



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Unaudited - prepared by management**

**September 30, 2018**

#### **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited interim condensed consolidated financial statements of Independence Gold Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

**INDEPENDENCE GOLD CORP.**

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (Unaudited)

(Expressed in Canadian Dollars)

	<u>September 30</u> <u>2018</u>	<u>December 31</u> <u>2017</u>
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 1,966,454	\$ 1,559,526
Short-term investments	102,067	1,207,880
Receivables (Note 6)	447,959	343,648
Investments (Note 3)	73,061	96,120
	<u>2,589,541</u>	<u>3,207,174</u>
<b>Long term deposit</b>	101,888	101,888
<b>Land use deposits</b> (Note 4)	72,000	72,000
<b>Equipment</b>	67,860	87,747
<b>Mineral properties</b> (Note 5)	<u>10,532,510</u>	<u>11,848,726</u>
	<u>\$ 13,363,799</u>	<u>\$ 15,317,535</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	\$ <u>171,793</u>	\$ <u>309,358</u>
	<u>171,793</u>	<u>309,358</u>
<b>Shareholders' equity</b>		
Share capital (Note 7)	35,495,295	35,495,295
Reserves	404,328	407,016
Deficit	<u>(22,707,617)</u>	<u>(20,894,134)</u>
	<u>13,192,006</u>	<u>15,008,177</u>
	<u>\$ 13,363,799</u>	<u>\$ 15,317,535</u>

**Nature and continuance of operations** (Note 1)**Subsequent event** (Note 9)

Approved and authorized by the Board on November 23, 2018.

*"Kendra Johnston"*

Kendra Johnston, Director

*"Randy Turner"*

Randy C. Turner, Director

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

**INDEPENDENCE GOLD CORP.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (Unaudited)

(Expressed in Canadian Dollars)

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
<b>Expenses</b>				
Exploration expenditures (Note 5)	\$ 34,247	\$ 1,195,993	\$ 50,310	\$ 1,506,321
Property investigation	37,971	(6,110)	86,710	44,631
Depreciation	6,629	6,629	19,887	19,887
Insurance	-	-	3,662	1,933
Legal, audit and accounting	382	(11,047)	21,040	18,871
Management fees and corporate services (Note 6)	67,800	67,988	203,400	183,463
Office and miscellaneous	16,425	8,363	48,759	12,799
Regulatory and transfer agent fees	776	2,472	13,963	11,388
Rent	34,984	21,689	68,426	69,354
Share-based compensation (Note 7)	-	-	-	281,396
Shareholder communications	12,512	10,478	34,613	75,123
Travel	160	6,412	12,852	12,477
Wages and benefits	32,031	42,585	95,523	122,656
	<u>(243,917)</u>	<u>(1,345,451)</u>	<u>(659,145)</u>	<u>(2,360,298)</u>
<b>Interest income</b>	6,737	11,849	27,250	39,859
<b>Unrealized loss on marketable securities</b>	(13,402)	(1,150)	(53,660)	(400)
<b>Gain on sale of properties</b>	55,000	68,000	55,000	68,000
<b>Write-down of mineral properties (Note 5)</b>	(1,185,616)	-	(1,185,616)	-
	<u>(1,137,281)</u>	<u>78,699</u>	<u>(1,157,026)</u>	<u>107,459</u>
<b>Loss and comprehensive loss for the period</b>	\$ <u>(1,381,198)</u>	\$ <u>(1,266,753)</u>	\$ <u>(1,816,171)</u>	\$ <u>(2,252,840)</u>
<b>Basic and diluted loss per common share</b>	\$ <u>(0.02)</u>	\$ <u>(0.02)</u>	\$ <u>(0.03)</u>	\$ <u>(0.04)</u>
<b>Weighted average number of common shares outstanding</b>	56,090,392	56,090,392	56,090,392	56,003,762

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

**INDEPENDENCE GOLD CORP.**

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

(Expressed in Canadian Dollars)

	<b>Nine Months Ended September 30, 2018</b>	<b>Nine Months Ended September 30, 2017</b>
<b>Cash flows from operating activities</b>		
Loss for the period	\$ (1,816,171)	\$ (2,252,840)
Items not affecting cash:		
Depreciation	19,887	19,887
Write-down of mineral properties	1,185,616	-
Gain on sale of mineral properties	(55,000)	(68,000)
Share-based compensation	-	281,396
Interest on short-term investments	8,647	19,010
Unrealized loss on investments	53,660	400
Changes in non-cash working capital items:		
Decrease in prepaid expenses	-	11,111
(Increase) decrease in receivables	50,688	21,784
(Decrease) increase in accounts payable and accrued liabilities	(137,565)	572,553
Net cash used in operating activities	<u>(690,238)</u>	<u>(1,394,699)</u>
<b>Cash flows from financing activities</b>		
Issuance of common shares for cash	-	120,000
Net cash provided by financing activities	<u>-</u>	<u>120,000</u>
<b>Cash flows from investing activities</b>		
Increase in long-term deposit	-	(28,750)
Decrease in short-term investments	1,097,166	946,620
Decrease of exploration advances	-	(10,000)
Net cash from investing activities	<u>1,097,166</u>	<u>907,870</u>
<b>Change in cash and cash equivalents during the period</b>	406,928	(366,829)
<b>Cash and cash equivalents, beginning of the period</b>	1,559,526	1,913,424
<b>Cash and cash equivalents, end of the period</b>	<u>\$ 1,966,454</u>	<u>\$ 1,546,595</u>

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

**INDEPENDENCE GOLD CORP.****CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDER'S EQUITY (Unaudited)**

(Expressed in Canadian Dollars)

	<u>Share Capital</u>				
	<u>Number</u>	<u>Amount</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
Balance, December 31, 2016	55,490,392	\$ 35,265,861	\$ 520,982	\$ (18,623,355)	\$ 17,163,488
Issued for incentive stock options	600,000	229,434	(109,434)	-	120,000
Reserves transferred on cancelled/expired options	-	-	(351,945)	351,945	-
Share-based compensation	-	-	281,396	-	281,396
Loss for the period	-	-	-	(2,252,840)	(2,252,840)
Balance, September 30, 2017	56,090,392	\$ 35,495,295	\$ 340,999	\$ (20,524,250)	\$ 15,312,044
Reserves transferred on cancelled/expired options	-	-	(7,439)	7,439	-
Share-based compensation	-	-	73,456	-	73,456
Loss for the period	-	-	-	(377,323)	(377,323)
Balance, December 31, 2017	56,090,392	\$ 35,495,295	\$ 407,016	\$ (20,894,134)	\$ 15,008,177
Reserves transferred on cancelled/expired options	-	-	(2,688)	2,688	-
Loss for the period	-	-	-	(1,816,171)	(1,816,171)
Balance, September 30, 2018	56,090,392	\$ 35,495,295	\$ 404,328	\$ (22,707,617)	\$ 13,192,006

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

## **INDEPENDENCE GOLD CORP.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)

---

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

Independence Gold Corp. ("Independence" or the "Company") was incorporated under the Business Corporation Act (British Columbia) on November 1, 2011 and is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its properties contain economically recoverable mineral reserves.

The Company's head office and principal address is 1020 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The Company's registered and records office is 2300 - 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5.

The recovery of the amounts comprised in mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses and has no source of recurring revenue. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due. Management believes that the Company has sufficient working capital to maintain its operations for the upcoming fiscal year.

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

### **2. BASIS OF PREPARATION**

#### **Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2017.

These condensed consolidated interim financial statements should be read in conjunction with the most recently issued audited consolidated financial statements, which include information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies which were presented in Note 3 to the Consolidated Financial Statements for the fiscal year ended December 31, 2017 and have been consistently applied in the preparation of the Company's consolidated interim financial statements.

The Company's condensed consolidated interim financial statements are unaudited. Financial information in this report reflects any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management necessary to a fair presentation of results for the interim periods in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

**INDEPENDENCE GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)**3. MARKETABLE SECURITIES**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Rojo Resources Ltd.	\$ 2,000	\$ 2,000
Metallic Minerals Corp.	44,061	94,120
ATAC Resources Ltd.	27,000	-
<b>Total</b>	<b>\$ 73,061</b>	<b>\$ 96,120</b>

As at September 30, 2018, the Company holds 5,000 (December 31, 2017 – 5,000) common shares of Rojo Resources Ltd., a public company listed on the TSX Venture Exchange. These shares were received pursuant to mineral property option agreements with the Company, at a value of \$42,000.

On September 29, 2017, the Company received 200,000 common shares and 200,000 warrants of Metallic Minerals Corporation pursuant to the sale of certain mineral properties that were written off in previous fiscal years. The common shares were recorded at fair value and the warrants were recorded at fair value using the Black-Scholes option pricing model. The Company revalues the common shares and warrants at each reporting period. Any changes in the fair value of the common shares and warrants is recorded in profit or loss.

The common shares and warrants when received, had a fair value of \$64,000 and \$3,971, respectively. The fair value of the warrants was based on the Black-Scholes valuation model using the following inputs:

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Risk-free interest rate	1.8%	0.62 – 1.81%
Expected life of warrants	1 year	1.75 – 2.00 years
Expected annualized volatility	30%	30%
Expected dividend rate	0%	0%

On August 31, 2018, the Company received 60,000 common shares of ATAC Resources Ltd., pursuant to the sale of the Stinger property. The common shares received were recorded at a value of \$30,600.

**4. LAND USE DEPOSITS**

The Company has provided deposits as security for land use and potential future reclamation work relating to its mineral properties. As at September 30, 2018 a total of \$72,000 (December 31, 2017 - \$72,000) had been lodged with the British Columbia Ministry of Energy, Mines & Petroleum Resources.



**INDEPENDENCE GOLD CORP.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)

**5. MINERAL PROPERTIES**

Title to mineral properties 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 properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties, except as described below are properly registered and in good standing.

The Company holds interest in various mineral claims located in Canada, the capitalized acquisition costs of which are as follows:

	September 30 2018	December 31 2017
<b>BRITISH COLUMBIA</b>		
<b><u>3Ts PROJECT</u></b>		
<b>Taken Property</b>	\$ 345,693	\$ 345,693
<i>A 100% interest in certain claims. The property is subject to a sliding scale net smelter returns royalty ("NSR") ranging from 2.0% to 4.0%. The Company may reduce the NSR to 1.0% by paying \$2,000,000 per percent.</i>		
<b>Tam Property</b>	1,750,979	1,750,979
<i>A 100% interest, subject to a 1.0% NSR, one-half of which may be purchased back for \$250,000.</i>		
<b>Tsacha Property</b>	2,121,788	2,121,788
<i>A 100% interest in certain claims subject to a 2.0% NSR.</i>		
<b>Tommy Lake Property</b>	17,518	17,518
<i>A 100% interest.</i>		
<b>YUKON</b>		
<b><u>BOULEVARD PROJECT</u></b>		
<b>Boulevard Property</b>	4,683,537	4,683,537
<i>A 100% interest, subject to a 2.0% NSR. Upon completion of a 43-101 report with specific resource estimates, the Company will be obligated to issue a further 1,000,000 common shares.</i>		
<b>YCS Property</b>	425,237	425,237
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$1,000,000.</i>		
<b>Solitude Property</b>	865,566	865,566
<i>A 100% interest.</i>		
<b>Tiger Property</b>	233,776	233,776
<i>A 100% interest, subject to a 2.0% NSR. The Company can buy-back one-half of the NSR for \$2,000,000.</i>		
<b><u>WHITE GOLD PROPERTIES</u></b>		
<b>Henderson Property</b>	-	1,271,780
<i>On September 17, 2018, the Company sold this property for \$25,000 cash and 100,000 common shares of White Gold Corp. and wrote-down acquisition costs of \$1,171,780 associated with this property. (Note 5a)</i>		
<b>Moosehorn Property</b>	88,416	88,416
<i>A 100% interest.</i>		
<b>Stinger Property</b>	-	44,436
<i>On August 27, 2018, the Company sold this property in exchange for 60,000 common shares of ATAC Resources Ltd., valued at \$30,600 and the Company wrote-down acquisition costs of \$13,836 associated with this property.</i>		
	<u>\$ 10,532,510</u>	<u>\$ 11,848,726</u>

**INDEPENDENCE GOLD CORP.**

 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)

**5. MINERAL PROPERTIES (continued)**

- a) On September 17, 2018, the Company entered into a property purchase agreement whereby the Henderson, Flow, and Birdman properties were purchased by White Gold Corp for an aggregate value of \$35,000 cash and 160,000 common shares valued at \$120,000. Under the terms of the property purchase agreement, Henderson property was sold in exchange for \$25,000 cash and 100,000 common shares of White Gold Corp. valued at \$75,000 and the Company wrote-down acquisition costs of \$1,171,780 associated with this property. Flow and Birdman properties that were previously written-down were sold in exchange for an aggregate value of \$10,000 cash and 60,000 common shares of White Gold Corp valued at \$45,000.

During the nine months ended September 30, 2018, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
<b>BRITISH COLUMBIA</b>								
3Ts Project	\$ 19,298	\$ -	\$ -	\$ 132	\$ 9,222	\$ -	\$ -	\$ 28,652
<b>YUKON</b>								
Boulevard Project	24,581		2,067	-	29,825	17,960	-	74,433
Henderson	5,125	1,527	-	24	5,934	-	(40,000)	(27,390)
Moosehorn	3,533	1,528	-	-	1,434	-	(39,888)	(33,393)
Flow	1,862	-	-	-	756	-	-	2,618
Stinger	2,694	-	-	-	2,624	-	-	5,318
Others*	14	-	-	-	58	-	-	72
	<b>\$ 57,107</b>	<b>\$ 3,055</b>	<b>\$ 2,067</b>	<b>\$ 156</b>	<b>\$ 49,853</b>	<b>\$ 17,960</b>	<b>\$ (79,888)</b>	<b>\$ 50,310</b>

\*Others include Rosebute and Wolf Creek.

During the nine months ended September 30, 2017, the Company incurred exploration expenditures as follows:

	Geology & Geophysics	Field Sampling	Drilling	Land Use & Tenure	Data Evaluation	Safety & Reclamation	Recoveries	Total for the period
<b>BRITISH COLUMBIA</b>								
3Ts Project	\$ 80,373	\$ 23,894	\$ 1,080	\$ 627	\$ 13,959	\$ -	\$ (14,458)	\$ 105,475
<b>YUKON</b>								
Boulevard Project	57,112	216,790	862,345	43,799	25,886	54,353	(53,556)	1,206,729
Henderson	2,411	20,854	-	78,861	2,296	-	-	104,422
Moosehorn	1,744	51,739	-	2,730	1,785	-	(40,000)	17,998
Flow	1,194	-	-	3,482	-	-	-	4,676
Stinger	612	-	-	44,436	-	-	-	45,048
Wolf Creek	941	-	-	-	-	-	-	941
Rosebute	20	-	-	1,474	-	-	-	1,494
Keno	2,697	-	6,451	1,147	9,243	-	-	19,538
	<b>\$ 147,104</b>	<b>\$313,277</b>	<b>\$869,876</b>	<b>\$ 176,556</b>	<b>\$ 53,169</b>	<b>\$ 54,353</b>	<b>\$ (108,014)</b>	<b>\$ 1,506,321</b>

**INDEPENDENCE GOLD CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)**6. RELATED PARTY TRANSACTIONS**

The consolidated financial statements include the financial statements of Independence Gold Corp. and its subsidiaries listed in the following table:

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership</b>	<b>Principal Activity</b>
Golden Pavilion Resources Ltd.	British Columbia, Canada	100%	Holding company
Silver Quest Resources (US) Ltd.	Nevada, USA	100%	Inactive

*Key Management Personnel*

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

Compensation paid or payable to key management for services rendered are as follows:

	<b>Nine months ended September 30, 2018</b>	<b>Nine months ended September 30, 2017</b>
Management fees	\$ 169,650	\$ 174,877
Directors fees	33,750	23,750
Geological consulting fees	36,578	40,522
Share-based compensation*	-	249,419
Property investigation	25,522	-
<b>Total</b>	<b>\$ 265,500</b>	<b>\$ 488,568</b>

\* Share-based compensation consists of options granted to key management. The value shown above is calculated using the Black-Scholes option pricing model and does not represent actual amounts received.

Included in receivables at September 30, 2018 is \$276,219 (December 31, 2017 - \$258,576) due from companies with directors and/or officers in common. Included in accounts payable and accrued liabilities at September 30, 2018 is \$19,050 (December 31, 2017 - \$125,605) due to directors and companies with directors and/or officers in common.

The Company provides geological, office and administrative services to public companies with common directors. During the nine months ended, September 30, 2018, the Company received or accrued \$ 21,300 (September 30, 2017 - \$38,700) for rent and \$21,597 (September 30, 2017 - \$87,496) for accounting, investor relations, geology and other.

**INDEPENDENCE GOLD CORP.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)

**7. SHARE CAPITAL AND RESERVES**

## a) Authorized share capital

The authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares are fully paid.

## b) Issued share capital

The Company did not issue any shares during the nine months ended September 30, 2018.

During the year ended, December 31, 2017 the Company issued 600,000 common shares with an aggregate value of \$120,000 pursuant to the exercise of incentive stock options.

## c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 10 years and vesting periods are determined by the Board of Directors.

As at September 30, 2018, the Company had outstanding stock options, enabling the holders to acquire further common shares as follows:

Number of Shares	Exercise Price	Expiry Date
590,000	\$ 0.20	November 7, 2018
250,000	\$ 0.15	June 2, 2020
450,000	\$ 0.20	May 18, 2021
1,850,000	\$ 0.25	March 1, 2022
200,000	\$ 0.20	November 2, 2022
<b>3,340,000</b>		

Stock option transactions are summarized as follows:

	September 30, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of period	3,370,000	\$ 0.22	3,785,000	\$ 0.20
Granted	-	-	2,400,000	\$ 0.25
Exercised	-	-	(600,000)	\$ 0.20
Expired/cancelled	(30,000)	0.20	(2,215,000)	\$ 0.21
Balance, end of period	3,340,000	\$ 0.22	3,370,000	\$ 0.22
Options exercisable, end of period	<b>3,340,000</b>	<b>\$ 0.22</b>	<b>3,370,000</b>	<b>\$ 0.22</b>

**INDEPENDENCE GOLD CORP.**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 (Expressed in Canadian Dollars)

---

**7. SHARE CAPITAL AND RESERVES (continued)**

## d) Share-based compensation

The Company did not issue any stock options during the nine months ended September 30, 2018.

During the nine months ended September 30, 2017, the Company granted 2,200,000 stock options with a fair value of \$281,396 or \$0.13 per option. All options vest immediately on grant.

The following weighted-average assumptions were used for the Black-Scholes valuation of stock options granted during the noted year:

	<b>2017</b>
Risk-free interest rate	0.98%
Expected life of options	5 years
Annualized volatility	86.91%
Weighted average FV	\$ 0.13
Expected dividend rate	0%

## e) Warrants

As at September 30, 2018 and 2017 the Company had no outstanding share purchase warrants.

**8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash investing and financing transactions during the nine months ended September 30, 2018 consisted of the transfer of reserves on expired/cancelled options of \$2,688 (September 30, 2017 - \$351,945) and transfer of reserves on exercise of options of \$nil (September 30, 2017 - \$109,434).

**9. SUBSEQUENT EVENT**

On October 2, 2018, the Company entered into a debt settlement agreement with Canterra Minerals Corporation., a company with common directors and/or officers, whereby Canterra Minerals Corporation issued 3,468,933 common shares to the Company for \$173,447 of debt. As part of the debt settlement agreement, the Company also forgave \$96,836 of debt owed by Canterra Minerals Corporation.