ENFORCER GOLD CORP

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED OCTOBER 31, 2018

(EXPRESSED IN CANADIAN DOLLARS)

ENFORCER GOLD CORP

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING and NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of Enforcer Gold Corp. (the "Company") for the six months ended October 31, 2018 are the responsibility of the Company's management ("Management") and have been prepared by Management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these condensed consolidated interim financial statements in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") for condensed consolidated interim financial statements.

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professionals Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

Enforcer Gold Corp
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	**As at October 31, 2018**	As at April 30, 2018
		$	$
Assets			
Current assets			
Cash and cash equivalents	**7**	**328,593**	1,421,413
Taxes and other receivables	**6, 10**	**551,240**	581,026
Prepaid expenses		**288,569**	9,257
Total Current Assets		**1,168,402**	2,011,696
Non-Current assets			
Property, plant and equipment		**7,290**	7,290
Mineral properties	**8**	**1,174,635**	342,688
Total Non-Current Assets		**1,181,925**	349,978
Total Assets		**2,350,327**	2,361,674
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable and accrued liabilities	**9**	**514,183**	307,452
Flow-through share premium liability		**121,496**	313,838
Total Current Liabilities		**635,679**	621,290
Total Liabilities		**635,679**	621,290
Shareholders' Equity			
Capital stock	**11b**	**9,119,567**	9,119,567
Contributed surplus		**3,073,904**	3,073,904
Deficit		**(10,478,823)**	(10,453,087)
Total Shareholders' Equity		**1,714,648**	1,740,384
Total Liabilities and Shareholders' Equity		**2,350,327**	2,361,674

Nature of Business and Going Concern (Note 1)
Commitments and Contingencies (Notes 8 and 13)

These condensed consolidated interim financial statements are authorized for issuance by the Board of Directors on September 27, 2018.

Approved on behalf of the Board of Directors: **(Signed) "*Stephen Dunn*"** **Director** **(Signed) "*Stephen Roebuck*"** **Director**

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

Enforcer Gold Corp
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Three Months Ended		Six Months Ended	
		October 31, 2018	October 31, 2017	**October 31, 2018**	October 31, 2017
		$	$	**$**	$
Expenses					
Office and general	**10, 14**	**44,885**	141,710	**72,726**	279,460
Advertising and promotion		**10,776**	111,804	**28,802**	162,380
Professional fees	**10, 14**	**20,445**	175,617	**36,161**	384,602
Communications and travel		**5,570**	22,164	**8,085**	72,718
Share-based compensation	**10, 11c**	**-**	-	**-**	749,438
Loss before the undernoted		**(81,676)**	(451,294)	**(145,774)**	(1,648,597)
Foreign exchange gain or loss		**116**	-	**302**	-
Interest income			8,076		8,076
Write-off of mineral properties	**8**	**(20,360)**	(788,782)	**(72,605)**	(788,782)
Flow-through share premium		**128,865**	300,243	**192,341**	534,232
Net loss and comprehensive loss		**26,945**	(931,757)	**(25,736)**	(1,895,071)
Loss per share - basic and diluted	**12**	**(0.00)**	(0.02)	**(0.00)**	(0.00)
Weighted average number of common shares outstanding		**64,388,734**	61,963,734	**64,388,734**	61,963,34

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

Enforcer Gold Corp
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares	Capital Stock	Shares to be Issued	Contributed Surplus	Subscriptions Receivable	Deficit	Total
		$	$	$	$	$	$
Balance at April 30, 2017	**61,963,734**	**8,867,417**	**19,763**	**2,358,726**	**(2,715,583)**	**(3,369,950)**	**5,160,373**
Transaction costs on April private placement	-	(5,347)	-	-	-	-	(5,347)
Share subscriptions received	-	-	-	-	2,715,583	-	2,715,583
Share-based compensation	-	-	-	749,438	-	-	749,438
Net loss for the period	-	-	-	-	-	(1,895,071)	(1,895,071)
Balance at October 31, 2017	**61,963,734**	**8,862,070**	**19,763**	**3,108,164**	**-**	**(5,265,021)**	**6,724,976**
Balance as at April 30, 2018	**64,388,734**	**9,119,567**	**-**	**3,073,904**	**-**	**(10,453,087)**	**1,740,384**
Net loss for the period	-	-	-	-	-	(25,736)	(25,736)
Balance at July 31, 2018	**64,388,734**	**9,119,567**	**-**	**3,073,904**	**-**	**(10,478,823)**	**1,714,648**

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

Enforcer Gold Corp
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six Months Ended	
	October 31, 2018	October 31, 2017
	$	$
Operating activities		
Net loss for the period	**(25,736)**	(1,895,071)
Items not affecting cash:		
Write-off of mineral properties	**72,605**	788,782
Share-based compensation	**-**	749,438
Flow-through share premium	**(192,341)**	(534,232)
Net change in non-cash working capital items:		
Taxes and other receivables	**29,786**	(444,734)
Prepaid expenses	**(279,311)**	(111,497)
Accounts payable and accrued liabilities	**206,730**	707,364
Net cash used in operating activities	**(188,267)**	(739,949)
Investing activity		
Expenditures on mineral properties	**(904,552)**	(2,672,856)
Net cash used in investing activity	**(904,552)**	(2,672,856)
Financing activities		
Share subscriptions	**-**	2,696,128
Net cash provided by financing activities	**-**	2,696,128
Change in cash and cash equivalents	**(1,092,819)**	(716,677)
Cash and cash equivalents, beginning of period	**1,421,413**	4,583,171
Cash and cash equivalents, end of period	**328,593**	3,866,493

Supplemental Information:		
Change in accounts payable and accrued liabilities related to mineral properties	**285,674**	-

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

1. Nature of Business and Going Concern

Enforcer Gold Corp. (the "Company") was incorporated on August 18, 2010 under the *Business Corporations Act* of British Columbia. On January 31, 2013, the Company entered into an agreement to acquire all the issued and outstanding common shares of Bethlehem Iron Ore Corp. ("Bethlehem"), a private company incorporated in Nevada having a significant land position within the historic Gentry hematite-iron district approximately 80 miles northeast of Phoenix, Arizona. On April 19, 2013, the Company completed its Qualifying Transaction, and as a result, the Company ceased to be a CPC and commenced trading as a Tier 2 Mining Issuer on the TSX-V under the new trading symbol "NRL.V". In early 2017, the ticker was changed to "VEIN".

The principal business of the Company is the acquisition, exploration and development of mineral properties located in Quebec, Canada.

The Company's head office, principal address, and registered and records office is 725 Evans Court, Kelowna, British Columbia, V1X 6G4.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current operations, including exploration and evaluation programs will result in profitable mining operations. The recoverability of the carrying value of mineral properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a going concern basis which assumes the Company will be able to meet its obligations and continue its operations for the next 12 months. At October 31, 2018, the Company had an accumulated deficit of $10,478,823 since inception (April 30, 2018 - $10,453,087), expects to incur further losses in the development of its business, and had a net working capital of $1,012,723 (April 30, 2018 - $1,390,406).

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. In order to continue as a going concern and meet its corporate objective, the Company will require additional financing through debt or equity issuances or other available means. However, there is no assurance that the Company will continue to be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Preparation

These condensed consolidated interim financial statements are prepared in accordance with IFRS, including International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the IASB. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended April 30, 2018, which have been prepared in accordance with IFRS and include information necessary or useful to understanding the Company's business and financial statement presentation.

These condensed consolidated interim financial statements have been prepared using the same accounting policies, methods of computation and presentation as were applied in the annual financial statements for the year ended April 30, 2018. These condensed consolidated interim financial statements were approved by the Audit Committee on behalf of the Board of Directors on December 7, 2018.

3. Significant Accounting Policies

a) New and Amended Standards Adopted by the Company

During fiscal 2019, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IFRS 9. These new standards and changes did not have any material impact on the Company's condensed consolidated interim financial statements.

b) New Accounting Standards Issued but Not Yet Applied

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2019. Many are not applicable or are not expected to have a significant impact to the Company and have been excluded. The company has not yet assessed the potential impact, if any, that these standards may have on its condensed consolidated interim financial statements. The following have not yet been adopted:

IFRS 10 - Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 16 - Leases

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Company's operating leases. The Company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Company's profit and classification of cash flows. Some of the

3. Significant Accounting Policies (continued)

b) New Accounting Standards Issued but Not Yet Applied (continued)

commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

The standard is mandatory for financial years commencing on or after January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates.

c) Critical Accounting Judgements and Estimates

The preparation of these condensed consolidated interim financial statements 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 period. Actual outcomes could differ from these estimates.

These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim 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 periods. 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.

Significant assumptions about the future that management has made 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, but are not limited to, the following:

Mineral Properties
The Company capitalizes mining property acquisition costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. On an ongoing basis, the Company evaluates deferred expenditures relating to each property to assess whether there has been impairment in value. The Company recognizes write-downs for impairment where the carrying value of the mining property exceeds its estimated long-term net recoverable value. Recoverable value is estimated based upon the Company's assessment of the future probability of positive cash flows from the property, current exploration results for properties without a defined resource or estimated proceeds from a potential sale of the property.

Stock Options and Warrants
The Black-Scholes option valuation model used by the Company to determine fair values for stock-based compensation was developed for use in estimating the fair value of freely traded options. This model requires

3. Significant Accounting Policies (continued)

c) Critical Accounting Judgements and Estimates (continued)

input of highly subjective assumptions including future stock volatility and expected time until exercise. Changes in the subjective input assumptions can materially affect the fair value estimate.

Asset Acquisition
The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgment. If deemed to be a business combination, applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. Any excess of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The acquisition of a business generally has three elements: Input – an economic resource that creates outputs when one or more processes are applied to it; Process – a system, standard, protocol, convention or rule that when applied to an input or inputs, creates outputs; Output – the result of inputs and processes applied to those inputs.

Capitalization of exploration and evaluation costs
Management has determined that exploration and evaluation costs incurred have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including, but not limited to, the geologic and metallurgic information, operating management expertise and existing permits. See Note 8 for details of the Company's capitalized exploration and evaluation costs.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies
Refer to Notes 8 and 13.

4. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its capital stock, warrants, and contributed surplus components of its shareholders' equity. The properties in which the Company currently has an interest are in the early exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration activity and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six months ended October 31, 2018.

5. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other receivables and accounts payable and accrued liabilities. The carrying value of these instruments approximates their fair values due to their short-term nature. The three levels of 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 assets or liabilities, either directly or indirectly; and

Level 3 - Inputs for assets or liabilities that are not based on observable market data

The Company had no financial instruments to classify in the fair value hierarchy at October 31, 2018.

6. Financial Risks Factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign exchange rate risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash and cash equivalents consist of cash on deposits with banks and cash held in escrow with the Company’s legal counsel. Included in taxes and other receivables is $424,877 (April 30, 2018 - $437,729) relating to sales taxes receivable from various Canadian governments. The remaining balance of $126,363 (April 30, 2018 - $143,297) relates to expense reimbursements due from third parties. Management believe that the credit risk concentration with respect to its financial instruments is remote.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2018, the Company had cash and cash equivalents and taxes and other receivable balances of $879,834 (April 30, 2018 - $2,002,439) to settle current liabilities of $635,679 (April 30, 2018 - $621,290). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company remains dependent upon financing from capital markets.

Market Risk

Market risk is the risk of loss that might arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i) Interest Rate Risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk, as it only holds cash and does not have any interest-bearing debt.

6. Financial Risks Factors (continued)

ii) Foreign Currency Risk:

The Company also holds a bank account denominated in United States dollars; therefore, it is subject to risk in fluctuations in the exchange rate of the United States dollar. However, as at October 31, 2018, the Company had a minimal balance in its US bank balance; therefore, any change in the Canadian dollar versus the United States would be insignificant.

7. Cash and Cash Equivalents

Cash and cash equivalents consist of:	**October 31, 2018**	**April 30, 2018**
	$	**$**
Cash deposit	**46,597**	259,488
Cash held in escrow	**281,996**	1,161,925
	328,593	1,421,413

8. Mineral Properties

	Six Months Ended October 31, 2018	**Year Ended April 30, 2018**
(a) Montalembert Property		
Opening balance	-	847,839
Acquisition of mineral assets	-	520,423
Exploration expenditures	72,605	3,453,580
Write-off of Montalembert property	(72,605)	(4,821,842)
Ending Balance	-	-
(b) Roger Property		
Opening balance	342,688	-
Exploration expenditures	831,947	342,688
Ending Balance	1,174,635	342,688
Total Mineral Properties	**1,174,635**	**342,688**

Title to exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its exploration and evaluation assets and, to the best of its knowledge, title to all of its interests are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

8. Mineral Properties (continued)

Realization of assets

The investment in and expenditures on mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, obtaining of permits, satisfaction of governmental requirements and possible aboriginal claims, and attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards of an ore body if discovered can be substantial, few properties that are explored are ultimately developed into producing mines.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation and believes its operations are materially in compliance with all applicable laws and regulations. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

a) Montalembert Gold Property

On November 17, 2016, the Company announced that it had entered into an option agreement with Globex Mining Enterprises ("Globex") to acquire a 100% interest in the Montalembert Gold Property located 120 kilometres west of Chibougamau in central Quebec. On October 30, 2017 the Company and Globex entered into an amended agreement.

The acquisition of the Montalembert Property had been accounted for as an asset acquisition. As at April 30, 2018, $4,221,842 of costs were capitalized to the property and a cash payment of $600,000 was made to Globex.

On August 17, 2018 the Company announced that it has terminated its option to acquire an interest in the Montalembert Gold Property. As at April 30, 2018 and October 31, 2018, the value of the Montalembert Gold Property of $4,821,842 and $72,605 was fully written off and recorded as an expense on the condensed consolidated interim statement of loss.

b) Roger Property

On January 11, 2018, the Company announced that it had entered into an option and joint venture agreement with SOQUEM Inc. ("SOQUEM") to acquire a 50% interest in the Roger Property 5 km from Chibougamau, Quebec.

(Expressed in Canadian dollars, unless otherwise noted)

8. Mineral Properties (continued)

b) Roger Property (continued)

Terms of the Agreement

Under the terms of the option agreement (the "Option"), the Company can earn a 50% undivided interest in the property after an investment of $2,000,000 is made in a work program over 3 years and 1,000,000 common shares of the Company are issued to SOQUEM as follows:

(i) Financing $2,000,000 in work program as follows:

- $500,000 on or before January 8, 2019;
- $750,000 on or before January 8, 2020; and
- $750,000 on or before January 8, 2021.

(ii) Issuing a total of 1,000,000 common shares of Enforcer to SOQUEM as follows:

- 250,000 on or before January 8, 2019;
- 250,000 on or before January 8, 2020; and
- 500,000 on or before January 8, 2021.

The option can be earned prior to the end of the 3-year period if the Company completes the work requirement and issues the common shares earlier.

SOQUEM will act as the sole manager of the Property prior to the exercise of the Option and will add a 10% management fee to the funds they manage, or in the case of third party work a 5% management fee. Upon exercise of the Option, a joint venture (the "Joint Venture") will be established to continue the exploration and potential development, construction, commercial production, mine closure and rehabilitation. Prior to the establishment of the Joint Venture, it is deemed that each party has contributed $2,000,000 to the Property.

Subsequent contributions to the Property will determine the interest of each party moving forward. If both parties agree to spend their relative proportion, the Joint Venture will continue on a 50-50 basis.

9. Accounts Payable and Accrued Liabilities

	July 31, 2018	**April 30, 2018**
	$	**$**
Accounts payable	**35,513**	188,470
Accrued liabilities	**478,670**	118,982
	514,183	307,452

(Expressed in Canadian dollars, unless otherwise noted)

10. Related Party Transactions

During the six months ended October 31, 2018 and 2017, the Company entered into the following transactions with related parties, not disclosed elsewhere in these condensed consolidated interim financial statements:

Summary of related party transactions and compensation of key management:

	Three Months Ended		Six Months Ended	
	October 31, 2018	October 31, 2017	**October 31, 2018**	October 31, 2017
	$	$	**$**	$
Salaries	**23,516**	64,229	**43,019**	122,152
Professional fees	**-**	57,205	**-**	174,015
Share-based compensation	**-**	-	**-**	196,995
	$ 23,516	$ 121,434	**43,019**	493,162

As at October 31, 2018, key management includes 3 directors and 2 members of the executive management team. Included in taxes and other receivables at October 31, 2018 is $110,763 (April 30, 2018 - $139,964) owing from a corporation with certain directors and officers in common with the Company. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

11. Capital Stock

a) Authorized – Unlimited common shares without par value.

b) Stock options

The Company has adopted a stock option plan (the "Option Plan"), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and technical consultants of the Company, non-transferable options to purchase common shares. The expiry date for each option shall be set by the Board of Directors at the time of issue and shall not exceed ten years. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. During any twelve-month period, the number of shares issuable to any one optionee shall not exceed 5% of the total number of issued and outstanding shares of the Company. The number of shares that may be reserved for issuance shall not exceed 20% of the total number of issued and outstanding shares of the Company.

During the period ended October 31, 2018, no stock options were granted, exercised or expired.

The weighted-average remaining contractual life and weighted average exercise price of options outstanding and options exercisable as at October 31, 2018 are as follows:

Number of Stock Options Outstanding		**Black-Scholes Value**	**Exercise Price**	**Weighted Average Remaining Contractual Life(Years)**	**Number of Stock Options Exercisable**	**Expiry Date**
1,600,000	$	301,795	$0.20	0.01	1,600,000	November 10, 2018
4,175,000	$	715,178	$0.20	1.30	4,175,000	June 28, 2020
5,775,000	**$**	**1,016,973**	**$0.20**	**1.21**	**5,775,000**	

(Expressed in Canadian dollars, unless otherwise noted)

11. Capital Stock Continued (continued)

c) Warrants (continued)

Additional information regarding warrants outstanding and exercisable as at July 31, 2018 is as follows:

Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price
$ 0.30	2,130,740	0.84	$ 0.30
0.30	345,800	0.91	0.30
0.30	725,250	0.50	0.30
0.30	4,854,309	0.49	0.30
0.25	28,000	0.49	0.25
0.20	56,175	0.50	0.20
0.20	62,800	0.49	0.20
	8,203,074	0.60	$ 0.26

During the six months ended October 31, 2018, 6,100,058 non-exercised warrants expired.

12. Loss Per Share

	Three Months Ended		Six Months Ended	
	October 31, 2018	October 31, 2017	**October 31, 2018**	October 31, 2017
Loss attributable to common shareholders	**$15,640**	$(931,757)	**(25,736)**	(1,895,071)
Weighted average number of shares outstanding – basic and diluted	**64,388,734**	61,963,734	**64,388,734**	61,963,734
Loss per share – basic and diluted	**$0.00**	$(0.02)	**$0.00**	$(0.03)

13. Commitments and Contingencies

Pursuant to the terms of the flow-through share agreements, the Company is in the process of complying with its flow-through contractual obligations with subscribers with respect to the Income Tax Act (Canada) requirements for flow-through shares. As at October 31, 2018, the Company is committed to incurring approximately $607,478 in Canadian Exploration Expenditures by December 31, 2018. The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

Under the terms of the Company's lease agreement for office space, the Company is obligated to minimum annual rent and lease payments of $57,400 in 2019 and $33,700 in 2020.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $162,000 and additional contingent payments of up to approximately $324,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed consolidated interim financial statements.

See Notes 1 and 8.

(Expressed in Canadian dollars, unless otherwise noted)

13. Supplementary Expense Information

	Three Months Ended		Six Months Ended	
Office and General:	**October 31, 2018**	October 31, 2017	**October 31, 2018**	October 31, 2017
	$	$	**$**	$
Salaries	**31,190**	78,489	**53,642**	145,421
Administration and other expenses	**5,918**	29,304	**9,764**	90,088
Regulatory and shareholder filing fees	**7,778**	33,917	**9,321**	43,952
	$	$	**$**	$
	44,885	141,710	**72,726**	279,460

	Three Months Ended		Six Months Ended	
Professional Fees:	**October 31, 2018**	October 31, 2017	**October 31, 2018**	October 31, 2017
	$	$	**$**	$
Corporate secretary fees	**3,607**	-	**5,355**	-
Consulting fees	**-**	163,972	**11,628**	333,9757
Legal and audit fees	**16,838**	11,645	**19,178**	50,645
	$	$	**$**	$
	20,445	175,617	**36,161**	384,602

15. Subsequent Event

On November 10, 2018, the remaining unexercised options from the Company's November 10, 2016 stock options granted expired. There were 1,600,000 unexercised stock options from the November 2016 stock options issuance.

On November 16, 2018 the Company announced that that it received approval from the TSX Venture Exchange for a share consolidation (the "Consolidation") on the basis of three (3) pre-Consolidation common shares (the "Shares") for one (1) post-Consolidation Share as previously announced on October 29, 2018. Post-Consolidation, the Company has 21,462,905 shares issued and outstanding.