SAVOY VENTURES INC.

Financial Statements

Nine Months Ended September 30, 2017

(Unaudited - Expressed in Canadian dollars)

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 accomplished by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Stands for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

SAVOY VENTURES INC.
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Sept. 30, 2017 $	December 31, 2016 $
Assets		
Current assets		
Cash	476	–
Amounts receivable	16,729	9,088
Total assets	17,205	9,088
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	91,813	103,728
Loan payable (Note 4)	-	40,000
Total liabilities	91,813	143,728
Shareholders' deficit		
Share capital	948,535	676,135
Share-based payment reserve	145,396	145,396
Deficit	(1,168,539)	(956,171)
Total shareholders' deficit	(74,608)	(134,640)
Total liabilities and shareholders' deficit	17,205	9,088

Nature of business and continuing operations (Note 1)
Subsequent events (Note 8)

Approved and authorized for issuance on behalf of the Board of Directors on November 29, 2017:

/s/ "Glen Macdonald"
Glen Macdonald, Director

/s/ "Glen Indra"
Glen Indra, Director

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

SAVOY VENTURES INC.
Condensed Interim Statements of Operations and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended Sept. 30, 2017 $	Three months ended Sept 30, 2016 $	Nine months ended Sept 30, 2017 $	Nine months ended Sept 30, 2016 $
Expenses				
Consulting fees	22,500	-	67,500	-
Office expenses and Bank Charges	7,268	-	22,480	721
Management	15,000	-	45,000	-
Professional fees	7,500	-	17,090	-
Rent	18,000	-	54,000	-
Transfer agent and filing fees	2,500	675	6,298	2,185
Total expenses	72,768	675	212,368	2,906
Net loss and comprehensive loss	(72,768)	(675)	(212,368)	(2,906)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.01)	(0.00)
Weighted average number of common shares outstanding	14,480,001	9,480,001	11,973,001	9,480,001

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

SAVOY VENTURES INC.
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Share capital		Share-based payment reserve	Deficit	Total shareholders' equity (deficit)
	Number of shares	Amount $	$	$	$
Balance, December 31, 2015	9,480,001	676,135	145,396	(877,871)	(56,340)
Net loss for the period	–	–	–	(2,906)	(2,906)
Balance, June 30, 2016	9,480,001	676,135	145,396	(880,777)	(59,246)
Balance, December 31, 2016	9,480,001	676,135	145,396	(956,171)	(134,640)
Shares issued for cash (net)	5,000,000	272,400	–	–	272,400
Net loss for the period	–	–	–	(212,368)	(212,368)
Balance, September 30, 2017	14,480,001	948,535	145,396	(1,168,539)	(74,608)

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

SAVOY VENTURES INC.
Condensed Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended Sept 30, 2017 $	Nine months ended Sept 30, 2016 $
Operating activities		
Net loss for the year	(212,368)	(2,906)
Changes in non-cash operating working capital:		
Amounts receivable	(7,641)	(23)
Accounts payable and accrued liabilities	(11,915)	2,219
Net cash provided by (used in) operating activities	(231,924)	(721)
Financing activities		
Loan repayment	(40,000)	–
Proceeds from issuance of shares (net)	272,400	–
Net cash provided by financing activities	232,400	–
Decrease in cash	476	(721)
Cash, beginning of year	–	721
Cash, end of year	476	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

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

1. Nature of Business and Continuing Operations

Savoy Ventures Inc. (the "Company") was incorporated on November 7, 2011 under the Business Corporations Act (British Columbia). The head office of the Company is located at Suite 502, 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

The Company's principal business activities include the acquisition and exploration of mineral property assets.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2017, the Company has not generated any revenues from operations, has a working capital deficiency of $74,608, and has an accumulated deficit of $1,168,539. The Company's ability to continue as a going concern is dependent upon its ability to generate and maintain future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Statement of compliance and basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of estimates and judgments

The preparation of these 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 reported amounts of expenses during the reporting year. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future years. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. recoverability of exploration and evaluation assets; and
ii. unrecognized deferred income tax assets.

2. Significant Accounting Policies (continued)

(b) Use of estimates and judgments

Critical accounting judgments

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of operations in the period when the new information becomes available.

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

(c) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amount of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(d) Exploration and evaluation expenditures

(i) Exploration and evaluation expenditures

Asset acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of asset acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments relating to assets acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the financial statements upon payment.

Option payments received are treated as a reduction of the carrying value of the related asset until the Company's option and/or royalty payments received are in excess of costs incurred and then are credited to income.

All expenditures related to the cost of exploration and evaluation of assets including acquisition costs for interests in mineral claims are classified and capitalized as intangible assets until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be depreciated over the estimated useful life of the property following commencement of commercial production or will be written off if the property is sold, allowed to lapse, abandoned or determined to be impaired.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

2. Significant Accounting Policies (continued)

(d) Exploration and evaluation expenditures (continued)

(ii) Impairment

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carry amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of operations.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statement of operations.

(e) Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money and risks specific to the liability are used to calculate the net present value. These costs are charged to the statement of operations over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in the statement of operations. The Company has no restoration, rehabilitation and environmental obligations as at March 31, 2017 and December 31, 2016.

2. Significant Accounting Policies (continued)

(f) Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of operations. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company's cash is classified as fair value through profit or loss.

Held-to-maturity investments

Held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to the statement of operations. The Company does not have any assets classified as available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables are comprised of amounts receivable.

2. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Impairment of financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income or loss are reclassified to the statement of operations in the period. Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted. For marketable securities classified as available-for-sale, a significant or prolonged decline in the fair value of the securities below their cost is considered to be objective evidence of impairment.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity securities, impairment losses previously recognized through the statement of operations are not reversed through the statement of operations. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: accounts payable and accrued liabilities and loan payable. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

2. Significant Accounting Policies (continued)

(f) Financial instruments (continued)

(iii) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(g) Income taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(h) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

(i) Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced to flow through share investors, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

2. Significant Accounting Policies (continued)

(j) Share-based payments

The Company has an equity-settled share-based compensation plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statement of operations such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payment reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. As at March 31, 2017 and December 31, 2016, the Company has 200,000 potentially dilutive shares outstanding.

(l) Comprehensive loss

Comprehensive loss is the total non-owner change in equity for a reporting period. This change encompasses all changes in equity other than transactions from shareholders. For the period ended March 31, 2017 and the year ended December 31, 2016, the Company's did not have any items impacting comprehensive loss.

(m) Accounting standards issued but not yet effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2017, and have not been applied in preparing these financial statements.

- IFRS 9, *Financial Instruments* (New)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. Loan Payable

As at September 30, 2017, the amount of $Nil (December 31, 2016 - $40,000) is owed to an unrelated party which is non-interest bearing, unsecured, and due on demand. The loan was repaid during the period ended September 30, 2017.

4. Related Party Transactions

(a) As at September 30, 2017, the amount of $Nil (December 31, 2016 – $15,750) was owed to the President of the Company, which is non-interest bearing, unsecured, and due on demand.

(b) During the period ended September 30, 2017, the amount of $45,000 (2016 – $nil) was incurred to the President of the Company for consulting fees.

5. Share Capital and Reserves

Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value.

Issued Share Capital

As at September 30, 2017 the total common shares outstanding are 14,480,001 (December 31, 2016 – 9,480,001.

On March 30, 2017, the Company issued 5,000,000 units at a price of $0.06 per unit for gross proceeds of $300,000. Each unit consisted of one common share and one transferrable share purchase warrant exercisable at $0.08 for a period of one year. Finder's fees of $27,300 were incurred in connection with this private placement.

Share Purchase Warrants

On March 30, 2017 in connection to a private placement financing, the Company issued 5,000,000 share purchase warrants exercisable at $0.08 for a period of one year. As at September 30, 2017 there were 5,000,000 warrants outstanding. There were nil share purchase warrants outstanding as at December 31, 2016.

Stock Options

The Company adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX Venture Exchange requirements, grant to directors, officers, and consultants to the Company, non-transferable options to purchase common shares. The number of common shares reserved for issuance is not to exceed 10% of the issued and outstanding common shares of the Company. Such options will be exercisable for a period of up to five years from the date of grant.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, September 30, 2017 and December 31, 2016	200,000	0.15

5. Share Capital and Reserves (continued)

Stock Options (continued)

Additional information regarding stock options outstanding as at September 30, 2017, is as follows:

	Outstanding and exercisable		
Range of exercise prices $	Number of stock options	Weighted average remaining contractual life (years)	Weighted average exercise price $
0.15	200,000	1.05	0.15

6. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged during the period ended September 30, 2017.

7. Financial Instruments and Risks

The Company is exposed to varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Fair Values

The Company's cash is measured at fair value on a recurring basis using quoted prices in active markets for identical instruments.

The fair values of other financial instruments, which include amounts receivable, and accounts payable and accrued liabilities, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and amounts receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Amounts receivable consists of GST receivable from the Government of Canada. The carrying amount of these financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

7. Financial Instruments and Risks (continued)

Foreign Exchange Risk

The Company is not currently exposed to significant foreign exchange risk.

Interest Rate Risk

The Company is not exposed to significant interest rate risk.

Price Risk

The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of mineral resources. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

8. Subsequent Events

Subsequent to September 30, 2016, the Company entered into the following transactions:

The Company announced that it intends to complete a non-brokered private placement of up to 6 million units at a price of $0.25 per unit. Each unit consists one common share and one transferrable common share purchase warrant with an exercise price of $0.35 for a period of twelve months from the date of closing. The Company may pay a finder's fee on the offering.

The Company announced it has entered into a share exchange agreement dated October 27, 2017 with Hybrid Minerals Inc. ("Hybrid") and its shareholders (the "Hybrid Shareholders") pursuant to which the Company will acquire all of the outstanding common shares of Hybrid (the "Hybrid Shares") in exchange for common shares of Savoy (the "Savoy Shares") on a 1:1 exchange ratio (the "Acquisition"). Upon completion of the Acquisition, it is intended that Savoy will be reactivated under the rules of the TSX Venture Exchange (the "TSX-V"), graduating it from the NEX to the TSX-V. The Acquisition is an arm's length transaction and no finder's fees are paid in connection with the Acquisition.

Pursuant to the Acquisition, Savoy will acquire all of the shares of Hybrid for an aggregate purchase price of $2,425,000.25 (the "Purchase Price") which will be satisfied by Savoy issuing pro rata to the Hybrid Shareholders 9,700,001 Savoy Shares (the "Savoy Payment Shares") at a deemed price of $0.25 per Savoy Payment Share. The Savoy Payment Shares will be the sole consideration received by the Hybrid Shareholders in exchange for the Hybrid Shares. The Share Exchange Agreement includes customary conditions precedent to the closing of the Acquisition, including customary due diligence, receipt of all necessary regulatory, corporate and third party approvals, compliance with all applicable regulatory requirements, and all requisite board approvals being obtained. In particular, it is a condition of closing that Savoy meet the minimum listing requirements of the TSX-V for a Tier 2 mining issuer. Certain of the Savoy Payment Shares issuable pursuant to the Acquisition may be subject to escrow requirements pursuant to TSX-V policy and hold periods as required by applicable securities laws.