accounting Policies and Pronouncements

The following are the accounting standards issued but not effective that the Company believes could be significant.

• IFRS 16 – Leases

Effective for annual periods commencing on or after January 1, 2019, this new standard eliminates the classification of leases as either operating or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company is currently evaluating the impact the standard is expected to have on its financial statements

3. Receivables

	August 31, 2018	May 31, 2018
	\$	\$
HST/GST receivable	21,014	18,957
Other receivables	53,362	34,195
Current portion of IVA receivable	140,664	119,144
	215,040	172,296
Non-current portion of IVA receivable	562,655	476,576

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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4. Accounts payable and accrued liabilities

	August 31, 2018	May 31, 2018
	\$	\$
Accounts payable	206,959	878,412
Accrued liabilities	198,885	86,520
	405,844	964,932

5. Financial Instruments

Categories of financial instruments

	August 31, 2018	May 31, 2018
	\$	\$
Financial assets		
FVTPL		
Cash	973,368	3,637,549
Loans and receivables		
Receivables	777,695	648,872
	1,751,063	4,286,421
Financial liabilities		
Other financial liabilities		
Accounts payable and accrued liabilities	405,844	964,932
Contractual obligation payable	1,888,309	1,878,710
	2,294,153	2,843,642

Fair value of financial instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's classifications of financial instruments within the fair value hierarchy are summarized below:

	August 31, 2018	May 31, 2018
	\$	\$
Level 1		
Cash	973,368	3,637,549
Level 2	-	-
Level 3	-	-
	973,368	3,637,549

The carrying value of receivables and accounts payable and accrued liabilities and contractual obligation payable approximate their fair value.

Financial Risk Management

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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Unaudited

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Currency Risk

The Company is primarily exposed to currency fluctuations relative to the Canadian dollar through expenditures that are denominated in US dollars and Argentinean Pesos. Also, the Company is exposed to the impact of currency fluctuations on its monetary assets and liabilities.

The Company is exposed to foreign currency risk through the following financial assets and liabilities denominated in currencies other than Canadian dollars:

August 31, 2018	Cash	Receivables	Accounts payable and accrued liabilities
	\$	\$	\$
US dollars	269,201	-	74,666
Argentinean peso	146,466	756,681	226,940

May 31, 2018	Cash	Receivables	Accounts payable and accrued liabilities
	\$	\$	\$
US dollars	1,083,408	-	308,085
Argentinean peso	16,052	629,914	180,380

At August 31, 2018 with other variables unchanged a +/- 10% change in exchange rates would decrease/increase pre-tax loss by \$87,074.

b) Interest rate and credit risk

The Company has a positive cash balance and no interest-bearing debt. The Company has no significant concentrations of credit risk arising from operations. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts and management believes the risk of loss to be remote. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at August 31, 2018 and 2017, the Company did not hold any short-term investments or cash equivalents.

Receivables consist of goods and services tax due from the governments of Canada and Argentina. Management believes that the credit risk concentration with respect to receivables is limited.

c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at August 31, 2018, the Company had cash of \$973,368 (May 31, 2018 - \$3,637,549) to settle current liabilities of \$783,506 (May 31, 2018 - \$1,356,432).

d) Commodity Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market prices of gold and silver. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended August 31, 2018

Expressed in Canadian Dollars

Unaudited

6. Exploration and Evaluation Assets

	Las Calandrias Santa Cruz, Argentina	Los Cisnes, Santa Cruz, Argentina	Sierra Blanca, Santa Cruz, Argentina	Savant Lake, Ontario, Canada	Total
	\$	\$	\$	\$	\$
Balance, May 31, 2017	-	-	-	1,125,280	1,125,280
Camp, travel, administration and other costs	-	-	-	4,103	4,103
Geologists and data collection	-	-	-	2,292	2,292
Balance August 31, 2017	-	-	-	1,131,675	1,131,675
Acquisition and tenure	1,683,777	280,630	280,629	24,400	2,269,436
Camp, travel, administration and other costs	30,952	4,806	412	93	36,263
Geologists and data collection	9,057	5,357	-	365	14,049
Balance, May 31, 2018	1,723,786	290,793	281,041	1,156,533	3,452,153
Acquisition and tenure	-	-	-	3,375	3,375
Camp, travel, administration and other costs	136,196	37,125	2,265	-	175,586
Geologists and data collection	210,447	366	778	-	211,591
Drilling and assay costs	700,496	324,347	-	-	1,024,843
Foreign exchange movement	(661,278)	(147,460)	(75,302)	-	(884,040)
Balance August 31, 2018	2,109,647	505,171	208,782	1,159,908	3,983,508

Savant Lake Property, Ontario, Canada

Effective April 1, 2016, the Company entered into an agreement to earn a 100% interest in the Savant Lake Property, in Ontario. Under the terms of the agreement, the Company can earn its interest in the property by issuing 240,000 shares (2018 – 40,000 issued at a fair value of \$4,400; 2017 - 40,000 shares issued at a fair value of \$12,000) and paying \$100,000 (2018 - \$20,000 paid; 2017 - \$20,000 paid) to the vendors in stages with the final payment on or before the fourth anniversary date of the agreement. The property is subject to a 2% net smelter royalty, of which 1% can be purchased for \$1,000,000.

Domain Project, Manitoba, Canada

The Domain Project consists of a 3 mineral claims in northern Manitoba. The Company currently holds a 29.56% interest in the property.

Las Calandrias Santa Cruz, Argentina

New Dimension Resources Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

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The Company has a 100% interest in the Las Calandrias gold-silver property, subject to a 2% NSR payable to SSL and a 0.25% NSR payable to certain employees. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

6. Exploration and Evaluation Assets (continued)

Los Cisnes, Santa Cruz, Argentina

The Company has a 100% interest in the Los Cisnes gold-silver property, subject to a 2% NSR payable to SSL in the event of future commercial production of gold and/or silver being achieved

Sierra Blanca, Santa Cruz, Argentina

The Company has a 100% interest in the Sierra Blanca gold-silver property subject to a 2% NSR payable to SSL and a 1.5% NSR payable to IAMGOLD Corporation. Both NSR's would be payable in the event of future commercial production of gold and/or silver being achieved.

7. Contractual Obligation Payable

The Company has a contractual obligation payable of \$1,888,309 in relation to its acquisition of its interests in the Las Calandrias, Los Cisnes and Sierra Blanca gold-silver projects in Santa Cruz province, Argentina.

	August 31, 2018	May 31, 2018
	\$	\$
Current	377,662	391,500
Non-current	1,510,647	1,487,210
	1,888,309	1,878,710

The contractual obligation requires the Company to make annual payments of up to \$400,000 per year in either cash or shares until the earlier of:

- December 31, 2032,
- commencement of commercial production,
- expropriation of the properties or
- the Company returns a project in accordance with the terms of the acquisition agreement

Management has assessed that the contractual obligation period will not extend beyond five years. Management considered the above terms of the agreement and the expected timeline for completion regarding each potential end to the obligation payments in making this judgment. The Company has therefore recognized the net present value of its obligation over five years, using an average discount rate of 2.05%.

During the three months ended August 31, 2018 the Company recorded interest expense of \$9,599. (2017:nil) in relation to the contractual obligation payable.

8. Share Capital and Reserves

(i) Authorized share capital

Unlimited common shares without par value.

Shares issuances

Under the terms of the Company's stock option plan, the maximum number of shares in respect of which options may be outstanding is equivalent to 10% of the issued and outstanding shares of the Company. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or if the optionee is a consultant.

New Dimension Resources Ltd.

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The vesting periods of options outstanding range from immediately to one year and maximum terms of options are set at 5 years from the grant date.

8. Share Capital and Reserves (continued)

(ii) Stock options

On June 4, 2018, the Company granted directors, officers, employees and consultants stock options entitling them to purchase 3,350,000 shares at a price of \$0.25 per share for a period of 5 years.

a) Movements in stock options during the period:

	Options Outstanding	Weighted Average Exercise Price
Balance, May 31, 2017	550,284	\$0.40
Granted	(26,284)	\$2.63
Balance, August 31, 2017	524,000	
Balance, May 31, 2018	524,000	\$0.30
Granted	3,350,000	\$0.25
Balance, August 31, 2018	3,874,000	\$0.27

b) Fair value of options granted

During the three months ended August 31, 2018 a total value of \$325,944 (2017 - \$1,221) has been recorded to reserves – options and to share based payments expense. The portion of share-based payments recorded is based on the vesting schedule of the options.

c) Stock options outstanding

The fair value of options granted was estimated on the date of the grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	Three months August 31, 2018	Three months August 31, 2017
Risk-free interest rate	1.75%	-
Expected dividend yield	nil	-
Expected stock price volatility	217.79%	-
Expected life	5	-
Expected forfeiture rate	nil	-

Options Outstanding	Options Exercisable	Price per Share	Remaining contractual life (years)	Expiry date
282,600	282,600	\$ 0.25	1.95	May 11, 2020
141,400	141,400	\$ 0.38	2.96	May 19, 2021
40,000	40,000	\$ 0.25	0.44	November 4, 2018
60,000	60,000	\$ 0.34	3.83	March 27, 2022
3,350,000	837,500	\$ 0.25	4.76	June 4, 2023
3,874,000	1,361,500			

The weighted average exercise price of the options exercisable at August 31, 2018 is \$0.27.

New Dimension Resources Ltd.

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Expressed in Canadian Dollars

Unaudited

8. Share Capital and Reserves (continued)

(iii) Share purchase warrants

a) Movements in warrants during the three months

	Warrants Outstanding	Weighted Average Exercise Price
Balance, May 31, 2017	2,246,549	\$0.50
Balance August 31, 2017	2,246,549	\$0.50
Exercised	(12,000)	\$0.50
Expired	(947,288)	\$0.50
Balance, May 31, 2018	1,287,260	\$0.50
Balance, August 31, 2018	1,287,260	\$0.50

b) A summary of the Company's warrants outstanding as at August 31, 2018, is as follows:

Warrants Outstanding	Warrants Exercisable	Price per share	Expiry date
1,084,260	1,084,260	\$0.50	December 28, 2018
203,000	203,000	\$0.50	February 8, 2019
1,287,260	1,287,260	\$0.50	

9. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Related party transactions

The Company incurred the following transactions in the normal course of operations in connection with an officer and/or director or companies which have or had a director and/or officers in common.

	Three months ended August 31, 2018 \$	Three months ended August 31, 2017 \$
Rent	2,400	2,400
Consulting	110,572	4,445
Salary costs	-	1,500
Share-based payments	292,701	-

New Dimension Resources Ltd.

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For the three months ended August 31, 2018

Expressed in Canadian Dollars

Unaudited

9. Related Party Transactions (continued)

b) Related party balances

	August 31, 2018	May 31, 2018
	\$	\$
Wayne Johnstone – Chief Financial Officer	13,902	36,509
ER Global – Chief Executive Officer	49,999	47,573
Marketworks – Corporate Secretary	3,000	-
Tom Burkhart	6,600	-
Scott Heffernan	6,600	20,000
Fred Hewett	6,600	-
Glen Parsons	6,600	-
John Wenger	6,600	52,500
Charles Russell	8,333	-
North Arrow Minerals Inc.	840	-
Brenda Nowak – Corporate Secretary	-	34,125
Kootenay Silver Corp (formerly Northair Silver Corp)	-	2,366

c) Compensation of key management personnel

The remuneration for the services of key management personnel during the three months was as follows:

	Three months ended August 31, 2018	Three months ended August 31, 2017
	\$	\$
Salary/Exploration/Consulting (i)	108,408	5,945
Share based payments	143,512	-

- (i) Key management personnel were not paid post-employment benefits, termination benefits or other long-term benefits during the three months ended August 31, 2018 and 2017.

10. Segmented Information

The Company's business consists of one reportable segment – the acquisition, exploration and evaluation of mineral properties. Details on a geographic basis are as follows:

	August 31, 2018	May 31, 2018
	\$	\$
Total Non-current long-lived assets		
Canada	1,159,908	1,156,533
South America	2,823,600	2,295,620
	3,983,508	3,452,153
	Three months ended August 31, 2018	Three months ended August 31, 2017
	\$	\$
Loss		
Canada	463,528	26,951

New Dimension Resources Ltd.

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South America	101,426	-
Europe	85,166	-
	650,120	26,951

11. Supplemental Cash Flow Information

	Three months ended August 31, 2018 \$	Three months ended August 31, 2017 \$
Changes in non-cash working capital		
Increase in receivables	(241,536)	(2,611)
Increase in prepaid expenses	(39,904)	(500)
Increase (decrease) in accounts payable and accrued liabilities	(331,314)	9,971
	(612,754)	6,860

	Three months ended August 31, 2018 \$	Three months ended August 31, 2017 \$
Schedule of non-cash investing and financing transactions:		
Exploration and evaluation expenditures included in accounts payable	226,940	22,436
Contractual obligation payable	1,888,309	-

12. 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 exploration and evaluation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares.

In the management of capital, the Company includes the components of shareholders' equity.

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, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents and short-term investments. There have been no changes to the management of capital during the fiscal year. There are no external requirements imposed on the Company regarding its capital management.

The Company's investment policy is to invest its cash and cash equivalents in highly liquid short-term interest-bearing investments selected with regards to the expected timing of expenditures from continuing operations.

The Company expects to require additional financings to carry out its exploration and evaluation plans and operations through its current operating period.

New Dimension Resources Ltd.

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13. Subsequent events

On September 25, 2018 the Company announced the appointment of Mary little to its Board of Directors as a non-executive director. Concurrent with the appointment of Ms. Little, the Company also announced the retirements of non-executive directors Fred Hewett and Thomas Burkhart.

On October 19, 2018 the Company granted, subject to TSX Venture Exchange approval, an aggregate of 250,000 incentive stock options to one director and one officer of the Company. The stock options are exercisable at a price of \$0.15 per share and will have a term of 5 years, expiring on October 18, 2023. Each stock option will allow the holder to purchase one common share of the Company. All stock options granted are subject to staged vesting periods.

On October 19, 2018 the Company announced the appointment of Sharon Cooper to the Chief Financial Officer role.