

**NEWRANGE GOLD CORP**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars)**

**April 30, 2018**

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
Newrange Gold Corp.

We have audited the accompanying consolidated financial statements of Newrange Gold Corp., which comprise the consolidated statements of financial position as at April 30, 2018 and 2017 and the consolidated statements of loss and comprehensive loss, changes in equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Newrange Gold Corp. as at April 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



***Emphasis of Matter***

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Newrange Gold Corp.'s ability to continue as a going concern.

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

August 28, 2018

**NEWRANGE GOLD CORP**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)

	April 30, 2018	April 30, 2017
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 604,814	\$ 1,579,605
Other receivables	28,714	7,882
Subscriptions receivable (Note 8)	-	159,000
Prepaid expenses (Note 10)	72,010	20,750
	705,538	1,767,237
<b>Land and equipment (Note 4)</b>	175,996	55,854
<b>Mineral properties (Note 5)</b>	2,360,042	2,006,026
<b>TOTAL ASSETS</b>	<b>\$ 3,241,576</b>	<b>\$ 3,829,117</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 260,244	\$ 178,567
Income tax payable	37,834	37,834
<b>TOTAL LIABILITIES</b>	<b>298,078</b>	<b>216,401</b>
<b>EQUITY</b>		
Share capital (Note 8)	23,101,817	20,364,620
Reserves	9,715,941	8,963,943
Subscriptions received in advance (Note 8)	-	213,500
Deficit	(29,874,260)	(25,929,347)
<b>TOTAL EQUITY</b>	<b>2,943,498</b>	<b>3,612,716</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,241,576</b>	<b>\$ 3,829,117</b>

**Nature and continuance of operations (Note 1)**  
**Subsequent event (Note 14)**

**Approved on behalf of the Board of Directors on August 28, 2018:**

Signed: "Robert G. Carrington"

Director

Signed: "Ron Schmitz"

Director

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

**NEWRANGE GOLD CORP**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars)  
YEARS ENDED APRIL 30,

	2018	2017
<b>EXPENSES</b>		
Administration and office costs (Note 10)	\$ 413,675	\$ 143,766
Exploration expenditures, net (Note 6)	2,203,233	350,257
Investor relations and shareholder information	276,952	78,670
Professional fees	71,928	50,593
Salaries	161,050	-
Share-based compensation (Note 10)	752,500	658,000
Transfer agent and filing fees	49,748	34,448
	(3,929,086)	(1,315,734)
Amortization - finance charges (Note 7)	-	(47,660)
Foreign exchange gain (loss)	(15,631)	4,124
Gain on option of mineral properties (Note 5)	-	26,235
Write-off of exploration and evaluation assets	(196)	-
<b>Net loss and comprehensive loss for the year</b>	<b>\$ (3,944,913)</b>	<b>\$ (1,333,035)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.06)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<b>70,009,142</b>	<b>46,916,222</b>

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

**NEWRANGE GOLD CORP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in Canadian Dollars)  
YEARS ENDED APRIL 30,

	2018	2017
<b>CASH FLOWS FROM (TO)</b>		
<b>OPERATIONS</b>		
Net loss for the year	\$(3,944,913)	\$ (1,333,035)
Adjustments for:		
Depreciation included in exploration expenditures	22,443	13,160
Accrued interest on loans payable	-	11,789
Amortization – finance costs	-	47,660
Share-based compensation	752,500	658,000
Gain on option of mineral properties	-	(26,235)
Write-off of exploration and evaluation assets	196	-
Changes in non-cash working capital items:		
Other receivables	(20,832)	(7,426)
Prepaid expenses	(51,260)	(16,741)
Accounts payable and accrued liabilities	81,677	152,988
	<b>(3,160,189)</b>	<b>(499,840)</b>
<b>INVESTING</b>		
Acquisition of mineral properties	(354,212)	(275,291)
Equipment	(142,585)	-
Mineral property option proceeds	-	26,235
Sale of investments	-	3,860
	<b>(496,797)</b>	<b>(245,196)</b>
<b>FINANCING</b>		
Shares issued for cash	1,332,148	1,611,760
Share issue costs	(45,012)	(6,160)
Shares issued for stock options exercised	82,486	62,073
Shares issued for warrants exercised	1,312,573	352,217
Subscriptions received in advance	-	213,500
Loans repaid	-	(164,135)
	<b>2,682,195</b>	<b>2,069,255</b>
<b>Change in cash during the year</b>	<b>(974,791)</b>	<b>1,324,219</b>
<b>Cash at beginning of year</b>	<b>1,579,605</b>	<b>255,386</b>
<b>Cash at end of year</b>	<b>\$ 604,814</b>	<b>\$ 1,579,605</b>
<b>Supplementary cash flow information</b>		
Cash paid for interest and income taxes	\$ -	\$ -
<b>Non-cash financing and investing activities:</b>		
Warrants granted related to property acquisition	\$ -	\$ 240,400
Shares issued related to property acquisition	\$ -	\$ 44,000
Subscriptions receivable	\$ -	\$ 159,000
Residual value of warrants	\$ 42,401	\$ -
Fair value of stock options exercised	\$ 51,803	\$ 41,112
Fair value of finder's warrants	\$ 8,900	\$ -
Fair value of warrants exercised	\$ -	\$ 69,900

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

**NEWRANGE GOLD CORP**

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

YEARS ENDED APRIL 30, 2018 AND 2017

	Number of Shares	Share Capital	Reserves	Subscriptions Received in Advance	Deficit	Total
<b>Balance at April 30, 2016</b>	43,475,649	\$ 18,030,718	\$ 8,176,555	\$ -	\$ (24,596,312)	\$ 1,610,961
Shares issued for cash	12,968,669	1,770,760	-	-	-	1,770,760
Share issue costs	-	(6,160)	-	-	-	(6,160)
Subscriptions received in advance	-	-	-	213,500	-	213,500
Share-based compensation	-	-	658,000	-	-	658,000
Shares issued – options exercised	1,030,676	103,185	(41,112)	-	-	62,073
Shares issued – warrants exercised	3,758,442	422,117	(69,900)	-	-	352,217
Shares issued for exploration asset	200,000	44,000	-	-	-	44,000
Warrants issued for exploration asset	-	-	240,400	-	-	240,400
Loss for the year	-	-	-	-	(1,333,035)	(1,333,035)
<b>Balance at April 30, 2017</b>	61,433,436	20,364,620	8,963,943	213,500	(25,929,347)	3,612,716
Shares issued for cash	4,798,028	1,386,648	-	(213,500)	-	1,173,148
Share issue costs	-	(45,012)	-	-	-	(45,012)
Share issue costs - warrants	-	(8,900)	8,900	-	-	-
Share-based compensation	-	-	752,500	-	-	752,500
Residual value of warrants	-	(42,401)	42,401	-	-	-
Shares issued – options exercised	1,247,131	134,289	(51,803)	-	-	82,486
Shares issued – warrants exercised	10,083,303	1,312,573	-	-	-	1,312,573
Loss for the year	-	-	-	-	(3,944,913)	(3,944,913)
<b>Balance at April 30, 2018</b>	77,561,898	\$ 23,101,817	\$ 9,715,941	\$ -	\$ (29,874,260)	\$ 2,943,498

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

## **1. NATURE AND CONTINUANCE OF OPERATIONS**

Newrange Gold Corp (“the Company or Newrange”) was incorporated under the *Business Corporations Act (B.C.)* on May 16, 2006. The Company acquired all of the outstanding shares of Corporacion Minera de Colombia S.A. (“Minera Colombia”) on September 16, 2006 by way of a share exchange agreement. The consolidated financial statements of Newrange as at and for the year ended April 30, 2018 comprise the Company and its subsidiaries. Newrange is the ultimate parent of the consolidated group. The Company’s corporate and head office address is #510 – 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 3B6.

On February 7, 2018, the Company began trading on the OTCQB Venture Market in the United States under the symbol NRGOF.

During the year ended April 30, 2017, the Company changed its name to Newrange Gold Corp. (formerly Colombian Mines Corporation).

The Company is an exploration stage company focused on acquiring and exploring mineral properties in Colombia and the United States.

These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the 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, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in the consolidated financial statements are presented below and are based on IFRS issued and effective as of August 28, 2018.

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Consolidation**

These consolidated financial statements include the accounts of the Company and the following subsidiaries:

<b>Name</b>	<b>Place of Incorporation</b>	<b>Principal Activity</b>	<b>Ownership</b>
Newrange Gold Corp	British Columbia, Canada	Exploration company	100%
0766888 BC Ltd.	British Columbia, Canada	Holding company	100%
Colombian Investments (BVI) Corp.	British Virgin Islands	Holding company	100%
Colombia Holdings (BVI) Ltd.	British Virgin Islands	Holding company	100%
Colombian Resources (BVI) Inc.	British Virgin Islands	Holding company	100%
Corporacion Minera de Colombia S.A.	Colombia	Exploration company	100%
NR Gold LLC	United States	Exploration company	100%

Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

**Foreign Currencies**

The Company's functional and presentation currency is the Canadian dollar. The individual financial statements of each group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions in currencies other than an entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are recognized in the statements of loss and comprehensive loss, unless the difference relates to an item that is recognized in other comprehensive income or loss, whereby the exchange difference would be recognized in other comprehensive income or loss and reclassified from equity to the statements of loss and comprehensive loss on disposal or partial disposal of the net investment. For the purpose of presenting consolidated financial statements, the assets and liabilities of entities whose functional currency is not the Canadian dollar are translated using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period.

**Financial Instruments**

The Company is required to classify its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair values:

- 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.

**Financial liabilities**

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss ("FVTPL") or other financial liabilities. Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable and accrued liabilities and loans payable are classified as other financial liabilities.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### *Financial liabilities* (continued)

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss.

### *Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale (“AFS”), loans and receivables or at FVTPL.

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss. The Company’s investments are comprised of common shares which are classified as FVTPL.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. The Company’s cash and other receivables are classified as loans and receivables.

Financial assets classified as AFS are measured at fair value with unrealized gains and losses recognized in other comprehensive loss except for losses in value that are considered other than temporary. The Company does not have any AFS financial assets.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each financial position reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- 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 and pre-payments, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset 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 profit or loss. With the exception of AFS 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 profit and loss 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 AFS financial instruments, impairment losses previously recognized through profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in equity.

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Cash**

Cash in the statement of financial position is comprised of cash at banks and on hand, and short term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

**Land and Equipment**

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the straight-line method over three to five years. Land is carried at cost less accumulated impairment losses.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

**Mineral Properties and Exploration and Evaluation Expenditures**

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially viable, exploration and evaluation expenditures on the property are capitalized.

A mineral property acquired under an option agreement where payments are made at the sole discretion of the Company, is capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured. Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Impairment of Non-Financial Assets**

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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 assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. 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 (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount 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.

**Restoration, Rehabilitation and Environmental Obligations**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising 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, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

**Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

**2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Share Capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

**Share-based Payment Transactions**

The stock option plan allows Company employees and consultants to acquire shares of the Company. Under IFRS the definition of employees has been broadened to include consultants who do work that would normally be done by employees. Under this definition, all of the Company's consultants are considered to be employees for the purposes of determining the value of share-based payments.

Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded in reserves are transferred to share capital. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value is measured at grant date and each tranche is recognized over the period the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Income Taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### **Earnings (Loss) per Share**

The Company presents basic and diluted earnings (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 period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

### **Segment Reporting**

The Company's head office is in Canada and it has operations in Colombia. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

## **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Judgments and Estimates**

The preparation of these consolidated financial statements requires management to make judgments and estimates 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.

The Company has to make judgments which include but are not limited to the following:

- a) Whether facts or circumstances suggest that the carrying value of assets such as its receivables, investments in securities or mineral properties exceed the recoverable amount and if so the asset is tested for impairment; and
- b) The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency when changes in circumstances may affect the primary economic environment.

These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, 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:

- a) the recoverability of amounts receivable and prepayments;
- b) the carrying value of the investment in mineral properties and the recoverability of the carrying value;
- c) the estimated useful lives of equipment and the related depreciation;
- d) the inputs used in accounting for share-based payments expense; and
- e) the provision for deferred income tax expense and deferred income tax assets and liabilities.

## **3. CHANGES IN ACCOUNTING STANDARDS**

The following new accounting standards and interpretations have been published, but have not been applied in the preparation of these financial statements:

### *IFRS 9, Financial Instruments*

The IASB intends to replace IAS 39 – “Financial Instruments: Recognition and Measurement” in its entirety with IFRS 9 in three main phases. IFRS 9 will be the new standard for the financial reporting of financial instruments that is principles-based and less complex than IAS 39. IFRS 9 requires that all financial assets be measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are measured at amortized cost except for financial liabilities classified as at fair value through profit or loss, financial guarantees and certain other exceptions. IFRS 9 can currently be adopted voluntarily, but is mandatory for years beginning on or after January 1, 2018.

### *IFRS 15, Revenue from Contracts with Customers*

IFRS 15 contains new standards on revenue recognition that will supersede IAS 18, Revenue, IAS 11, Construction Contracts and related interpretations. These standards are effective for the fiscal period beginning on or after January 1, 2018.

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**3. CHANGES IN ACCOUNTING STANDARDS** (continued)

*IFRS 16, Leases*

In January 2016, the IASB issued IFRS 16 Leases which replaces the previous leases standard, IAS 17 Leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessors continue to classify leases as operating leases or finance leases, and account for those two types of leases differently. IFRS 16 is effective for periods beginning on or after January 1, 2019.

The eventual application of these standards is not expected to have a significant impact on the Company's existing accounting policies or financial statement presentation.

**4. LAND AND EQUIPMENT**

	<b>Field Equipment</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>			
As at April 30, 2016 and April 30, 2017	\$ 250,402	\$ 55,854	\$ 306,256
Additions	142,585	-	142,585
As at April 30, 2018	\$ 392,987	\$ 55,854	\$ 448,841
<b>Accumulated depreciation</b>			
As at April 30, 2016	\$ 237,242	-	\$ 237,242
Additions	13,160	-	13,160
As at April 30, 2017	250,402	-	250,402
Additions	22,443	-	22,443
As at April 30, 2018	\$ 272,845	-	\$ 272,845
<b>Net book value</b>			
As at April 30, 2017	-	\$ 55,854	\$ 55,854
As at April 30, 2018	\$ 120,142	\$ 55,854	\$ 175,996

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**5. MINERAL PROPERTIES**

	April 30, 2017	Additions	Write-offs	April 30, 2018
Pamlico, USA	\$ 275,291	\$ 354,212	\$ -	\$ 629,503
Rocky Mountain, USA	284,400	-	-	284,400
Yarumalito, Colombia	1,321,740	-	-	1,321,740
El Dovio, Colombia	124,595	-	(196)	124,399
	\$ 2,006,026	\$ 354,212	\$ (196)	\$ 2,360,042

	April 30, 2016	Additions	April 30, 2017
Pamlico, USA	\$ -	\$ 275,291	\$ 275,291
Rocky Mountain, USA	-	284,400	284,400
Yarumalito, Colombia	1,321,740	-	1,321,740
El Dovio, Colombia	124,595	-	124,595
	\$ 1,446,335	\$ 559,691	\$ 2,006,026

**Pamlico, Nevada, USA**

On July 15, 2016, the Company entered into an option agreement, subsequently amended, to purchase a 100% undivided interest in the Pamlico gold project in Nevada. To earn the interest, the Company must make payments totaling US\$7,500,000.

- i) US\$50,000 (paid \$65,003);
- ii) US\$9,000 (paid \$12,049);
- iii) US\$16,000 (paid \$21,311);
- iv) US\$125,000 (paid \$163,077);
- v) US\$250,000 (paid \$324,667);
- vi) US\$100,000 (paid \$131,512 subsequently);
- vii) US\$150,000 on or before August 31, 2018;
- viii) US\$250,000 on or before July 15th of each year from 2019 to 2044; and
- viii) US\$300,000 on or before July 15, 2044.

The Company may earn the 100% interest in the property early if payments totaling US\$4,000,000 are made by July 15, 2020.

Upon production, the Company must pay an annual payment of US\$250,000, or a 4% Net Smelter Royalty ("NSR"), whichever is greater. The Company may reduce the NSR to 1% by paying the optionor US\$1,000,000 per percentage point. The Company will maintain the claims in good standing and pay any associated maintenance fees.

**Rocky Mountain, Colorado, USA**

During the year ended April 30, 2017, the Company acquired a 100% interest in the Rocky Mountain project in Colorado by issuing 200,000 shares valued at \$44,000. The Company also issued 1,700,000 share purchase warrants exercisable at \$0.17 per share valued at \$240,400.

**5. MINERAL PROPERTIES** (continued)

**Yarumalito, Colombia**

The Company has a 100% interest in land known as the Yarumalito property in Colombia.

**El Dovio, Colombia**

During the year ended April 30, 2014, the Company acquired land known as the El Dovio property in Colombia for total costs of \$124,595. During the year ended April 30, 2018, \$196 of costs capitalized to El Dovio were written off.

**Anori, Colombia**

The Company has a 100% interest in land known as the Anori property in Colombia.

During the year ended April 30, 2017, the Company optioned out the Anori property. To earn a 100% interest in the Anori property, the optionee must make the following payments to the Company:

- i) US\$20,000 (received \$26,235 CAD).
- ii) The remaining payment schedule calls for the Company to receive a second payment of US\$50,000 on or before the first anniversary of the Agreement and a final payment of US\$750,000 within 30 months of signing the Agreement. The Company has further granted the Buyer an early purchase option such that the Buyer can purchase the Anori property by paying the Company US\$320,000 including the initial Option Payment within six (6) months of the date of signing the Agreement.
- iii) The Company will retain a 1.5% Net Smelter Return Royalty on any production on the property.

During the year ended April 30, 2018, the optionee has defaulted on the payment of US\$50,000 and the Company is currently in arbitration.

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**6. EXPLORATION EXPENSES**

Exploration expenditures incurred during the year ended April 30, 2018 were as follows:

<b>2018</b>	Pamlico	Yarumalito	Anori	El Dovio	Total
Administration, consultants and salaries	\$ 522,727	\$ 141,023	\$ 15,136	\$ 52,799	\$ 731,685
Assaying	495,901	-	-	-	495,901
Drilling	631,566	-	-	-	631,566
Field costs	216,251	38,212	-	4,247	258,710
Travel	85,371	-	-	-	85,371
	\$ 1,951,816	\$ 179,235	\$ 15,136	\$ 57,046	\$ 2,203,233

Exploration expenditures incurred during the year ended April 30, 2017 were as follows:

<b>2017</b>	Pamlico	Yarumalito	Anori	El Dovio	Mercedes/ Other	Total
Administration, consultants, and salaries	\$ 47,517	\$ 96,764	\$ 1,414	\$ 51,178	\$ 52,145	\$ 249,018
Assaying	9,014	-	-	-	-	9,014
Field costs	6,317	35,019	28	14,375	29,482	85,221
Taxes	-	510	-	-	-	510
Travel	6,494	-	-	-	-	6,494
	\$ 69,342	\$ 132,293	\$ 1,442	\$ 65,553	\$ 81,627	\$ 350,257

**7. LOANS PAYABLE**

During the year ended April 30, 2016, the Company entered into loan agreements with arms length and non-arms length (Note 10) individuals for an aggregate of \$143,205. During the year ended April 30, 2017, the Company settled the loans in full. The loans had an interest rate of 10% per annum. During the year ended April 30, 2016, the Company also issued 52,992 bonus shares (valued at \$1,588) and 2,599,142 bonus warrants at an exercise price of \$0.05 for a period of 15 months (valued at \$69,900) to the lenders. The bonus warrants were valued using the Black-Scholes option pricing model with the following assumptions: volatility of 187.63%, dividend rate of Nil, a discount rate of 0.40%, and a term of 15 months. The fair value of the bonus shares and warrants has been recorded as deferred finance fees, has been offset against the loans payable and were amortized to profit or loss over the term of the loans.

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**7. LOANS PAYABLE (continued)**

<b>Loans Payable</b>	
As at April 30, 2016	\$ 104,686
Amortization – finance fees	47,660
Interest	11,789
Loans paid	(164,135)
As at April 30, 2017 and April 30, 2018	\$ -

**8. EQUITY**

## (a) Share capital

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

## (b) Share Issuances

During the year ended April 30, 2018, the Company:

- i) closed a non-brokered private placement of 2,160,000 units at \$0.30 per unit for gross proceeds of \$648,000 of which \$213,500 was received during the year ended April 30, 2017. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.45 per share. The warrants may be accelerated under certain terms if the 20 day volume weighted average share price of the Company is equal to or higher than \$0.75 after the expiry of the 4 month hold period. There was no value attributed to the warrant component of the unit offering. The Company paid \$13,245 in finders' fees.
- ii) issued 1,247,131 common shares upon exercise of options for gross proceeds of \$82,486 resulting in a reallocation of share-based reserves of \$51,803 from reserves to share capital.
- iii) issued 10,083,303 common shares upon exercise of warrants for gross proceeds of \$1,312,573.
- iv) closed the first tranche of a private placement of 2,120,028 units at a price of \$0.28 per unit for gross proceeds of \$593,608. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a two year period at a price of \$0.45 per share. The value of \$42,401 was attributed to the warrant component of the unit offering. The warrants may be accelerated under certain terms if the closing price of the Company's common shares on the TSXV exceeds \$0.75 for any 20 consecutive trading days.

closed the second and final tranche of a private placement by issuing 518,000 units at a price of \$0.28 per unit for gross proceeds of \$145,040. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a two year period at a price of \$0.45 per share. The warrants may be accelerated under certain terms if the closing price of the Company's common shares on the TSXV exceeds \$0.75 for any 20 consecutive trading days.

The Company paid \$20,190 in finders' fees and issued 71,750 finder's warrants valued at \$8,900.

**8. EQUITY** (continued)

(b) Share Issuances (continued)

During the year ended April 30, 2017, the Company:

- i) issued 1,030,676 shares upon exercise of options for gross proceeds of \$62,073 resulting in a reallocation of share-based reserves of \$41,112 from reserves to share capital.
- ii) purchased claims by issuing 200,000 common shares valued at \$44,000 and issuing 1,700,000 share purchase warrants with an exercise price of \$0.17 until November 15, 2018, \$0.30 until November 15, 2019 and \$0.45 until November 15, 2021 resulting in exploration acquisition costs of \$240,400.
- iii) issued 3,758,442 shares upon exercise of warrants for gross proceeds of \$352,217 resulting in a reallocation of share-based reserves of \$69,900 from reserves to share capital.
- iv) completed two non-brokered private placements, the first for 9,411,765 units at a price of \$0.085 per unit and gross proceeds of \$800,000 and the second placement of 566,538 units at \$0.13 per unit for gross proceeds of \$73,650. The shares will be subject to a mandatory 4 month hold expiring on June 7, 2017. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.12 per share for the first placement and at a price of \$0.17 per share in the case of the second placement. The warrants may be accelerated under certain terms if the 20 day volume weighted average share price of the Company is equal to or higher than \$0.20 after the expiry of the 4 month hold period. No value was assigned to the warrants issued under the residual value method of unit bifurcation.
- v) completed the first tranche of a private placement by issuing 2,990,366 units at a price of \$0.30 per unit, for gross proceeds of \$897,110 of which \$159,000 was received subsequent to year end. Each unit consists of one common share and one share purchase warrant entitling the holder to purchase one additional common share for a two year period at a price of \$0.45 per share. The warrants may be accelerated under certain terms if the closing price of the Company's common shares on the TSXV exceeds \$0.75 for any 20 consecutive trading days. No value was assigned to the warrants issued under the residual value method of unit bifurcation.

(c) Stock options

The Company adopted a stock option plan (the "Plan") pursuant to the policies of the TSX Venture Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. The vesting terms are determined at the time of grant. The continuity of stock options for the years ended April 30, 2018 and 2017 is as follows:

	April 30, 2018		April 30, 2017	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of year	5,144,798	\$ 0.16	3,416,606	\$ 0.10
Granted	2,037,403	0.49	4,629,868	0.17
Exercised	(1,247,131)	0.07	(1,030,676)	0.06
Cancelled/Expired/Forfeited	-	-	(1,871,000)	0.13
Outstanding, end of year	5,935,070	\$ 0.29	5,144,798	\$ 0.16

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**8. EQUITY (continued)**

## (c) Stock options (continued)

The following table summarizes information about stock options outstanding and exercisable at April 30, 2018:

<b>Exercise prices</b>	<b>Number outstanding</b>	<b>Expiry date</b>	<b>Number exercisable</b>
\$0.055	758,667*	23-June-18	758,667
\$0.160	640,000	30-August-18	640,000
\$0.220	1,914,000	16-February-19	1,914,000
\$0.248	200,000	24-March-19	200,000
\$0.310	185,000	25-April-19	185,000
\$0.600	200,000	10-July-19	200,000
\$0.510	1,537,403	28-August-19	1,537,403
\$0.300	150,000	1-March-20	150,000
\$0.320	150,000	6-February-21	150,000
\$0.290	200,000	29-March-22	200,000
	5,935,070		5,935,070

\*exercised subsequently

## (d) Share-Based Compensation

During the year ended April 30, 2018, the Company:

- i) granted 200,000 stock options to consultants of the Company. The options are exercisable at \$0.60 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$92,700. The options were fully vested on the grant date.
- ii) granted 1,537,403 stock options to consultants, officers, advisors, and employees of the Company. The options are exercisable at \$0.51 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$601,000. The options were fully vested on the grant date.
- iii) granted 150,000 stock options to a consultant of the Company. The options are exercisable at \$0.32 per options for 36 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$31,800. The options were fully vested on the grant date.
- iv) granted 150,000 stock options to a director of the Company. The options are exercisable at \$0.30 per options for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$27,000. The options were fully vested on the grant date.

During the year ended April 30, 2017, the Company:

- i) granted 1,305,667 stock options to directors, officers, advisors, employees and consultants of the Company. The options are exercisable at \$0.055 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$58,700. The options were fully vested on the grant date.

**8. EQUITY** (continued)

(d) Share-based Compensation (continued)

- ii) granted 745,000 stock options to directors, officers, advisors, employees and consultants of the Company. The options are exercisable at \$0.16 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$100,200. The options were fully vested on the grant date.
- iii) granted 1,994,201 stock options to directors, officers, advisors, employees and consultants of the Company. The options are exercisable at \$0.22 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$362,500. The options were fully vested on the grant date.
- iv) granted 200,000 stock options to a consultant of the Company. The options are exercisable at \$0.248 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$40,100. The options were fully vested on the grant date.
- v) granted 200,000 stock options to a consultant of the Company. The options are exercisable at \$0.29 per option for 60 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$53,600. The options were fully vested on the grant date.
- vi) granted 185,000 stock options to advisors and consultants of the Company. The options are exercisable at \$0.31 per option for 24 months. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of \$42,900. The options were fully vested on the grant date.

These options granted during the years ended April 30, 2018 and 2017 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	<b>Year ended April 30, 2018</b>	<b>Year ended April 30, 2017</b>
Weighted average grant date fair value	\$0.49	\$0.17
Weighted average risk-free interest rate	1.34%	0.71%
Expected dividend yield	0%	0%
Weighted average stock price volatility	161%	189%
Weighted average forfeiture rate	0%	0%
Weighted average expected life of options in years	2.07	2.13

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**8. EQUITY (continued)**

## (e) Warrants

The continuity of share purchase warrants for the year ended April 30, 2018 is as follows:

Expiry Date	Exercise Price	Balance, April 30, 2017	Issued	Exercised	Balance, April 30, 2018
February 15, 2018	\$ 0.12	9,291,765	-	(9,291,765)	-
February 15, 2018	\$ 0.17	566,538	-	(566,538)	-
November 14, 2018	\$ 0.45	3,383,333	-	(200,000)	3,183,333
January 8, 2019	\$ 0.45	225,000	-	(25,000)	200,000
May 4, 2019	\$ 0.45	-	2,990,366	-	2,990,366
May 12, 2019	\$ 0.45	-	2,160,000	-	2,160,000
March 22, 2020	\$ 0.45	-	1,060,014	-	1,060,014
March 22, 2020	\$ 0.45	-	71,750	-	71,750
April 3, 2020	\$ 0.45	-	259,000	-	259,000
November 15, 2021	\$ 0.17	1,700,000	-	-	1,700,000
		15,166,636	6,541,130	(10,083,303)	11,624,463
<i>Weighted average exercise price</i>		<i>\$ 0.21</i>	<i>\$ 0.45</i>	<i>\$ 0.13</i>	<i>\$ 0.41</i>

The warrants issued during the years ended April 30, 2018 and 2017 that were valued using the Black Scholes option pricing model had the following assumptions:

	Year ended April 30, 2018	Year ended April 30, 2017
Weighted average grant date fair value	\$0.26	\$0.16
Weighted average risk-free interest rate	1.82%	0.86%
Expected dividend yield	0%	0%
Weighted average stock price volatility	116%	154%
Weighted average forfeiture rate	0%	0%
Weighted average expected life of warrants in years	2.00	5.00

**9. SEGMENTED INFORMATION**

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	USA	Colombia	Total
April 30, 2018			
Capital assets	\$ 979,352	\$ 1,556,686	\$ 2,536,038
April 30, 2017			
Capital assets	\$ 559,692	\$ 1,502,188	\$ 2,061,880

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**10. RELATED PARTY TRANSACTIONS**

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

<b>For the year ended April 30, 2018</b>	<b>Salary or Fees</b>	<b>Share-Based Payment</b>	<b>Total</b>
Management Compensation	\$ 371,085	\$ 117,276	\$ 488,361
Director Compensation	-	161,867	161,867
Cross Davis & Company LLP	63,000	-	63,000
	<b>\$ 434,085</b>	<b>\$ 279,143</b>	<b>\$ 713,228</b>

  

<b>For the year ended April 30, 2017</b>	<b>Salary or Fees</b>	<b>Share-Based Payment</b>	<b>Total</b>
Management Compensation	\$ 66,895	\$ 154,951	\$ 221,846
Director Compensation	-	160,513	160,513
Cross Davis & Company LLP	37,000	24,347	61,347
	<b>\$ 103,895</b>	<b>\$ 339,811</b>	<b>\$ 443,706</b>

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

<b>Related party liabilities</b>	<b>April 30, 2018</b>	<b>April 30, 2017</b>
Due to Management*	\$ 29,266	\$ 70,908

\* due to management consists of fees owing to two key management personnel for consulting fees.

Cross Davis & Company LLP provided management services including a chief financial officer, a corporate secretary, accounting staff, administration staff and office space to Newrange. At April 30, 2018, the Company has prepaid for \$10,500 (2017 - \$10,500) to Cross Davis for future services.

**11. FINANCIAL AND CAPITAL RISK MANAGEMENT****Financial Risk Management**

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

**Foreign currency risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and Colombia. The Company funds cash calls to its subsidiary company outside of Canada in US dollars ("USD") and a portion of its expenditures are also incurred in Colombian pesos ("COP"). The greatest risk is the exchange rate of the Canadian dollar relative to the Colombian peso and a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

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**11. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

	April 30, 2018 ("COP")	April 30, 2017 ("COP")
Cash	78,905,100	59,117,560
Receivables	633,444	448,364
Accounts payable and accrued liabilities	(6,361,035)	(7,926,284)
Net exposure	73,177,509	51,639,640
Canadian dollar equivalent	\$ 33,510	\$ 23,754

  

	April 30, 2018 ("USD")	April 30, 2017 ("USD")
Cash	59,269	-
Accounts payable and accrued liabilities	(14,271)	-
Net exposure	44,998	-
Canadian dollar equivalent	\$ 57,711	\$ -

Based on the above net exposures as at April 30, 2018 and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the above foreign currencies would result in an increase / decrease of approximately \$9,122 (2017 - \$2,375) to net loss for the period.

**Credit Risk**

The Company's cash is mainly held through large insured Canadian and Colombian financial institutions and accordingly, credit risk is minimized.

**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 manages liquidity risk through the management of its capital resources.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. There is currently minimal interest rate risk.

**Management of Capital**

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 development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity as well as cash. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest or penalty. The Company will have to raise additional financing to cover its exploration and administrative costs for the next twelve months. The Company's approach to the management of capital did not change during the year ended April 30, 2018.

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**12. FINANCIAL INSTRUMENTS**

The Company has classified its financial assets as follows:

<b>April 30, 2018</b>				
<b>Financial assets</b>		<b>FVTPL</b>	<b>Loan-and receivables</b>	<b>Total</b>
Cash	\$	-	\$ 604,814	\$ 604,814
Other receivables		-	28,714	28,714
	\$	-	\$ 633,528	\$ 633,528

  

<b>April 30, 2017</b>				
<b>Financial assets</b>		<b>FVTPL</b>	<b>Loan-and receivables</b>	<b>Total</b>
Cash	\$	-	\$ 1,579,605	\$ 1,579,605
Other receivables		-	7,882	7,882
	\$	-	\$ 1,587,487	\$ 1,587,487

The carrying value of its financial assets and liabilities approximates their fair value as at April 30, 2018 and 2017 due to their short term maturity except for investments in marketable securities which are carried at fair value. The Company classifies its financial liabilities, comprised of accounts payable and accrued liabilities and loans payable as other financial liabilities.

**13. INCOME TAXES**

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>2018</b>	<b>2017</b>
Earnings (loss) For the year	\$ (3,944,913)	\$ (1,333,035)
Expected income tax (recovery)	\$ (1,039,000)	\$ (347,000)
Change in statutory, foreign exchange rate and other	52,000	53,000
Permanent difference	215,000	173,000
Impact of change in tax rates	-	(1,209,000)
Share issue cost	(12,000)	-
Adjustment to prior years provision versus statutory tax returns	56,000	-
Change in unrecognized deductible temporary differences	728,000	1,330,000
<b>Total income tax expense (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>

The Colombian income tax rate increased during the year due to changes in the law that increased corporate income tax rates in Colombia.

**NEWRANGE GOLD CORP****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

YEARS ENDED APRIL 30, 2018 AND 2017

**13. INCOME TAXES** (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	<b>2018</b>	<b>2017</b>
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	\$ 4,228,000	\$ 3,796,000
Property and equipment	76,000	71,000
Share issue costs	11,000	2,000
Allowable capital losses	13,000	1,000
Non-capital losses available for future period	2,602,000	2,332,000
	6,930,000	6,202,000
	(6,930,000)	(6,202,000)
<b>Net deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	<b>2018</b>	<b>Expiry Date Range</b>	<b>2017</b>	<b>Expiry Date Range</b>
<b>Temporary Differences</b>				
Exploration and evaluation assets	\$ 13,123,000	No expiry date	\$ 11,165,000	No expiry date
Property and equipment	239,000	No expiry date	211,000	No expiry date
Share issue costs	40,000	2039 to 2042	7,000	2038 to 2041
Allowable capital losses	48,000	No expiry date	3,000	No expiry date
Non-capital losses available for future period	9,238,000	2028 to 2038	8,344,000	2027 to 2037

Tax attributes are subject to review, and potential adjustment, by tax authorities.

**14. SUBSEQUENT EVENT**

Subsequent to the year ended April 30, 2018, the Company issued 758,667 common shares upon exercise of options for gross proceeds of \$41,727.