Cache
Exploration Inc.

Consolidated Financial Statements

For the Years Ended September 30, 2018 and 2017

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cache Exploration Inc.

We have audited the accompanying consolidated financial statements of Cache Exploration Inc., which comprise the consolidated statements of financial position as at September 30, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' 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.

Auditor's 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 auditor's 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, the consolidated financial statements present fairly, in all material respects, the financial position of Cache Exploration Inc. as at September 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 certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Cache Exploration Inc.'s ability to continue as a going concern.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 31, 2019

CACHE EXPLORATION INC.
Consolidated Statements of Financial Position
As at September 30, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
	$	$
ASSETS		
Current Assets		
Cash	-	4,359
Receivables (Note 5 and 9)	210,468	103,873
Prepaid expenses (Note 4)	32,895	381,977
	243,453	490,209
Capital Assets		
Exploration and evaluation assets (Note 6)	1,526,337	1,207,609
Total Assets	**1,769,790**	**1,697,818**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness	5,181	-
Accounts payable and accrued liabilities (Note 14)	399,071	246,376
Flow-through premium liability (Note 13)	79,653	88,670
Loans payable (Notes 8)	-	372,500
Total Liabilities	**483,905**	**707,546**
Shareholders' Equity		
Share capital (Note 5)	7,827,373	6,576,735
Reserves (Note 5)	163,277	148,562
Deficit	(6,704,765)	(5,735,025)
	1,285,885	**990,272**
Total Liabilities and Shareholders' Equity	**1,769,790**	**1,697,818**

Subsequent event (Note 15)

These consolidated financial statements were authorized for issue by the Board of Directors January 31, 2019. They are signed on the Company's behalf by:

"Ian Graham" , **Director**
Ian Graham

"Jack Bal" , **Director**
Jack Bal

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

CACHE EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

		2018		2017
		$		$
Expenses				
Financing costs (recovery) (Note 8)		(47,500)		72,500
Management and consulting fees (Note 14)		793,679		1,250,723
Investor and public relations		99,857		27,959
Share-based compensation (Note 5)		14,715		284,971
Office and miscellaneous		36,658		23,881
Professional fees (Note 14)		22,320		91,884
Regulatory and listing fees		18,537		36,702
Rent and administration (Note 14)		25,807		29,473
Salaries and wages		-		3,570
Travel expense		14,684		7,734
		(978,757)		(1,829,397)
Other item				
Impairment of exploration and evaluation asset (Note 6)		-		(106,360)
Settlement of flow-through liability (Note 13)		9,017		-
Net loss and comprehensive loss for the year		**(969,740)**		**(1,935,757)**
Basic and diluted loss per share	**$**	**(0.02)**	**$**	**(0.05)**
Weighted average shares outstanding - basic and diluted		**52,566,743**		**39,996,183**

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

CACHE EXPLORATION INC.
Consolidated Statements of Change in Shareholders' Equity
For the Years Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

	Share capital				
	Number of shares	**Share capital**	**Reserves**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance as at September 30, 2016	**26,494,044**	**3,900,921**	**-**	**(3,799,268)**	**101,653**
Stock options granted (Note 5)	-	-	284,971	-	284,971
Shares issued for cash (Note 5)	10,325,000	1,782,500	-	-	1,782,500
Share issue costs	-	(3,765)	1,565	-	(2,200)
Flow-through premium (Note 13)	-	(88,670)	-	-	(88,670)
Warrants exercised (Note 5)	250,000	37,500	-	-	37,500
Options exercised (Note 5)	5,190,000	908,249	(137,974)	-	770,275
Shares issued for property acquisition (Notes 5 and 6)	307,692	40,000	-	-	40,000
Net loss for the year	-	-	-	(1,935,757)	(1,935,757)
Balance as at September 30, 2017	**42,566,736**	**6,576,735**	**148,562**	**(5,735,025)**	**990,272**
Options granted (Note 5)	-	-	14,715	-	14,715
Shares issued for cash (Note 5)	9,232,500	738,600	-	-	738,600
Share issue costs	-	(7,462)	-	-	(7,462)
Shares issued for property acquisitions (Notes 5 and 6)	3,800,000	242,000	-	-	242,000
Options exercised (Note 5)	5,150,000	277,500	-	-	277,500
Net loss for the year	-	-	-	(969,740)	(969,740)
Balance as at September 30, 2018	**60,749,236**	**7,827,373**	**163,277**	**(6,704,765)**	**1,285,885**

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

CACHE EXPLORATION INC.
Consolidated Statements of Cash Flows
For the Years Ended September 30, 2018 and 2017
(Expressed in Canadian Dollars)

	2018	2017
	$	**$**
Operating activities		
Net loss for the year	(969,740)	(1,935,757)
Items not affecting cash:		
Financing costs (recovery)	(50,000)	72,500
Impairment of exploration and evaluation asset	-	106,360
Share-based compensation	14,715	284,971
Settlement of flow-through liability	(9,017)	-
Changes in non-cash working capital items:		
Accounts receivable	(69,370)	(99,615)
Prepaid expenses	380,932	(199,587)
Accounts payable and accrued liabilities	152,695	241,376
Net cash flows used in operating activities	**(549,785)**	**(1,529,752)**
Investing activities		
Exploration and evaluation assets expenditures	(76,728)	(1,173,969)
Exploration advance	(31,940)	(182,390)
Net cash flows used in investing activities	**(108,668)**	**(1,356,359)**
Financing activities		
Subscription receivable	85,275	-
Issuance of shares for cash	893,600	2,590,275
Share issuance costs	(7,462)	(2,200)
Loan proceeds (payable)	(322,500)	300,000
Net cash flows provided by financing activities	**648,913**	**2,888,075**
Change in cash	**(9,540)**	**1,964**
Cash, beginning	4,359	2,395
Cash (Bank Indebtedness), ending	**(5,181)**	**4,359**

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Cache Exploration Inc. (the "Company") was incorporated under the provisions of the British Columbia Business Corporations Act in October 2005. On March 1, 2010, the Company's Qualifying Transaction was approved and the Company's common shares commenced trading as a TSX Venture Exchange ("TSX-V") Tier 2 mining issuer under the symbol CAY. The Company's head office address is 4770 - 72nd Street Delta, BC V4K 3N3.

These consolidated financial statements have been prepared on the basis that the Company and its subsidiary will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business.

The appropriateness of using the going concern basis of consolidated financial statement preparation is dependent upon among other things, the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future. These conditions indicate the existence of material uncertainties that cast significant doubt that the Company will be able to continue on a going concern basis. Management currently believes that sufficient working capital may be obtained from public share offerings to meet the Company's liabilities and commitments as they come due. These consolidated financial statements do not reflect any adjustments to amounts that would be necessary if the going concern assumption were not appropriate.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on January 31, 2019.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation
These audited consolidated financial statements have been prepared on an accrual basis and are based on historical costs. All amounts are presented in Canadian dollars, which is the functional currency of the Company and its subsidiary, unless otherwise noted.

Significant estimates and assumptions
The preparation of the consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Significant estimates and assumptions *(continued)*
Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting period include determining the fair value of measurements of financial instruments, the fair value of warrants granted and the recoverability and measurement of deferred tax assets.

Significant judgments
The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and the classification of financial instruments.

Consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Cache Minerals Inc. The subsidiary is an inactive company. All significant inter-company balances and transactions have been eliminated on consolidation.

Determination of functional currency
The functional currency of the Company is measured using the currency of the primary economic environment in which that the Company operates. The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity. The Company's functional currency is Canadian dollar.

Transactions and balances
Transactions denominated in foreign currencies are translated into the relevant functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations and loss.

Exploration and evaluation assets
Upon acquiring the legal right to explore a property, costs related to the acquisition, exploration and evaluation are capitalized by property. If commercially profitable ore reserves are developed, capitalized costs of the related exploration and evaluation assets are reclassified as mining assets and amortized using the unit of production method. If, after management review, it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable over the estimated economic life of the exploration and evaluation assets, or the exploration and evaluation assets are abandoned, or management deems there to be an impairment in value, the exploration and evaluation assets is written down to its net realizable value.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets *(continued)*
Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation assets. If payments received exceed the capitalized cost of the exploration and evaluation assets, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. The recoverability of the exploration and evaluation asset is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

General exploration costs consist of exploration expenditures incurred in the process of evaluating potential property acquisitions. Such expenditures will continue to be expensed until the property is acquired. The proceeds from royalties granted and operator fees earned are deducted from the costs of the related property and any excess is recorded as income.

Impairment of long-lived assets
At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the “cash-generating unit” or “CGU”). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the consolidated statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Share-based payments
The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of 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 corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes Pricing Model which incorporates all market vesting conditions.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Share-based payments *(continued)*
The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Share purchase warrants
The Company has adopted the residual method with respect to the measurement of warrants issued as private placement units. This method allocates the proceeds received based on the fair value of the shares, with any remaining value greater than the share's fair value being allocated to the warrants. The value attributed to the warrants is recorded to a reserve. When warrants are exercised, the value is transferred from the reserve to capital stock. If the warrants expire unexercised, the related amount remains in the reserve.

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Income taxes
Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of comprehensive income/(loss) except to the extent it relates to items recognized in other comprehensive income or directly in equity.

Current tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Deferred tax *(continued)*
The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares
On the issuance of flow-through shares, any premium received in excess of the market price of the Company's common shares is initially recorded as a liability ("flow-through premium liability"). Provided that the Company has renounced the related expenditures, the flow-through tax liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded.

Financial instruments
The Company adopted all of the requirements of IFRS 9 *Financial Instruments* ("IFRS 9") as of October 1, 2017. IFRS 9 replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged.

As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date. The main area of change is the accounting for equity securities previously classified as fair value through profit and loss. As the Company has no equity securities classified as fair value through profit and loss, the change had no impact on the Company's consolidated financial statements.

The following is the Company's new accounting policy for financial instruments under IFRS 9.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Classification (continued)

amortized cost, unless they are required to be measured at FVTPL (such as instruments held-for-trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at October 1, 2017. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/ liabilities	Original classification IAS 39	New classification IFRS 9
Cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Loans payable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of net (loss) income in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of net (loss) income.

Accounting standards issued and adopted during the year

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 will replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations on revenue. IFRS 15 establishes a single five-step model for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is mandatory for annual periods beginning on or after January 1, 2018, with early application permitted. As the Company has no revenue, no impact on the Company's consolidated financial statements is expected.

Accounting standards issued but not yet applied

IFRS 16 - *Leases*

IFRS 16 will replace IAS 17 *Leases*. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Application of the standard is mandatory for annual periods beginning on or after January 1, 2019, with early application permitted. IFRS 16 will result in an increase in assets and liabilities as fewer lease payments will be expensed. The Company does not expect a significant impact from adopting this standard.

4. PREPAID EXPENSES

Included in prepaid expenses are $Nil (2017 - $162,079) of prepaid consulting fees, $Nil (2017 - $35,418) of prepaid investor and public relations fees, $1,045 (2017 - $2,090) of prepaid rent and an exploration advance of $31,940 (2017 - $182,390).

5. SHARE CAPITAL

a. Authorized, issued and outstanding shares

The Company's authorized capital consists of an unlimited number of common shares without par value.

b. Issuances

At September 30, 2018, there were 60,749,236 common shares issued and outstanding.

Share issuances during the year ended September 30, 2018:

On January 16, 2018, the Company completed a private placement and issued 9,232,500 units at a price of $0.08 per unit for gross proceeds of $738,600. Each unit consists of one common share and one share purchase warrant. Each warrant allows the holder to purchase one additional share at a price of $0.10 for a period of two years.

On January 26, 2018, the Company issued 3,000,000 common shares valued at $210,000 for Kiyuk Lake mineral property acquisition (Note 6).

On May 2, 2018, the Company issued 800,000 common shares valued at $32,000 for Deep Lake Cobalt mineral property acquisition (Note 6).

During the year ended September 30, 2018, the Company issued 5,150,000 common shares on the exercise of 2,000,000 options at a price of $0.06 per share and 3,150,000 options at a price of $0.05 per share for proceeds of $277,500. Proceeds of $122,500 were not received until subsequent to September 30, 2018 and are included in receivables (Note 9).

Share issuances during the year ended September 30, 2017:

On March 3, 2017, the Company completed a private placement and issued 2,825,000 units at $0.10 per unit. Each unit consisted of one common share and one half of one share purchase warrant. Each whole warrant can be exercised for one additional common share at $0.15 per share for a two-year period, subject to an acceleration clause, whereby warrants will expire in 30 days, upon announcement by the Company that its shares have traded at $0.25 or more for 10 consecutive trading days. The Company paid a finders' fee of $2,200 in cash and issued 11,000 warrants with the same terms as the unit warrants and valued at $1,565.

On April 4, 2017, the Company issued 307,692 common shares valued at $40,000 as a finder's fee for the Kiyuk Lake mineral property located in Nunavut (Note 6).

On September 25, 2017, the Company completed a private placement and issued 5,000,000 non-flow-through units at $0.20 per non-flow-through unit and 2,500,000 flow-through units at $0.20 per flow-through unit for total proceeds of $1,500,000. Each non-flow-through unit consisted of one common share and one share purchase warrant. Each flow-through unit consisted of one common share and one half of one common share purchase warrant. Each whole warrant can be exercised for one additional common share at $0.25 per share for a two-year period.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL *(continued)*

b. Issuances *(continued)*

During the year ended September 30, 2017, the Company issued 250,000 common shares on the exercise of warrants at a price of $0.15 per share for proceeds of $37,500.

During the year ended September 30, 2017, the Company issued 5,190,000 common shares on the exercise of 600,000 options at a price of $0.10 per share, 1,800,000 options at a price of $0.16 per share, 1,500,000 options at a price of $0.17 per share, 1,015,000 options at $0.135 per share and 275,000 options at a price of $0.11 per share for proceeds of $770,275. On issuance, the Company reclassified $94,665 from reserves to share capital. At September 30, 2017, included in accounts receivable is $85,275 due from option holders relating to these share issuances which was received during the year ended September 30, 2018.

c. Share purchase warrants

As at September 30, 2018, the Company had the following warrants outstanding:

Date Issued	Expiry Date	Exercise Price	Number of Warrants Outstanding
March 3, 2017	March 3, 2019	$0.15	1,173,500
September 25, 2017	September 25, 2019	$0.25	6,250,000
January 16, 2018	January 16, 2020	$0.10	9,232,500
			16,656,000

The continuity of share purchase warrants for the years ended September 30, 2018 and 2017 is as follows:

Expiry Date	Exercise Price	Issued	Exercised as of September 30, 2017	Balance, September 30, 2017	Issued	Balance, September 30, 2018
March 3, 2019	$0.15	1,423,500	(250,000)	1,173,500	-	1,173,500
September 25, 2019	$0.25	6,250,000	-	6,250,000	-	6,250,000
January 16, 2020	$0.10	-	-	-	9,232,500	9,232,500
Total		7,673,500	(250,000)	7,423,500	9,232,500	16,656,000

As at September 30, 2018, the weighted-average remaining contractual life of warrants outstanding was 1.12 years.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL *(continued)*

d. Share purchase options

The Company adopted a stock option plan (the "Plan"), which provides that the Board of Directors may, at its discretion, grant directors, officers, employees and consultants non-transferable stock options to purchase common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. Under this plan, the aggregate number of common stock options shall not exceed 10% of the issued and outstanding common shares of the Company, and if any option granted under the plan expires or terminates for any reason in accordance with the terms of the plan without being exercised, that option shall again be available for the purpose of the plan. All options vest over a period determined by the Board of Directors and expire up to five years after issuance. For the options exercised immediately, the expected life was determined to be nil and because the stock price was the same as the exercise price, the fair value of the options was determined to be $nil.

As at September 30, 2018, the Company had the following stock options outstanding:

Date Issued	Expiry Date	Exercise Price	Number of Options Outstanding
January 17, 2017	January 17, 2022	$0.10	900,000
May 12, 2017	May 12, 2022	$0.20	250,000
July 10, 2018	July 10, 2020	$0.05	500,000
			1,650,000

The continuity of stock options for the years ended September 30, 2018 and 2017 is as follows:

Expiry Date	Exercise Price	Outstanding at September 30, 2017	Granted	Exercised	Outstanding at September 30, 2018
January 17, 2022	$0.10	900,000	-	-	900,000
May 12, 2022	$0.20	250,000	-	-	250,000
February 13, 2023	$0.06	-	2,000,000	(2,000,000)	-
July 10, 2020	$0.05	-	2,500,000	(2,000,000)	500,000
September 12, 2020	$0.05	-	1,150,000	(1,150,000)	-
		1,150,000	**5,650,000**	**(5,150,000)**	**1,650,000**

All options outstanding at September 30, 2018 are exercisable. As at September 30, 2018, the weighted-average remaining contractual life of options outstanding was 2.89 years.

During the year ended September 30, 2018, the Company granted 5,650,000 of which 5,150,000 options were exercised on the date of grant. For the remaining 500,000 option, the Company valued them using the Black-Scholes Option Pricing Model using the following weighted average assumptions: volatility of 178%; expected life of 3.17 years; dividend rate of Nil; and a risk-free interest rate of 1.99%. The fair value of these options was determined to be $14,715 and included in share-based compensation expense.

During the year ended September 30, 2017, 4,590,000 of the stock options granted were exercised on the grant date. These options were valued based on the difference between the market value of the share on the date of the grant and the exercise price resulting in the recognition of share-based compensation expense of $72,000.

(Expressed in Canadian Dollars)

5. SHARE CAPITAL *(continued)*

d. Share purchase options *(continued)*

The other 1,750,000 stock options granted were valued using the Black-Scholes Option Pricing Model using the following weighted average assumptions: volatility of 120%; expected life of 5 years; dividend rate of Nil; and a risk-free interest rate of 0.67%. The fair value of these options was determined to be $212,971 and included in share-based compensation expense.

6. EXPLORATION AND EVALUATION EXPENDITURES

	For the years ended September 30, 2018	2017
Vianey Mining Concessions, Mexico		
Acquisition cost:		
Balance, beginning	$ -	$ 100,000
Impairment	-	(100,000)
Balance, ending	-	-
Exploration expenditures:		
Balance, beginning	-	-
Claim expenses	-	6,360
Impairment	-	(6,360)
Balance, ending	-	-
Kiyuk Lake Property, Nunavut		
Acquisition cost:		
Balance, beginning	240,000	-
Additions - cash	-	200,000
Additions - shares	210,000	40,000
Balance, ending	450,000	240,000
Exploration expenditures:		
Balance, beginning	967,609	-
Analysis and sample storage	-	14,557
Claim fees	11,243	-
Consultants	64,235	34,242
Field expenses - labour	-	145,056
Field expenses – other	1,250	271,975
Management fee	-	14,945
Travel and accommodation	-	486,834
Balance, ending	1,494,337	967,609
Deep Lake Cobalt Property, New Brunswick		
Acquisition cost:		
Balance, beginning	-	-
Additions - shares	32,000	-
Balance, ending	32,000	-
	$ 1,526,337	$ 1,207,609

6. EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

Vianey Mining Concessions

On July 15, 2016, the Company entered into an option agreement (the "Agreement") to acquire a 100% interest in the Vianey Mining Concessions (the "Property") located in Guerrero State, Mexico. Pursuant to the Agreement, in order for the Company to exercise its option it must make cash payments to the option or of $300,000 and incur exploration work of not less than $250,000 by July 15, 2018. The cash payments to the option or are to be paid as follows:

- $100,000 on or before July 31, 2016 (paid);
- $100,000 on or before July 15, 2017; and
- $100,000 on or before July 15, 2018.

The Property is subject to a 2% Net Smelter Royalty ("NSR"). The Company may purchase 1% of the NSR for a cash payment of $1,000,000.

During the year ended September 30, 2017, the Company failed to make the payment due July 15, 2017 and the Agreement was terminated. The Company recorded an impairment expense of $106,360.

Kiyuk Lake Property

Effective February 28, 2017 (the "Closing Date"), the Company signed a property option agreement with Montego Resources Inc. ("Montego") to acquire a 100% interest in and to a series of mineral claims and leases located in Nunavut commonly referred to as the Kiyuk Lake Property (the "Property").

Terms to Acquire 100% Interest in the Property:
- $200,000 payable on the Closing Date (paid);
- $200,000 payable on or before 6 months after the Closing Date (settled through shares); and
- $100,000 payable on or before 12 months after the Closing Date (settled through shares).

The optionor has agreed to settle the balance of the payments ($300,000) for 3,000,000 shares. On January 26, 2018, the Company issued 3,000,000 common shares with a fair value of $210,000 (Note 5).

The Company paid a finder 307,692 common shares with a fair value of $40,000 which have been included in acquisition costs.

The Property is subject to a 2% net smelter royalty to the original owner.

Deep Lake Cobalt Property

On January 30, 2018, the Company has signed a Purchase Agreement to acquire a 100% interest in the Deep Lake Cobalt Property, located near Saint John, New Brunswick from Horizon Cobalt Corp. ("Horizon") in consideration of the issuance of 800,000 common shares of the Company to Horizon. The purchase was approved by TSX-V on May 2, 2018. Upon approval, the Company issued 800,000 common shares at a fair value of $32,000 (Note 5).

(Expressed in Canadian Dollars)

7. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2018	September 30, 2017
Net loss before taxes	$ (969,740)	$ (1,935,757)
Statutory tax rate	27%	26%
Expected income tax recovery at the statutory tax rate	(252,132)	(503,297)
Non-deductible expenses and other	5,163	73,520
Adjustment to prior years provision versus statutory tax returns	(153,741)	-
Deferred tax assets not recognized	400,711	429,777
Income tax recovery	$ -	$ -

The Company's deferred tax asset are as follows:

	September 30, 2018	September 30, 2017
Non-capital loss carry-forwards	$ 1,075,774	$ 846,627
Exploration and evaluation assets	408,641	238,515
Share issue costs	1,895	458
Valuation allowance	(1,486,311)	(1,085,600)
	$ -	$ -

As at September 30, 2018, the Company has non-capital losses of approximately $4,137,000 which may be available to reduce future taxable income with an expiry date between 2028 and 2038.

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

8. LOANS PAYABLE

On August 30, 2017, the Company borrowed $300,000 from an arm's length party. The Company agreed to pay a banking fee of $20,000 plus interest of $2,500 for the month of September 2017. The Company also agreed to pay a penalty of $50,000 if the loan is not paid back by September 30, 2017 which has been accrued. During the year ended September 30, 2018, the Company incurred an additional interest of $2,500 for the month of October 2017. The loan was repaid during the year ended September 30, 2018, and the penalty was waived and recorded as a recovery in financing costs.

9. ACCOUNTS RECEIVABLE

	September 30, 2018	September 30, 2017
Subscriptions receivable	$ 122,500	$ 85,275
GST receivable	87,968	18,598
	$ 210,468	$ 103,873

(Expressed in Canadian Dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2018	September 30, 2017
Accounts payable	$ 383,071	$ 236,376
Accrued liabilities	16,000	10,000
	$ 399,071	$ 246,376

11. CAPITAL RISK MANAGEMENT

The Company's capital consists of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the acquisition, exploration and development of exploration properties. The Company manages its capital structure in a manner that provides sufficient funding for operational activities.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will be required to spend its existing working capital and to raise additional amounts as needed.

Funds are primarily secured through equity capital raised by way of private placements. There can be no assurances that the Company will be able to raise additional equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2018.

12. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value

The carrying value of the Company's financial instruments approximate their fair value due to their short-term nature until maturity.

Financial risk factors

The Company may be exposed to risks of varying degrees of significance that could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below. There were no changes in the risks, objectives, policies and procedures from the previous year.

Credit Risk Management
Credit risk relating to cash and receivables arises from the possibility that a counter party to an instrument fails to perform. Management believes that credit risk is minimal.

10. FINANCIAL INSTRUMENTS AND RISK FACTORS *(continued)*

Financial risk factors (continued)

Liquidity Risk
The Company budgets on an ongoing basis to determine the amount of funds required to support the Company's operations and planned exploration activities. The Company ensures there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. At September 30, 2018, the Company has a working capital deficiency of $240,452. The Company may not have sufficient funds to meet its current liabilities as they become due.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's cash balances earn interest at fixed rates over the next three to twelve months. It is management's opinion that the Company is not exposed to significant interest rate risk.

13. FLOW-THROUGH PREMIUM

During the year ended September 30, 2017, the Company issued 2,500,000 flow-through units for gross proceeds of $500,000. The Company must incur qualifying exploration expenditures of $500,000 by August 17, 2019. The Company determined that value of the flow-through component was $88,670 determined based on the additional warrant issued with the non-flow-through units. The flow-through premium will be reversed and recognized in profit or loss once the qualifying expenditures have been incurred and it is expected that they will be renounced. As of September 30, 2018, the flow-through liability has a balance of $79,653.

14. RELATED PARTY TRANSACTIONS

During the years ended September 30, 2018 and 2017, the Company incurred the expenses to related parties as follows:

- $138,360 rent, management and consulting fees (2017 - $161,000) to the CEO of the Company;
- $43,900 in consulting fees (2017 - $Nil) to the directors of the Company;
- $Nil management fees (2017 - $84,775) to companies controlled by former director of the Company; and
- $Nil accounting, management and consulting fees (2017 - $13,800) to a company controlled by former CFO.

Related parties balance

As at September 30, 2018, the Company has $141,730 (2017 - $35,874) included in accounts payable were owed to directors and officers of the Company.

15. SUBSEQUENT EVENT

On November 1, 2018, the Company granted 1,550,000 stock options to consultants of the Company. The options are exercisable at $0.05 per common share for a period of 2 years.