MOUNTAIN BOY MINERALS LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended August 31, 2018 and 2017

Mountain Boy Minerals Ltd.
Suite 410 – 325 Howe Street
Vancouver, BC V6C 1Z7

Trading Symbol: MTB
Telephone: 604-687-3520
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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 an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

MOUNTAIN BOY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	August 31, 2018 (Unaudited)	November 30, 2017 (Audited)
ASSETS			
Current			
Cash		$ 13,637	$ 22,643
Receivables		39,369	50,997
Prepaid expenses		2,301	17,368
		55,307	91,008
Non-current			
Exploration and evaluation assets	4	15,644,194	15,028,170
Reclamation bonds		119,993	118,648
		15,764,187	15,146,818
		$ 15,819,494	$ 15,237,826
LIABILITIES			
Current			
Trade and other payables		$ 158,614	$ 180,770
Due to joint venture partner	4	678,626	392,709
Flow-through share premium liability		72,000	72,000
		909,240	645,479
Non-current			
Deferred tax liabilities		3,036,000	3,036,000
		3,945,240	3,681,479
SHAREHOLDERS' EQUITY			
Share capital	5	23,888,025	22,936,871
Shares to be issued		-	50,000
Contributed surplus	5	4,241,863	3,804,077
Deficit		(16,255,634)	(15,234,601)
		11,874,254	11,556,347
		$ 15,819,494	$ 15,237,826

Corporate Information – Note 1
Subsequent Event – Note 10

These condensed interim financial statements were authorized for issue by the Board of Directors on October 24, 2018.
They are signed on the Company's behalf by:

"Lawrence Roulston"	Director	*"Mark T. Brown"*	Director
Lawrence Roulston		Mark T. Brown	

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

MOUNTAIN BOY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, expressed in Canadian dollars)

	Note	For the three months ended August 31 2018	For the three months ended August 31 2017	For the nine months ended August 31 2018	For the nine months ended August 31 2017
Expenses					
Accounting and audit fees		$ 22,500	$ 2,700	$ 79,400	$ 10,650
Consulting fees		-	28,650	-	39,010
Filing fees		1,525	1,425	6,445	6,212
Investor relations		-	9,750	13,000	29,250
Legal fees		2,247	8,575	7,288	36,358
Management fees		10,000	15,000	17,500	45,000
Office and miscellaneous		2,035	1,078	6,074	5,191
Shareholder communications		8,648	30,002	29,438	78,590
Share-based payments		856,440	-	856,440	234,000
Telephone		23	819	246	2,430
Transfer agent fees		1,779	3,416	6,761	8,174
		905,197	101,415	1,022,592	494,865
Other items					
Other income		(268)	(6,500)	(1,559)	(6,500)
		(268)	(6,500)	(1,559)	(6,500)
Net loss and comprehensive loss		$ 904,929	$ 94,915	$ 1,021,033	$ 488,365
Basic and diluted loss per share		$ 0.01	$ 0.00	$ 0.01	$ 0.00
Weighted average number of common shares outstanding		165,939,410	139,285,808	163,885,395	137,671,773

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

MOUNTAIN BOY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited, expressed in Canadian dollars)

	Note	Number of shares	Share capital	Shares subscriptions	Shares to be issued	Contributed surplus	Deficit	Total shareholders' equity
Balance as at November 30, 2016		135,294,316	$ 21,317,786	$ -	$ -	$ 3,889,058	$(14,368,152)	$ 10,838,692
Private placement	5	3,643,666	225,120	-	-	-	-	225,120
Share issurance costs		-	(1,908)	-	-	-	-	(1,908)
Exercise of options	5	2,925,000	146,250		-	-	-	146,250
Exercise of warrants	5	200,000	14,000	-	-	-	-	14,000
Share subscriptions		-	-	174,400	-	-	-	174,400
Reclassification on exercise of options		-	119,481		-	(119,481)	-	-
Share-based payments		-	-	-	-	234,000	-	234,000
Net loss and comprehensive loss		-	-	-	-	-	(488,365)	(488,365)
Balance as at August 31, 2017		142,062,982	21,820,729	174,400	-	4,003,577	(14,856,517)	11,142,189
Private placements	5	6,430,000	507,900	(174,400)	-	-	-	333,500
Share issurance costs	5	-	(12,937)	-	-	-	-	(12,937)
Exercise of options	5	4,375,000	218,750	-	-	-	-	218,750
Proceeds for shares to be issued		-	-	-	50,000	-	-	50,000
Reclassification on exercise of options		-	199,500	-	-	(199,500)	-	-
Property option payments	5	2,671,428	202,929	-	-	-	-	202,929
Net loss and comprehensive loss		-	-	-	-	-	(378,084)	(378,084)
Balance as at November 30, 2017		155,539,410	22,936,871	-	50,000	3,804,077	(15,234,601)	11,556,347
Exercise of options	5	7,900,000	395,000	-	(50,000)	-	-	345,000
Reclassification on exercise of options		-	418,654	-	-	(418,654)	-	-
Property option payments		2,500,000	137,500	-	-	-	-	137,500
Share-based payments		-	-	-	-	856,440	-	856,440
Net loss and comprehensive loss		-	-	-	-	-	(1,021,033)	(1,021,033)
Balance as at August 31, 2018		**165,939,410**	**$ 23,888,025**	**$ -**	**$ -**	**$ 4,241,863**	**$(16,255,634)**	**$ 11,874,254**

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

MOUNTAIN BOY MINERALS LTD.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, expressed in Canadian dollars)

	For the nine months ended August 31 2018	2017
Cash provided by (used for):		
Operating activities		
Net loss	$ (1,021,033)	$ (488,365)
Items not involving cash:		
Share-based payments	856,440	234,000
Changes in non-cash working capital items:		
Receivables	11,628	10,537
Prepaid expenses	15,067	(41,300)
Trade and other payables	44,409	(35,227)
Cash used in operating activities	(93,489)	(320,355)
Investing activities		
Exploration and evaluation assets	(259,172)	(97,769)
Exploration advances	-	(26,000)
Reclamation bonds	(1,345)	(18,432)
Cash used in investing activities	(260,517)	(142,201)
Financing activities		
Net proceeds from issuance of common shares	395,000	383,462
Proceeds for shares to be issued	(50,000)	-
Share subscriptions	-	174,400
Cash provided by financing activities	345,000	557,862
Net (decrease) in cash	(9,006)	95,306
Cash - beginning of the period	22,643	77,743
Cash - end of the period	$ 13,637	$ 173,049

Supplemental disclosure with respect to cash flows – Note 7

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

1. Corporate Information

Mountain Boy Minerals Ltd. (the "Company") is an exploration stage company incorporated on April 26, 1999, under the laws of the Province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the Province of British Columbia, Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "MTB".

The Company's head office is 410-325 Howe Street, Vancouver, BC V6C 1Z7.

2. Basis of Preparation

a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of Measurement

These condensed interim financial statements have been prepared using the historical cost basis except for financial instruments that have been measured at fair value.

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency and presentation currency.

The preparation of condensed interim financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

c) Going Concern

At August 31, 2018, the Company has not generated revenue from operations, has a working capital deficit of $853,933, an accumulated deficit of $16,255,634 and expects to incur further losses in the exploration and evaluation of its mineral properties. These condensed interim financial statements have been prepared 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 not yet determined whether its mineral properties contain economically recoverable reserves. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company's ability to obtain adequate financing to develop the reserves, and its ability to commence profitable operations in the future. These conditions form a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

To date, the Company has been able to fund its operations and its mineral property exploration programs through equity financings. The continued volatility in the equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

2. Basis of Preparation – (continued)

c) Going Concern (continued)

These condensed 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 as a going concern.

d) New accounting standards and interpretations

There were no new accounting standards and interpretations which had a material impact on adoption during the nine months ended August 31, 2018.

Pronouncements that are not applicable or that do not have a significant impact on the Company have not been included in these condensed interim financial statements. The following standards are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The company is currently evaluating the impact of these standards on its condensed interim financial statements.

- IFRS 9 (Amended 2010) Financial Instruments (effective December 1, 2018);
- IFRS 15 Revenue from Contracts with Customer (effective December 1, 2018);
- IFRS 16 Leases (effective January 1, 2019)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. Significant Accounting Policies

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended November 30, 2017.

These unaudited condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended November 30, 2017. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the nine month period ended August 31, 2018 are not necessarily indicative of the results that may be expected for the current fiscal year ending November 30, 2018.

4. Exploration and Evaluation Assets

a) Barbara and Surprise Creek Properties

By an agreement dated September 21, 2006, the Company acquired a 50% interest in the Barbara property which consists of ten mineral claims situated in the Skeena Mining Division of British Columbia. The Company was required to complete an 800 metre drill program on the property (completed). The property is subject to a 2% net smelter return royalty to a former director of the Company of which 1% may be purchased for $500,000. During the year ended November 30, 2007, the Company acquired the remaining 50% interest in the property.

On January 28, 2010, the Company entered into an option and joint venture agreement with Great Bear Resources Ltd. ("Great Bear") which granted Great Bear the option to acquire up to a 70% interest in the Barbara, Stro, Booze and George Copper properties. On April 1, 2010, the Company received TSX-V approval for the agreement and issued 600,000 common shares valued at $0.20 per share as a finder's fee with respect to this transaction. The agreement gave Great Bear the option to earn an initial 50% interest in the Barbara and George Copper properties by paying $158,000 (paid) and incurring $5,500,000 in exploration expenditures on or before December 31, 2013 (incurred).

The agreement was amended on October 25, 2010 in which Great Bear could earn an additional 20% interest by completing a bankable feasibility study on or before December 31, 2015. Great Bear did not complete a bankable feasibility study by December 31, 2015 and therefore did not execute their option to acquire an additional 20% interest in the properties. In consideration of the amendment, Great Bear included the Surprise Creek Property under the terms of the agreement and the acquisition costs for the Surprise Creek Property were borne entirely by Great Bear, and were applied against the earn-in requirement towards the Barbara Property. The Surprise Creek Property consists of 19 mineral claims situated in the Skeena Mining Division of British Columbia.

On October 18, 2016, the Company and Great Bear amended their agreement and entered into separate joint venture agreements for the Barbara and Surprise Creek Properties. The joint venture agreements set Great Bear as the operator of the Barbara Property and set the Company as the operator of the Surprise Creek Property. Both the Company and Great Bear retain a 50% ownership interest in the Surprise Creek and Barbara Properties.

On June 1, 2017, the Company and Great Bear entered into an additional option agreement in which the Company was granted the option to acquire Great Bear's 50% interest in the Barbara and Surprise Creek properties by issuing a total of 10,000,000 common shares and paying $1,300,000 to Great Bear in stages between the date of TSX-V acceptance of the agreement and August 20, 2020. In addition, the Company will make cash payments to Great Bear on achieving certain milestones toward establishing an economic resource, which could amount to as much as $3,700,000 where both properties to go into production.

As of August 31, 2018, the Company issued 5,000,000 common shares and paid Great Bear $300,000. The timing of further payments and share issuances under the terms of the option agreement is as follows: the Company is to pay additional amounts of $300,000 by August 20, 2018 (deferred per deferral agreement dated August 20, 2018 by issuing 600,000 commons shares – see Note 10), $350,000 by August 20, 2019 and $350,000 by August 20, 2020. The Company is also to issue 2,500,000 common shares by April 15, 2019 and 2,500,000 common shares by April 15, 2020.

4. Exploration and Evaluation Assets – (continued)

b) Red Cliff Property

The Company had a 100% interest in the Red Cliff claims which are located in the Skeena Mining Division of British Columbia. The Red Cliff property was subject to a 2% net smelter return royalty ("NSR") of which 1% may be purchased for $1,000,000.

On November 19, 2008, Decade Resources Ltd. ("Decade"), a public company, with former directors in common with the Company acquired a 60% interest in Red Cliff claims by incurring $1,250,000 in exploration expenditures on the Red Cliff Claims. Decade became the operator of the property.

On October 31, 2011, the Company informed Decade that it could not finance its share of exploration expenditures and therefore would have its interest diluted under the terms of the joint venture agreement. At October 31, 2011, the Company owed Decade $435,785 in exploration expenditures related to its 40% interest in the Red Cliff property. Effective November 1, 2011, the Company agreed to dilute its interest by 5% in lieu of the $435,785 thereby reducing its interest to 35%.

On October 23, 2017, Decade and the Company purchased a 1% NSR in the Red Cliff claims whereby the Company paid $3,500 in cash and issued 171,428 common shares for the Company's 35% interest in the NSR.

During the nine months ended August 31, 2018, the Company incurred $310,917 (during the year ended November 30, 2017: $714,850) in joint venture exploration costs and $nil (during the year ended November 30, 2017: $19,474) in joint venture acquisition costs on the Red Cliff property.

As of August 31, 2018, the Company owed Decade $678,626 (November 30, 2017: $392,709) for joint venture exploration costs on Red Cliff which was included in due to joint venture partner.

c) Mountain Boy Property

The Company has a 100% interest in seven mineral claims located in the Skeena Mining Division in the Province of British Columbia.

The claims are subject to a 2% net smelter return royalty which may be purchased for $1,000,000, or one half of it may be purchased for $500,000.

d) Silver Coin Properties

The Silver Coin claims are a group of thirty-two mineral claims located in the Skeena Mining Division of British Columbia.

Pursuant to an option agreement dated March 26, 2004, the Company acquired a 55% interest in four mineral claims contiguous to the Silver Coin claims known as the Indi claims. In addition, the Company acquired a 29.4% interest in the Kansas claim, a claim contiguous to the Silver Coin claims.

By an agreement dated July 29, 2004, the Company granted Jayden Resources Inc. ("Jayden") the option to earn up to 51% of the Company's interest in the Silver Coin, Kansas and Indi claims by incurring $1,750,000 in exploration expenditures (incurred).

The Company and Jayden agreed to form a joint venture to further develop the claims. Under the terms of the option agreement, if either the Company or Jayden acquires properties within 10 km of the Silver Coin properties, such additional properties will be part of the joint venture.

4. Exploration and Evaluation Assets – (continued)

d) Silver Coin Properties – (continued)

On July 6, 2009, the Company signed an agreement with Jayden to sell 19% of the Silver Coin project (with the necessary adjustments to the Kansas and Indi claims percentages included) to Jayden for $350,000 (received). As a result, Jayden owned a 70% interest in the Silver Coin project as a whole with the Company owning the remaining 30% interest.

Jayden could earn an additional 10% interest in the project by completing $4,000,000 in exploration related expenditures by July 31, 2014.

During the year ended November 30, 2011, Jayden had completed the required expenditures and its interest was increased to 80%. The Company's interest then became 20% and it remains a carried interest for all future exploration expenditures.

On August 12, 2018, the Company signed a Purchase Agreement to sell its 20% interest in the Silver Coin property to Ascot Resources Ltd. ("Ascot") for a minimum of 3,746,874 common shares of Ascot. In addition, Ascot will issue to the Company up to 428,921 additional common shares of Ascot for the settlement of Jayden options and warrants which may be exercised before closing. The Purchase Agreement provides that Ascot acquisition of the 20% interest in the Property from the Company is conditional on the acquisition of the 80% interest in the Property from Jayden (subsequently approved by Jayden's shareholders on October 17, 2018).

e) Other Properties

Stro, Booze and George Copper Properties
The Company has a 100% interest in the Stro, Booze and George Copper mineral properties located in the Skeena Mining Division of British Columbia.

As part of the joint venture and option agreement on the Barbara property, the Company granted Great Bear Resources Ltd. the option to acquire up to a 70% interest in the Stro, Booze and George Copper properties. See Note 4(a) – Barbara and Surprise Creek Properties.

West George Copper Property
On August 30, 2017, the Company entered into an option agreement with Auramex Resource Corp. ("Auramex") whereby the Company can earn a 60% interest in West George Copper property as follows:

- On signing, Auramex will receive $700,000 in portable assessment credits;
- $10,000 cash and $30,000 of work expenditures before the second anniversary;
- $20,000 cash and $50,000 of work expenditures before the third anniversary;
- After earning a 60% interest, each $250,000 of work expenditures will increase the percentage ownership by 5%;
- If the Company earns a 95% interest, the remaining 5% converts to a 1.5% net smelter return royalty;
- Once the option is exercised, Auramex will receive a 2% net smelter return royalty of which 1% can be purchased for $1,000,000.

The property consists of 288 hectares adjacent to the Company's 100% owned George Copper property.

4. Exploration and Evaluation Assets – (continued)

e) Other Properties – (continued)

Manual Creek Property
On December 9, 2016, the Company acquired a 100% interest in the Manual Creek zeolite property located northeast of Keremeos, British Columbia for $15,000.

The Company acquired two claims covering the Manual Creek zeolite property for $3,500 in April 2018.

(Unaudited, expressed in Canadian dollars)

4. Exploration and Evaluation Assets – (continued)

	Barbara and Surprise Creek	Red Cliff	Mountain Boy	Silver Coin	Other Properties	Total
Property acquisition costs						
Balance November 30, 2017	$ 706,565	$ 201,974	$ 920,547	$ 80,124	$ 40,057	$ 1,949,267
Property payments	287,500	-	-	-	3,500	291,000
Balance August 31, 2018	994,065	201,974	920,547	80,124	43,557	2,240,267
Deferred exploration costs						
Balance November 30, 2017	4,134,876	4,475,838	1,577,797	2,754,336	136,056	13,078,903
Assays	9,907	19,690	-	-	-	29,597
Drilling	-	229,117	-	-	-	229,117
Equipment rental	-	14,782	-	-	-	14,782
Geological	4,200	13,970	-	-	-	18,170
Helicopter	-	(2,602)	-	-	-	(2,602)
Labour	-	24,582	-	-	-	24,582
Supplies and miscellaneous	-	11,378	-	-	-	11,378
	14,107	310,917	-	-	-	325,024
Balance August 31, 2018	4,148,983	4,786,755	1,577,797	2,754,336	136,056	13,403,927
Total	$ 5,143,048	$4,988,729	$ 2,498,344	$2,834,460	$ 179,613	$15,644,194

(Unaudited, expressed in Canadian dollars)

4. Exploration and Evaluation Assets – (continued)

	Barbara and Surprise Creek	Red Cliff	Mountain Boy	Silver Coin	Other Properties	Total
Property acquisition costs						
Balance November 30, 2016	$ 365,940	$ 182,500	$ 920,547	$ 80,124	$ 25,057	$ 1,574,168
Property payments	340,625	19,474	-	-	15,000	375,099
Balance November 30, 2017	706,565	201,974	920,547	80,124	40,057	1,949,267
Deferred exploration costs						
Balance November 30, 2016	3,849,530	3,760,988	1,563,271	2,754,336	115,753	12,043,878
Assays	16,301	23,339	573	-	289	40,502
Camp costs	6,298	-	-	-	-	6,298
Drilling	60,774	434,367	-	-	-	495,141
Equipment rental	-	44,395	-	-	-	44,395
Geological	17,825	33,811	1,200	-	900	53,736
Helicopter	129,122	5,521	-	-	-	134,643
Labour	48,650	112,273	10,500	-	16,100	187,523
Supplies and miscellaneous	6,376	61,144	2,254	-	3,014	72,787
	285,346	714,850	14,527	-	20,303	1,035,025
Balance November 30, 2017	4,134,876	4,475,838	1,577,798	2,754,336	136,056	13,078,903
Total	$ 4,841,441	$4,677,812	$ 2,498,345	$2,834,460	$ 176,113	$15,028,170

5. Share Capital

a) Authorized

Unlimited common shares without par value

b) Details of issuance of common shares

During the Nine Months Ended August 31, 2018:

The Company issued 2,500,000 common shares with a fair value of $137,500 to Great Bear for an option payment on the Barbara and Surprise Creek properties.

The Company issued 7,900,000 common shares at $0.05 per share for proceeds of $395,000 pursuant to the exercise of stock options.

During the Year Ended November 30, 2017:

The Company issued 7,300,000 common shares at $0.05 per share for proceeds of $365,000 pursuant to the exercise of stock options.

The Company issued 200,000 common shares at $0.07 per share for proceeds of $14,000 pursuant to the exercise of share purchase warrants.

The Company issued 2,500,000 common shares with a fair value of $187,500 to Great Bear for an option payment on the Barbara and Surprise Creek properties and the Company also issued 171,428 common shares with a fair value of $15,429 for purchasing its proportionate share of the NSR related to the Red Cliff property.

On March 15, 2017, the Company issued 650,000 flow-through units at $0.08 per unit and 2,993,666 non-flow-through units at $0.06 per unit for total proceeds of $231,620. The Company recorded a flow-through premium liability of $13,000 and incurred share issuance costs of $1,908.

Each flow-through unit consisted of one flow-through common share and one share purchase warrant to purchase an additional common share at $0.10 per share until March 15, 2019. Each non-flow-through unit consisted of one non-flow-through common share and one share purchase warrant to purchase an additional common share at $0.10 per share until March 15, 2019.

The share purchase warrants contain an acceleration right in favour of the Company, whereby if for a trading period of 20 continuous days before the expiry of the warrants, the price of the Company's common shares is at least $0.16 per share, the Company may provide a notice that the warrants will expire on the 11th day after the date of notice, if unexercised.

(Unaudited, expressed in Canadian dollars)

5. Share Capital – (continued)

b) Details of issuance of common shares – (continued)

During the Year Ended November 30, 2017: – (continued)

On September 25, 2017, the Company issued 3,600,000 flow-through units at $0.10 per unit and 2,830,000 non-flow-through units at $0.08 per unit for total proceeds of $586,400. The Company recorded a flow-through premium liability of $72,000 and incurred share issuance costs of $12,937.

Each flow-through unit consisted of one flow-through common share and one share purchase warrant to purchase an additional common share at $0.10 per share until September 25, 2019. Each non-flow-through unit consisted of one non-flow-through common share and one share purchase warrant to purchase an additional common share at $0.13 per share until September 25, 2019.

c) Warrants

A continuity of warrants for the nine months ended August 31, 2018 is as follows:

Expiry date		Exercise price ($)	November 30, 2017	Issued	Exercised	Expired	August 31, 2018
October 11, 2018	*	0.07	10,800,000	-	-	-	10,800,000
March 15, 2019		0.10	3,643,666	-	-	-	3,643,666
September 25, 2019		0.10	2,830,000	-	-	-	2,830,000
September 25, 2019		0.13	3,600,000	-	-	-	3,600,000
Warrants outstanding			20,873,666	-	-	-	20,873,666
Weighted average exercise price ($)			$ 0.09	$ -	$ -	$ -	$ 0.09

* Subsequent to August 31, 2018, these warrants expired unexercised.

The weighted average remaining life of the outstanding warrants as at August 31, 2018 is 0.48 years (November 30, 2017 – 1.23 years).

A continuity of warrants for the year ended November 30, 2017 is as follows:

Expiry date	Exercise price ($)	November 30, 2016	Issued	Exercised	Expired	November 30, 2017
October 11, 2018	0.07	11,000,000	-	(200,000)	-	10,800,000
March 15, 2019	0.10	-	3,643,666	-	-	3,643,666
September 25, 2019	0.10	-	2,830,000	-	-	2,830,000
September 25, 2019	0.13	-	3,600,000	-	-	3,600,000
Warrants outstanding		11,000,000	10,073,666	(200,000)	-	20,873,666
Weighted average exercise price ($)		$ 0.07	$ 0.11	$ 0.07	$ -	$ 0.09

(Unaudited, expressed in Canadian dollars)

5. Share Capital – (continued)

d) Share Purchase Option Compensation Plan

The Company has a stock option plan under which the maximum number of stock options available for grant cannot exceed 29,993,596, being 20% of the issued and outstanding common shares of the Company at the date of the filing with the TSX-V. Stock options may be granted for a maximum term of five years and expire 90 days from termination of employment or holding office as a director or officer of the Company. Unless otherwise stated, stock options vest when granted.

A continuity of options for the nine months ended August 31, 2018 is as follows:

Expiry date	Exercise price ($)	November 30, 2017	Issued	Exercised	Expired / forfeited	August 31, 2018
August 17, 2021	0.05	1,200,000	-	-	-	1,200,000
August 22, 2021	0.05	4,000,000	-	(4,000,000)	-	-
September 7, 2021	0.05	3,000,000	-	-	-	3,000,000
May 16, 2022	0.05	3,900,000	-	(3,900,000)	-	-
July 10, 2023	0.08	-	10,800,000	-	-	10,800,000
Options outstanding		12,100,000	10,800,000	(7,900,000)	-	15,000,000
Options exercisable		12,100,000	10,800,000	(7,900,000)	-	15,000,000
Weighted average exercise price ($)		$ 0.05	$ 0.08	$ 0.05	$ -	$ 0.07

The weighted average remaining life of the outstanding options as at August 31, 2018 is 4.34 years (November 30, 2017 – 3.97 years).

A continuity of options for the year ended November 30, 2017 is as follows:

Expiry date		Exercise price ($)	November 30, 2016	Issued	Exercised	Expired / forfeited	November 30, 2017
August 17, 2017		0.05	500,000	-	(500,000)	-	-
August 17, 2021		0.05	2,000,000	-	(800,000)	-	1,200,000
August 22, 2021	*	0.05	10,000,000	-	(6,000,000)	-	4,000,000
September 7, 2021	**	0.075	3,000,000	-	-	-	3,000,000
May 16, 2022	*	0.05	-	3,900,000	-	-	3,900,000
Options outstanding			15,500,000	3,900,000	(7,300,000)	-	12,100,000
Options exercisable			15,125,000	3,900,000	(7,300,000)	-	12,100,000
Weighted average exercise price ($)			$ 0.05	$ 0.05	$ 0.05	$ -	$ 0.06

* Subsequent to November 30, 2017, a total of 7,900,000 options were exercised.
** Subsequent to November 30, 2017, the TSX-V approved the re-pricing of these options to $0.05.

The following table summarizes the assumptions used in the Black-Scholes Option Pricing Model to estimate the fair value of the options:

	August 31, 2018	August 31, 2017
Risk-free interest rate	1.30%	1.13%
Expected stock price volatility	234.88%	167.00%
Expected option life in years	5 years	5 years
Expected dividend in yield	Nil	Nil
Forfeiture rate	0.00%	0.00%
Share price on grant date	$0.08	$0.06

(Unaudited, expressed in Canadian dollars)

6. Related Party Transactions

Payments to related parties were made in the normal course of operations and were valued at fair value. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand. There are no commitments or guarantees associated with the outstanding balances.

		Nine months ended August 31		As at	
				August 31	November 30
Amounts in accounts payable:	Services for:	2018	2017	2018	2017
Lawrence Roulston	Management fee	$10,000	$ -	$ 10,000	$ -
Rene Bernard	Consulting fee and management fee	$ 7,500	$ 7,500	$ -	$ -
A private company controlled by a former director of the Company	Management & administration fee	-	22,500	-	-
Ed Kruchkowski / a private company controlled by a former director of the Company	Management fee	-	22,500	-	10,015
A private company controlled by a director of the Company [(a)]	Accounting and management services	80,500	-	42,548	-
A public company with former directors in common with the Company	Exploration costs	-	224,071	-	392,709
A private company controlled by an officer of the Company [(b)]	Marketing services	6,000	-	6,300	-
Total		$ 94,000	$ 276,571	$ 48,848	$ 402,724

Amounts in accounts receivable:	Services for:				
A public company with directors in common with the Company	Investor relations	$ -	$ -	$ -	$ 31,021
Total		$ -	$ -	$ -	$ 31,021

(a) Mark T. Brown was appointed as the Chief Executive Officer and director effective December 15, 2017 and resigned as the Chief Executive Officer on June 27, 2018, but remains as a director. Mark T. Brown is the president of this private company.
(b) Nancy Curry was appointed as the Vice President Corporate Development effective July 3, 2018.

Key management personnel compensation includes all compensation paid to executive management and members of the board of directors of the Company.

(Unaudited, expressed in Canadian dollars)

6. Related Party Transactions – (continued)

For the nine months ended August 31, 2018:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Lawrence Roulston Chief Executive Officer, Director	$10,000	$Nil	$Nil	$Nil	$Nil	$237,900	$247,900
Rene Bernard Former Chief Financial Officer, Director	$7,500	$Nil	$Nil	$Nil	$Nil	$79,300	$86,800
Mark T. Brown Former Chief Executive Officer, Director	$Nil	$Nil	$Nil	$Nil	$Nil	$158,600	$158,600
Winnnie Wong Chief Financial Officer	$Nil	$Nil	$Nil	$Nil	$Nil	$79,300	$79,300
Nancy Curry VP Corporate Development	$Nil	$Nil	$Nil	$Nil	$Nil	$237,900	$237,900
Ron Cannan Director	$Nil	$Nil	$Nil	$Nil	$Nil	$63,440	$63,440
Total:	$17,500	$Nil	$Nil	$Nil	$Nil	$856,440	$873,940

For the nine months ended August 31, 2017:

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Other expenses	Share-based payments	Total
Edward Kruchkowski Chief Executive Officer, Director	$22,500	$Nil	$Nil	$Nil	$Nil	$Nil	$22,500
Randy Kasum Chief Financial Officer, Director	$22,500	$Nil	$Nil	$Nil	$Nil	$Nil	$22,500
Rene Bernard Director, Former Chief Financial Officer	$7,500	$Nil	$Nil	$Nil	$Nil	$234,000	$241,500
Total:	$52,500	$Nil	$Nil	$Nil	$Nil	$234,000	$286,500

7. Non-Cash Transactions

Investing and financing activities that do not have a direct impact on cash flows are excluded from the statements of cash flows. The following transactions were excluded from the statements of cash flows:

During the nine months ended August 31, 2018:

a) The Company incurred exploration and evaluation costs of $310,917 which are included in due to joint venture partner at August 31, 2018.

b) The Company reclassified $418,654 from contributed surplus to share capital on the exercise of 7,900,000 stock options.

c) The Company issued 2,500,000 common shares with a fair value of $137,500 to Great Bear for an option payment on the Barbara and Surprise Creek properties.

7. Non-Cash Transactions – (continued)

During the nine months ended August 31, 2017:

a) The Company incurred exploration and evaluation costs of $157,571 which were included in accounts payable and accrued liabilities at August 31, 2017.

b) The Company reclassified $119,481 from contributed surplus to share capital on the exercise of 2,925,000 stock options.

8. Financial Instruments

The fair values of the Company's financial assets and liabilities approximate their carrying amounts because of their current nature.

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

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

The Company's financial instruments consist of cash, reclamation bonds, and accounts payable. Cash is designated at FVTPL and reclamation bonds are classified as loans and receivables. Accounts payable are classified as other financial liabilities.

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

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

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 market interest rates. The Company's cash is exposed to interest rate risk.

Liquidity Risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable are all current and due within 90 days of the balance sheet date. As at August 31, 2018, the Company has a working capital deficiency of $853,933 and will require additional financing to provide sufficient capital to meet its short-term financial obligations.

9. Capital Disclosures

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its mineral properties, finance corporate overhead costs, meet obligations as they come due, and to maintain a flexible capital structure which optimizes the cost of capital within a framework at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity, as well as cash. The Company has no earning and therefore has historically financed its acquisition and exploration activities and corporate overhead costs by the sale of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize development efforts, the Company does not pay out dividends.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resources markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects. The Company is not subject to any externally imposed capital requirements.

10. Subsequent Events

On September 4, 2018, the Company issued 1,812,500 flow-through common shares at $0.08 per share for total proceeds of $145,000. The flow-through shares issued under this private placement are subject to a four-month hold period until January 5, 2019.

On October 18, 2018, the Company issued 600,000 common shares to Great Bear at a deemed value of $0.055 per share as consideration to defer payment of $300,000 from August 20, 2018 to March 20, 2019.