Roughrider
EXPLORATION LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2018 and 2017

Expressed in Canadian dollars
Unaudited – prepared by management

Notice to Reader: As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these condensed interim financial statements.

ROUGHRIDER EXPLORATION LIMITED
STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
Unaudited – Prepared by Management

	June 30, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	$ 52,428	$ 294,710
Receivables	11,522	16,338
Prepaid expenses	139,321	3,999
	203,271	315,047
Non-current assets		
Exploration property acquisition costs (Note 4)	1,345,990	1,384,527
	$ 1,549,261	$ 1,699,574
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 295,818	$ 300,499
Flow-through premium (Note 5)	22,569	32,982
Deferred revenue (Note 6)	85,714	-
	404,101	333,481
Shareholders' equity		
Capital stock (Note 7)	4,792,713	4,792,713
Other equity reserves	518,306	518,306
Deficit	(4,165,859)	(3,944,926)
	1,145,160	1,366,093
	$ 1,549,261	$ 1,699,574

Nature and continuance of operations (Note 1)
Related party transactions (Note 8)
Subsequent event (Note 4(a))

On behalf of the Board of Directors on August 29, 2018

Signed "Scott Gibson"	*Signed "Alex Heath"*
Director	Director

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

ROUGHRIDER EXPLORATION LIMITED

CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Expressed in Canadian Dollars

Unaudited – Prepared by Management

	For the three months ended June 30, 2018	For the three months ended June 30, 2017	For the six months ended June 30, 2018	For the six months ended June 30, 2017
EXPENSES				
Exploration expenses (Note 4 and 8)	$ 60,268	$ 2,390	$ 66,475	$ 14,492
Filing fees	9,629	6,970	12,093	11,329
Flow-through premium recovery (Note 5)	(10,045)	(398)	(10,413)	(2,415)
Interest income	-	(97)	-	(195)
Marketing	180	11,534	364	23,207
Office expenses	3,332	9,166	8,083	14,760
Professional fees	18,129	40,350	22,681	55,758
Salaries and personnel costs	33,932	76,835	97,399	138,663
Write-off exploration property acquisition costs (Note 4)	-	18,821	38,537	18,821
	$(115,425)	$ (165,571)	$(235,219)	$ (274,420)
Consulting revenue	14,286	-	14,286	-
Loss and comprehensive loss for the period	$(101,139)	$ (165,571)	$(220,933)	$ (274,420)
Basic and diluted loss per common share	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.04)
Weighted average number of common shares outstanding	9,416,551	7,314,951	9,416,551	7,312,754

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

ROUGHRIDER EXPLORATION LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Expressed in Canadian Dollars

Unaudited – Prepared by Management

	Capital Stock				
	Number of Shares	**Amount**	**Other Equity Reserves**	**Deficit**	**Total Equity**
Balance, December 31, 2016	**7,274,951**	**$4,274,221**	**$ 511,418**	**$(3,232,245)**	**$ 1,553,394**
Private placement	40,000	10,000	--	--	10,000
Issuance costs	--	(321)	--	--	(321)
Loss for the period	--	--	--	(274,420)	(274,420)
Balance, June 30, 2017	7,314,951	$4,283,900	$ 511,418	$(3,506,665)	$ 1,288,653
Balance, December 31, 2017	9,416,551	$4,792,713	$ 518,306	$(3,944,926)	$ 1,366,093
Loss for the period	--	--	--	(220,933)	(220,933)
Balance, June 30, 2018	**9,416,551**	**$4,792,713**	**$ 518,306**	**$(4,165,859)**	**$ 1,145,160**

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

ROUGHRIDER EXPLORATION LIMITED

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30
Expressed in Canadian Dollars
Unaudited – Prepared by Management

	2018	2017
OPERATING ACTIVITIES		
Loss for the period	$ (220,933)	$ (108,849)
Items not affecting cash:		
Flow-through premium recovery (Note 5)	(10,413)	(2,017)
Write off exploration property acquisition costs (Note 4)	38,537	--
Changes in non-cash working capital items:		
Receivables	4,816	32,553
Prepaid expenses	(135,322)	(210)
Accounts payable and accrued liabilities	(4,681)	7,264
Deferred revenue	85,714	--
Net cash used in operating activities	(242,282)	(71,259)
INVESTING ACTIVITIES		
Exploration property acquisition costs	--	(4,991)
Net cash used in investing activities	--	(4,991)
FINANCING ACTIVITIES		
Shares and warrants issued in private placements	--	10,000
Share issuance costs	--	(321)
Net cash generated through financing activities	--	9,679
Decrease in cash for the period	(242,282)	(66,571)
Cash, beginning of period	294,710	476,425
Cash, end of period	$ 52,428	$ 409,854
Cash paid during the period for interest and taxes	$ 1,394	$ --

There were no significant non-cash transactions during the six months ended June 30, 2018 and 2017.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Roughrider Exploration Limited ("Roughrider" or the "Company") was incorporated on December 7, 2011 under the *British Columbia Business Corporations Act*. The Company is listed on the TSX Venture Exchange as a Tier 2 Mining Issuer. The principal business of the Company is the exploration and evaluation of mineral properties. The principal focus of the Company is exploring its portfolio of mineral properties, including the Genesis property, a uranium project located to the northeast of the Athabasca Basin in Saskatchewan, and the Silver Ace and Sterling properties in central British Columbia.

The address of the Company's head office is Suite 420 - 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6. The address of the Company's registered office is 2500 - 700 West Georgia Street, Vancouver, British Columbia, Canada, V7Y 1B3.

Effective July 3, 2018, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation share for 5 pre-consolidation shares. Unless otherwise stated, all share and per share amounts have been restated retrospectively to reflect this share consolidation.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has no source of revenue, has an accumulated deficit of $4,165,859 at June 30, 2018, and expects to incur further losses in order to explore its mineral properties. These factors cast significant doubt upon the Company's ability to continue as a going concern and, therefore suggest that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company's continuing operations are dependent upon its ability to obtain sufficient financing to explore the Genesis property, and upon the successful exploration and development or sale of the Company's exploration projects. Although the Company has been successful in obtaining financing to begin this process, there is no assurance that it will be able to obtain adequate financing in the future, or that such financing will be on terms that are advantageous to the Company.

2. BASIS OF PREPARATION

These condensed interim financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS applicable to the preparation of interim financial statements as issued by the International Accounting Standards Board ("IASB") including International Accounting Standard ("IAS") 34 Interim Financial Reporting, and are consistent with interpretations by the International Financial Reporting Interpretations Committee ("IFRIC") which were effective as of August 29, 2018, the date the Board of Directors authorized these financial statements for issuance.

The preparation of these condensed interim financial statements required management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements. Actual results could differ from these estimates. Critical estimates and judgments are discussed more fully in the Company's audited financial statements for the year ended December 31, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation

These condensed interim financial statements are expressed in Canadian dollars, the Company's functional and presentation currency, the currency of the primary economic environment in which it operates. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as *financial instruments at fair value through profit and loss* and *financial instruments at fair value through other comprehensive income*, which are stated at their fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b. New and revised standards and interpretations

Accounting policies used in the preparation of these financial statements are consistent with those described in the Company's audited annual financial statements for the year ended December 31, 2017, except for the following changes to IFRS, which were adopted January 1, 2018:

IFRS 9, Financial Instruments ("IFRS 9") replaces *IAS 39, Financial Instruments: Recognition and Measurement* ("IAS 39") and introduces the new requirements for the classification, measurement and de-recognition of financial assets and financial liabilities. Specifically, IFRS 9 requires all recognized financial assets that are within the scope of IAS 39 to be subsequently measured at amortized cost or fair value. The amendment also introduces a third measurement category for financial assets: fair value through other comprehensive income, and includes a single, forward-looking 'expected loss' impairment model.

The following is the new accounting policy for financial instruments under IFRS 9:

Financial assets and liabilities are initially recognized at fair value on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company has classified each financial instrument into one of the following categories: (1) financial assets or liabilities at fair value through profit or loss ("FVTPL"), (2) financial assets at fair value through other comprehensive income ("FVTOCI"), (3) financial assets available-for-sale, (4) financial assets held-to-maturity, (5) loans and receivables, and (6) other financial liabilities. Measurement in subsequent periods depends on the financial instrument's classification.

Financial assets and liabilities at FVTPL are subsequently measured at fair value with changes in those fair values recognized in profit or loss. Financial assets at FVTOCI are subsequently measured at fair value with changes in those fair values recognized in other comprehensive income (loss). Financial assets "available-for-sale" are subsequently measured at fair value with changes in fair value recognized in other comprehensive income (loss), net of tax. Financial assets "held-to-maturity", "loans and receivables", and "other financial liabilities" are subsequently measured at amortized cost using the effective interest rate method.

Financial instrument fair values are classified within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1 Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and
- Level 3 Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's cash is classified as FVTPL. Subsequent measurement is at fair value using level 1 observable inputs. Changes in fair value are recognized in profit or loss.

Expressed in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. New and revised standards and interpretations (continued)

Receivables are classified as loans and receivables and are thus recorded at amortized cost using the effective interest rate method. Amounts are recorded net of anticipated collection costs, if any. Due to their predominantly short-term nature, the Company estimates that their fair values approximate their carrying values.

Accounts payable and accrued liabilities are classified as other financial liabilities, initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of these amounts, the Company estimates that their fair value approximates their carrying value.

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's financial statements and no restating of prior periods will be required.

c. Recent accounting pronouncements

<u>For the Company's year ended December 31, 2019:</u>

IFRS 16, Leases: This new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months. The Company has no leases as at June 30, 2018, therefore the Company believes that IFRS 16 will not have a material impact on the Company's financial statements.

4. EXPLORATION PROPERTY

a. Acquisition costs

	Genesis property	Iron Butte property	Other Canadian properties	Total
Balance, December 31, 2016	$ 1,196,112	$ -	$ -	$ 1,196,112
Cash payment	-	33,287	-	33,287
Share payment	137,500	5,250	-	142,750
Staking costs	-	-	31,199	31,199
Write-off of acquisition costs	-	-	(18,821)	(18,821)
Balance, December 31, 2017	1,333,612	38,537	12,378	1,384,527
Write-off of acquisition costs	-	(38,537)	-	(38,537)
Balance, June 30, 2018	$ 1,333,612	$ -	$ 12,378	$ 1,345,990

Genesis property

On July 16, 2014, the Company entered into an option agreement, subsequently amended, with Kivalliq Energy Corp, ("Kivalliq") under which Roughrider may earn up to an 85% interest in Kivalliq's Genesis uranium project (the "Genesis property") located in the Athabasca Basin region of Canada.

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

a. Acquisition costs (continued)

Genesis property (continued)

Under the terms of the amended option agreement, the Company may earn an initial 50% interest by making cash payments, incurring expenditures, and issuing shares as follows:

	Payments	Expenditures	Common shares
On the effective date of the agreement	$125,000[(1)]	N/A	393,966[(1)]
On or before December 31, 2014	N/A	$1,000,000[(1)]	N/A
On signing of the amending agreement	$400,000[(1)]	N/A	N/A
On or before August 31, 2016	N/A	N/A	393,966[(4)]
On or before August 31, 2017	$175,000[(2)]	$1,100,000	N/A
Total	$700,000	$2,100,000[(3)]	787,932

[(1)] This amount has been paid, this expenditure incurred, or these shares issued as of December 31, 2015.
[(2)] This amount was paid, at Roughrider's election, through the issuance of 500,000 shares with a fair value of $137,500 on August 30, 2017, the date of issue.
[(3)] As of June 30, 2018, the Company has incurred cumulative expenditures of $2,149,419 including GST, as allowed under the amended option agreement.
[(4)] These shares have been issued as of December 31, 2016.

As at June 30, 2018, all requirements above have been met and the Company has earned a 50% interest in the Genesis property.

The Company may acquire a further 35% interest (for an aggregate 85% interest) by making cash payments, incurring expenditures, and issuing shares as follows:

	Payments	Expenditures	Common shares
On or before August 31, 2018	$250,000[(1)]	N/A	N/A
On or before August 31, 2019	$450,000[(1)]	$2,500,000	N/A

[(1)] This amount may be paid either in cash or in shares, at Roughrider's election.

During the year ended December 31, 2016, Roughrider acquired additional claims within the boundary of the Genesis project for the issuance of 15,000 common shares, valued at $9,000, and the creation of a 2% net smelter returns royalty ("NSR") on production from the area covered by the licenses. The NSR may be reduced to 1% by the payment of $500,000 within six months of publishing a feasibility study incorporating the area covered by the licences.

Iron Butte property

On June 21, 2017, the Company entered into an option agreement under which Roughrider may earn a 100% interest in certain mining claims comprising the Iron Butte oxide gold-silver project in Lander County, Nevada (the "Iron Butte property").

Under the terms of the option agreement, the Company could earn a 100% interest by making certain cash payments and issuing shares. During the period ended June 30, 2018, the Company terminated the Iron Butte option agreement. Accordingly, the Company has written off $38,537 in related acquisition costs as at June 30, 2018.

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

a. Acquisition costs (continued)

Sabin property

On March 3, 2017, the Company entered into a letter agreement with Commander Resources Ltd. ("Commander") to acquire up to a 100% interest in Commander's Sabin zinc-copper-silver property in Northwestern Ontario, Canada. On June 2, 2017, the Company terminated the letter agreement.

During the year ended December 31, 2017 the Company also staked certain claims contiguous to the Sabin property in Northwestern Ontario, Canada at a cost of $18,821; these costs were written off as at December 31, 2017 as the Company has no intentions of advancing the project.

Silver Ace property

On November 16, 2017, the Company acquired, by staking, the Silver Ace property, located near Houston, BC, at a cost of $6,189.

Sterling property

On November 22, 2017, the Company acquired, by staking, the Sterling property, located near Houston, BC, at a cost of $6,189.

Brownell Lake property

On June 6, 2018, the Company entered into an option agreement under which Roughrider may earn up to an 80% interest in the Brownell Lake base metals project near La Ronge, Saskatchewan (the "Brownell Lake property").

Under the terms of the option agreement, the Company can earn an initial 60% interest by making cash payments and incurring exploration expenditures as follows:

	Payments	Expenditures
On or before December 31, 2018	N/A	$100,000
On or before March 31, 2019	$25,000	N/A
On or before December 31, 2019	N/A	$300,000
On or before March 31, 2020	$50,000	N/A
On or before December 31, 2020	N/A	$600,000
On or before March 31, 2021	$125,000	N/A
On or before December 31, 2021	N/A	$2,000,000
On or before March 31, 2022	$300,000	N/A
Total	$500,000	$3,000,000

The Company can earn an additional 20% interest (total 80% interest) by making additional total cash payments of $2,000,000 (total $2,500,000) and total exploration expenditures of $4,000,000 (total $7,000,000) within two years of the date of election to exercise the initial option. The Brownell Lake property is subject to a 2% NSR.

Expressed in Canadian Dollars

4. EXPLORATION PROPERTY (CONTINUED)

a. Acquisition costs (continued)

Olsen property

On June 6, 2018, the Company entered into an option agreement under which the Company may earn up to an 80% interest in the Olsen gold project near La Ronge, Saskatchewan (the "Olsen property").

Under the terms of the option agreement, the Company can earn an initial 60% interest by making cash payments and incurring exploration expenditures as follows:

	Payments	Expenditures
On or before December 31, 2018	N/A	$100,000
On or before March 31, 2019	$25,000	N/A
On or before December 31, 2019	N/A	$300,000
On or before March 31, 2020	$50,000	N/A
On or before December 31, 2020	N/A	$600,000
On or before March 31, 2021	$125,000	N/A
On or before December 31, 2021	N/A	$2,000,000
On or before March 31, 2022	$300,000	N/A
Total	$500,000	$3,000,000

The Company can earn an additional 20% interest (total 80% interest) by making additional cash payments of $2,000,000 (total $2,500,000) and incurring total exploration expenditures of $4,000,000 (total $7,000,000) within two years of the date of election to exercise the initial option. The Olsen property is subject to a 2% NSR.

b. Exploration expenses

The Company incurred the following exploration expenditures during the six months ended June 30, 2018 and 2017:

	2018	2017
Assays	$ --	$ 641
Field equipment and supplies	8,872	278
Geological consulting	40,360	2,684
Geophysical survey (data analysis)	--	7,151
Geophysical survey (ground)	2,208	--
Helicopter	12,328	--
Travel	2,707	3,738
Total	$ 66,475	$ 14,492

5. FLOW THROUGH PREMIUM LIABILITY

On December 21, 2017, the Company completed a flow-through private placement of 666,600 flow-through units at a price of $0.30 per flow-through unit for gross proceeds of $199,980. Each flow-through unit consisted of one flow-through share and one-half of one share purchase warrant, each warrant exercisable into one non-flow-through common share at a price of $0.50 per share. A $33,330 flow-through share premium liability was recorded pursuant to this financing. Upon incurring qualifying expenditures of $2,089 for the year ended December 31, 2017, the flow-through share premium liability was partially extinguished, and a recovery of this liability was recorded in the Statements of Loss and Comprehensive Loss, in the amount of $348. Additional qualifying expenditures of $62,476 were incurred for the period ended June 30, 2018 and a recovery of the flow-through share premium liability was partially extinguished in the amount of $10,413.

On December 30, 2016, the Company completed a flow-through private placement of 1,020,200 flow-through shares at a price of $0.30 per share for gross proceeds of $306,060. A $51,010 flow-through share premium liability was recorded pursuant to this financing. Upon incurring qualifying expenditures of $306,060 for the year ended December 31, 2017, the flow-through share premium liability was extinguished, and a recovery of this liability was recorded in the Statements of Loss and Comprehensive Loss, in the amount of $51,010.

6. DEFERRED REVENUE

During the six months ended June 30, 2018, the Company received $100,000 pursuant to an agreement with a third party whereby the Company will provide consulting services over a period ending December 31, 2018. Accordingly, the Company has recognized $14,286 in consulting revenue for the six months ended June 30, 2018, and $85,714 (2017 - $nil) as deferred revenue as at June 30, 2018.

7. CAPITAL STOCK

Authorized

Unlimited common shares with no par value and unlimited preferred shares with no par value.

Effective July 3, 2018, the Company consolidated its issued and outstanding common shares on a basis of one post-consolidation share for 5 pre-consolidation shares. Unless otherwise stated, all share and per share amounts have been restated respectively to reflect this share consolidation.

Issuances

2018 transactions

There were no share capital transactions during the period ended June 30, 2018.

2017 transactions

On January 5, 2017, the Company closed the final tranche of the non-brokered private placement financing and issued 40,000 additional non-flow through shares for proceeds of $10,000. The Company incurred additional costs of $321 in connection with this financing.

On July 13, 2017, the Company issued 15,000 common shares valued at $5,250 due under the Iron Butte property option agreement described in Note 4.

On August 30, 2017, the Company issued 500,000 common shares valued at $137,500 which was due under the Genesis property option agreement described in Note 4.

Expressed in Canadian Dollars

7. CAPITAL STOCK (CONTINUED)

Issuances (continued)

On December 21, 2017, the Company closed a flow-through private placement of 666,600 flow-through units (the "2017 FT Units") at a price of $0.30 per 2017 FT Unit for aggregate proceeds of $199,980, 120,000 non-flow-through units (the “2017 Non-FT Units”) at a price of $0.25 per 2017 Non-FT Unit for aggregate proceeds of $30,000, and an aggregate of 800,000 non-flow-through common shares (the "2017 Non-FT Shares") at a price of $0.25 per 2017 Non-FT Share for aggregate proceeds of $200,000. The 2017 FT Units consist of one flow-through common share and one half of one share purchase warrant, and the 2017 Non-FT Units consist of one common share and one share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share at a price of $0.50 per common share until December 21, 2019. The Company paid cash finder’s fees of $14,349 and issued 48,762 finder’s warrants valued at $6,888. The finder’s warrants have the same terms as the warrants bundled in the units. The Company incurred additional costs of $9,350 in connection with this financing.

Stock options

The Company has established a share purchase option plan whereby the Board of Directors may grant options to directors, officers, employees or consultants.

The Company has been authorized by its shareholders to grant stock options numbering up to ten percent (10%) of the number of common shares issued and outstanding. Under the plan, the exercise price of each option shall be determined by the directors but will in no event be less than the discount market price for the common shares. Stock options granted are subject to a maximum term of 10 years and vest at the discretion of the Board of Directors. Options granted to consultants performing investor relations activities shall vest over a minimum of 12 months with no more than one quarter of such options vesting in any 3-month period.

Details of stock option activity are as follows:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2016 and 2017, and June 30, 2018	480,000	$1.00

The following table summarizes information about stock options outstanding and exercisable to directors, officers, employees and consultants as at June 30, 2018:

Grant date	Expiry date	Exercise price	Number of options outstanding and exercisable	Remaining contractual life
Aug. 7, 2014	Aug. 7, 2019	$1.10	390,000	1.35 years
Feb. 1, 2016	Feb. 1, 2021	$0.60	50,000	2.84 years
Dec. 20, 2016	Dec. 20, 2021	$0.35	40,000	3.73 years
Weighted average remaining contractual life				2.10 years

Expressed in Canadian Dollars

7. CAPITAL STOCK (CONTINUED)

Warrants

Details of warrant activity are as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2016	2,184,810	$1.25
Issued	502,062	$0.50
Expired	(1,410,095)	$1.60
Outstanding, December 31, 2017	1,276,777	$0.50
Expired	(215,601)	$0.60
Outstanding, June 30, 2018	1,061,176	$0.50

As at June 30, 2018, the outstanding stock purchase warrants were as follows:

Expiry date	Exercise price	Number of warrants	Remaining contractual life
December 30, 2018	$0.50	559,114(1)	0.75 years
December 21, 2019	$0.50	502,062(2)	1.73 years
Weighted average remaining contractual life:			1.21 years

(1) 49,014 of which are finder's warrants
(2) 48,762 of which are finder's warrants

The fair values of the finder's warrants issued were calculated using the Black-Scholes Option Pricing Model, based on the following weighted average assumptions:

	Period ended June 30, 2018	Year ended December 31, 2017
Exercise price	--	$0.10
Average risk-free interest rate	--	1.66%
Expected dividend yield	--	0.00%
Expected stock price volatility	--	125.25%
Expected life	--	2.00 years
Value per warrant	--	$0.029

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

8. RELATED PARTY TRANSACTIONS (CONTINUED)

Key management personnel:

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes executive and non-executive members of the Company's Board of Directors, the CEO, CFO, and a vice president. During the period ended June 30, 2018, the CEO and a vice president of the Company were paid compensation of $77,500 (2017 - $107,500) which is included in salaries, marketing and exploration expenses; non-executive members of the Company's Board of Directors received no cash compensation or stock options.

Other related parties:

During the period ended June 30, 2018:

a) Legal services valued at $8,645 (2017 - $44,529) were received from a law firm for which one of the directors of the Company is a partner; and

b) The Company paid $1,104 (2017 - $8,280) for administrative services and $6,000 (2017 - $6,000) for rent expense to a company owned by a director and officer of the Company.

As at June 30, 2018, the Company owed $202,324 (December 31, 2017 – $119,964) to related parties, which is included in accounts payable and accrued liabilities.

9. CAPITAL DISCLOSURES

The Company manages its common shares, options and warrants as capital, each components of shareholders' equity. As at June 30, 2018, the Company's shareholders' equity was $1,145,160. As the Company is an exploration-stage mining company, its principal source of funds is from the issuance of common shares (See Note 1). When managing the capital structure, the Company's competing objectives are to minimize the number of shares issued and to raise sufficient capital to both safeguard its ability to continue as a going concern, and to execute near-term exploration objectives. The Company has not established any quantitative capital management criteria as the competing objectives require subjective analysis.

There were no changes to the Company's approach to capital management during the period ended June 30, 2018.

The Company is not subject to any externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with a major Canadian bank. The Company's only significant receivable at June 30, 2018 relates to a sales tax refund from the Government of Canada, who is not considered a default risk.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

Liquidity risk

The Company is exposed to liquidity risk. All of the Company's current financial liabilities are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Market risk

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

a) Interest rate risk

Interest rate risk on cash is minimal because these investments generally have a fixed yield rate. As at June 30, 2018 the Company did not have any interest-bearing debt.

b) Foreign currency risk

The Company could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at June 30, 2018, the Company did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Company at present.

c) Price risk

The Company may at times have limited indirect exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition, exploration and evaluation of exploration properties. The total assets attributable to geographical locations relate primarily to exploration properties and are located in Canada (Note 4).