LUCKY MINERALS INC.

Consolidated Financial Statements

For the Years Ended September 30, 2017 and 2016

(Expressed in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Lucky Minerals Inc.

We have audited the accompanying consolidated financial statements of Lucky Minerals Inc., which comprise of the consolidated statements of financial position as at September 30, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for 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 audits 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 Lucky Minerals Inc. as at September 30, 2017 and 2016, 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 the Lucky Minerals Inc.'s ability to continue as a going concern.

/s/ DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 1, 2018

LUCKY MINERALS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2017 and 2016

(Expressed in Canadian dollars)

	Note		**September 30, 2017**		September 30, 2016
ASSETS					
Current assets					
Cash		$	80,715	$	15,885
GST receivable			12,370		8,620
Prepaid			6,309		8,888
			99,394		33,393
Equipment	4		1,142		1,235
Exploration and evaluation assets	5		666,433		555,337
TOTAL ASSETS		$	766,969	$	589,965
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	6	$	60,679	$	12,300
Due to related parties	8		52,045		-
Loan payable			17,446		-
TOTAL LIABILITIES			130,170		12,300
Shareholders' equity					
Share capital	7		2,651,010		1,896,508
Other capital reserve	7		1,055,942		466,000
Deficit			(3,070,153)		(1,784,843)
TOTAL SHAREHOLDERS' EQUITY			636,799		577,665
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	766,969	$	589,965

Nature and continuance of operations (Note 1)

Subsequent events (Notes 7 and 12)

"Robert Rosner"	*"Francois Perron"*
Director	Director

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

LUCKY MINERALS INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

For the years ended September 30, 2017 and 2016

(Expressed in Canadian dollars)

	Note		**September 30, 2017**		September 30, 2016
OPERATING EXPENSES					
Advertising and promotion		$	20,309	$	22,680
Amortization	4		93		529
Bank charges and interest			1,845		450
Consulting	8		322,824		12,000
Directors' fees			7,000		-
Investor relations			51,399		-
Management fees	8		30,750		63,000
Office and miscellaneous			97,455		597
Professional fees			33,243		34,595
Rent			9,000		33,000
Stock-based compensation	7,8		589,942		-
Transfer agent and filing fees			55,533		21,310
Travel			51,834		-
			(1,271,227)		(188,161)
OTHER ITEMS					
Foreign exchange			14,083		3,837
Interest income			-		(25)
NET AND COMPREHENSIVE LOSS FOR THE YEAR		$	(1,285,310)	$	(191,973)
BASIC AND DILUTED LOSS PER SHARE		$	(0.02)	$	(0.00)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES, BASIC AND DILUTED			58,451,029		55,300,053

LUCKY MINERALS INC.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except share number)

	Common shares		Reserves			
	Number	**Amount**	**Options**	**Warrants**	**Deficit**	**To**
Balance, September 30, 2015	55,300,053	$ 1,896,508	$ 234,067	$ 466,000	$ (1,826,937)	$ 769,6
Reallocation of cancelled and expired options	-	-	(234,067)	-	234,067	
Net loss for the year	-	-	-	-	(191,973)	(191,97
Balance, September 30, 2016	55,300,053	1,896,508	-	466,000	(1,784,843)	577,6
Shares issued pursuant to private placement	10,000,000	750,000	-	-	-	750,0
Shares issued as consideration for extension of a property option payment	50,030	4,502	-	-	-	4,5
Stock-based compensation	-	-	589,942	-	-	589,9
Net loss for the year	-	-	-	-	(1,285,310)	(1,285,31
Balance, September 30, 2017	**65,350,083**	**$ 2,651,010**	**$ 589,942**	**$ 466,000**	**$ (3,070,153)**	**$ 636,7**

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

LUCKY MINERALS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2017 and 2016

(Expressed in Canadian dollars)

		September 30, 2017		September 30, 2016
Operating activities				
Net loss for the year	$	(1,285,310)	$	(191,973)
Items not involving cash				
Stock-based compensation		589,942		-
Amortization		93		529
Changes in non-cash working capital items:				
GST receivable		(3,750)		6,784
Prepaid expenses		2,579		(2,112)
Accounts payable and accrued liabilities		48,379		(7,857)
Related parties		646		-
Cash used in operating activities		(647,421)		(194,629)
Investing activities				
Exploration and evaluation asset expenditures		(55,195)		(81,834)
Cash provided by (used in) investing activities		(55,195)		(81,834)
Financing activities				
Loan payable		17,446		-
Proceeds from issuance of common shares		750,000		-
Cash provided by (used in) financing activities		767,446		
Increase of cash		64,830		(276,463)
Cash, beginning of year		15,885		292,348
Cash, end of year	$	80,715	$	15,885
Non-cash investing activity:				
Exploration expenditures included in due to related parties	$	51,399	$	-

1. NATURE AND CONTINUANCE OF OPERATIONS

Lucky Minerals Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on May 7, 2007 for the purpose of acquiring and exploring mineral property interests.

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "LJ", and is a reporting issuer in the provinces of British Columbia, Alberta and Manitoba. The Company also trades on the Frankfurt Stock Exchange under symbol "8LM", and in the United States on the OTCQB under the symbol "LKMNF".

The Company's head office and principal business address is Suite 202, 905 West Broadway, Vancouver, British Columbia V5Z 4M3.

These consolidated 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. As at September 30, 2017, the Company is not able to finance day to day activities through operations and incurs losses. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity and to attain profitable operations and generate funds there from. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance
These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were reviewed and authorized for issue by the Board of Directors on February 1, 2018.

Basis of Preparation
These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, except for certain financial instruments measured at their fair value as explained in the accounting policies below. The financial statements are presented in Canadian dollars, unless otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation
These consolidated financial statements included the accounts of the Company and its wholly owned subsidiary, Lucky Minerals (Montana) Inc., which is a 100% owned subsidiary incorporated in the United States. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant Estimates and Assumptions
The preparation of 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.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the carrying value of exploration and evaluation assets, the measurement of financial instruments and share-based payments, the recoverability of deferred tax assets and the measurement of decommissioning liabilities.

Significant Judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The following are the most significant judgements that management has made in applying the Company's financial statements:

- the assessment of the Company's ability to continue as a going concern and the classification of evaluation and exploration assets.

Foreign Currency Translation
The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Canadian dollars which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss and comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign Currency Translation (continued)
Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and Evaluation Assets
Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Option payments are considered acquisition costs provided the Company has the intention of exercising the underlying option. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

The Company capitalizes costs to specific blocks of claims or areas of geological interests. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company stops capitalizing expenditures for the applicable block of claims or geological area of interest and tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment
Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Equipment is amortized at 30% per annum, using the declining balance method.

Impairment of Assets
The carrying amount of the Company's assets (which include equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount; however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Restoration and Environmental Obligations
The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of restoration costs, are charged to the statement of comprehensive loss for the period.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets. The Company currently has no measureable restoration and environmental obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-Based Payments

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 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. 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.

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 period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to the owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options and warrants outstanding that may add to the total number of common shares. As at September 30, 2017 and 2016, the Company's diluted loss per share was the same as the basic loss per share as the effect of the stock options and warrants were anti-dilutive.

Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets to the extent they are expected to be realized within 12 months after the end of the reporting period. Unrealized gains and losses are recognized in other comprehensive income, except for the impairment losses and foreign exchange gains and losses on monetary financial assets.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase the asset.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Income Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from and 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 loss or equity is recognized in other comprehensive loss 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 tax is recorded by providing for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred 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 tax asset to be utilized.

Deferred 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)
Deferred tax assets and deferred 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 related to the same taxable entity and the same taxation authority.

Share-Based Payment Reserve

The share-based payment reserve records stock options and share purchase warrants recognized as stock-based compensation expense until such time that the stock options or warrants are exercised, at which time the corresponding balance is transferred to share capital or such time that the instruments expire at which time the corresponding balance is transferred to deficit.

Accounting standard issued but not yet applied
A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended September 30, 2017, and have not been applied in preparing these financial statements.

IFRS 9 "Financial Instruments"
This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Other accounting standards with future effective dates are either not applicable or not expected to impact the Company's financial statements.

(Expressed in Canadian dollars)

4. EQUIPMENT

	Computer	Automotive	Total
	$	$	$
Cost:			
As at September 30, 2016 and 2017	1,896	14,050	15,946
Accumulated Amortization:			
As at September 30, 2015	(1,675)	(12,507)	(14,182)
Charge for the year	(66)	(463)	(529)
As at September 30, 2016	(1,741)	(12,970)	(14,711)
Charge for the period	(13)	(80)	(93)
As at September 30, 2017	(1,754)	(13,050)	(14,804)
Net book value:			
As at September 30, 2016	**155**	**1,080**	**1,235**
As at September 30, 2017	**142**	**1,000**	**1,142**

5. EXPLORATION AND EVALUATION ASSETS

	Emigrant	St. Julien	Total
	$	$	$
As at September 30, 2015	473,503	-	473,503
Acquisition	16,565	27,399	43,964
Exploration (Note 7)	18,667	19,203	37,870
As at September 30, 2016	508,735	46,602	555,337
Acquisition	13,500	34,502	48,002
Exploration (Note 7)	53,320	9,775	63,094
As at September 30, 2017	**575,555**	**90,879**	**666,433**

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Emigrant Project, USA

On June 15, 2014, the Company entered into an agreement with an arm's length party to have an option agreement assigned to the Company (the "Assignment Agreement"). Pursuant to the Assignment Agreement, the Company has an option to acquire a 100% interest in certain claims in Montana USA.

On June 14, 2017, the right, title and interest to the claims in Montana USA were released to the Company, however, the option to acquire a 100% interest in the claims in Montana USA in order to 100% acquire the claims is still outstanding, for the following consideration:

Due Date	Cash (USD)
	$
June 1, 2013	5,000 (Paid)
October 1, 2013	5,000 (Paid)
June 1, 2014	15,000 (Paid)
June 1, 2015	20,000 (Paid)
June 1, 2016	25,000 (Paid)
June 1, 2017	30,000
June 1, 2018	35,000
June 1, 2019	40,000
June 1, 2020	45,000
June 1, 2021	50,000
Each subsequent year until $1,000,000 has been paid	50,000
Total	**1,000,000**

In May 2016, the Company negotiated with the optionor to amend the below payment schedule to USD $10,000 per year commencing from June 1, 2016 until such time that the Company has received permission to drill and explore the property from the appropriate government authorities, after which the original payment schedule is resumed until the option price is paid in full. In accordance with the amended payment schedule, the Company paid USD $10,000 to the optionor during the year ended September 30, 2016, and a further USD $10,000 during the year ended September 30, 2017.

The optionor will retain a 2% net smelter royalty ("NSR"). The Company may acquire 1.8% of the NSR by paying $1,500,000 within 9 months of commercial production.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

St. Julian Project, USA

The Company entered into an Option Agreement ("Option") dated effective November 1, 2015, with an arms-length party to acquire 100% of certain patented and unpatented mineral claims located in Montana, USA, known as "St. Julian", on the following payment schedule:

Due Date	Cash (USD)
	$
November 1, 2015	10,000 (Paid)
February 1, 2016	10,000 (Paid)
November 1, 2016	30,000 (Paid)
November 1, 2017	40,000
November 1, 2018	50,000
November 1, 2019	60,000
November 1, 2020	70,000
November 1, 2021	80,000
November 1, 2022	90,000
November 1, 2023	100,000
November 1, 2024	110,000
November 1, 2025	120,000
Total	**770,000**

The Company will pay a late charge of 5% for any payment, which is not paid within 15 days of its due date.

The optionor will retain a 3% NSR. The Company may acquire 2% of the NSR by paying a one-time sum of USD $5,000,000 within 12 months of commercial production. The Company may acquire the remaining 1% of the NSR by paying a one-time sum of USD $2,500,000 within 24 months of commercial production.

6. ACCOUNTS PAYABLES AND ACCRUED LIABLITIES

	September 30, 2017	September 30, 2016
	$	$
Trade payables	52,179	-
Accrued liabilities	8,500	12,300
	60,679	12,300

(Expressed in Canadian dollars)

7. SHARE CAPITAL

Authorized Share Capital
Unlimited number of common shares without par value.

Shares issuances
On March 8, 2017, the Company issued 50,030 common shares with a fair value of $4,502 to the optionor of the St. Julien property as consideration for an extension of the property option payment (Note 5).

On June 8, 2017, the Company closed a non-brokered private placement consisting of 10,000,000 units at a price of $0.075 per unit for proceeds of $750,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.10 per share for a period of two years. 333,333 of these shares were acquired by a company controlled by an individual who was a director at the time of the private placement.

Stock Options
The Company has adopted a stock option plan whereby the Company may from time to time, in accordance with the Exchange requirements, grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position.

A continuity of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding and exercisable at September 30, 2015 and 2016	-	$ -
Granted	4,300,000	0.20
Options outstanding and exercisable at September 30, 2017	4,300,000	$ 0.20

The weighted average remaining contractual life of options outstanding as of September 30, 2017 was 4.80 years.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Stock Options (continued)
During the year ended September 30, 2017, the Company granted 4,300,000 fully vested share purchase options to officers, directors and consultants. The fair value of each option was calculated to be $ 0.138 using the Black Scholes option pricing model with the following assumptions:

Risk free interest rate	1.48%
Dividend yield	0.00%
Expected volatility	144.98%
Expected life	5 years

8.

The expected volatility assumption was determined by reviewing the historical share prices of comparable companies that possess the same economic characteristics of the Company as the Company has insufficient historical share prices of its own common stock on which to base a volatility assumption. During the year ended September 30, 2017, the Company expensed $589,942 (September 30, 2016: $Nil) in respect of the grant of these options.

Warrants
The following is a summary of the Company's warrant activity:

	Number of Options		Weighted Average Exercise Price
Warrants outstanding at September 30, 2015 and 2016	11,000,000	$	0.15
Issued	5,000,000		0.10
Warrants outstanding at September 30, 2017	16,000,000	$	0.13

Warrants outstanding at September 30, 2017 were as follows:

Exercise Price	Expiration Date	Number of Warrants Outstanding and Exercisable
$0.15	June 23, 2019	11,000,000
$0.10	June 8, 2019	5,000,000
		16,000,000

The weighted average remaining contractual life of warrants outstanding as of September 30, 2017 was 1.72 years (September 30, 2016 – 2.70 years).

Subsequent to September 30, 2017, 125,000 warrants were exercised for the gross proceeds of $12,500.

(Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company incurred the following transactions with directors and key management personnel during the years ended September 30, 2017 and 2016 was as follows:

	September 30, 2017	September 30, 2016
Consulting fees	$ 40,415	$ -
Management fees	30,750	60,000
Stock based compensation	315,550	-
Exploration and evaluation expense	77,248	20,957
	$ 463,963	$ 80,957

As at September 30, 2017, the following are due to related parties and are non-interest bearing, unsecured and due on demand:

i. $646 (2016 - $Nil) to the CEO of the Company.

ii. $51,399 (2016 - $Nil) in amounts owing for exploration services provided by a company controlled by a director.

Amounts due to related parties are non-interest bearing, unsecured, with no terms of repayment.

10. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account. All of its cash is deposited in a bank account held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

9. FINANCIAL RISK AND CAPITAL MANAGEMENT (continued)

Foreign exchange risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk as certain of its expenditures are denominated in US dollars. At September 30, 2017, due to related parties included $51,399 denominated in US dollars, and the loan is denominated in US dollars.

Liquidity risk
Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time.

Historically, the Company's main source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Capital Management
Management's objective is to manage its capital to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern through the optimization of its capital structure. The capital structure consists of share capital and working capital.

In order to achieve this objective, management makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust capital structure, management may invest its excess cash in interest bearing accounts of Canadian chartered banks and/or raise additional funds externally as needed. The Company is not subject to externally imposed capital requirements. The Company's management of capital did not change during the year ended September 30, 2017.

Fair Value
The fair value of the Company's financial assets and liabilities approximate the carrying amount wither due to their short-term nature or because the interest rates applied to measure their carrying amount approximate current market rates.

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:

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- Level 1 Unadjusted quote 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 include cash, accounts payable and accrued liabilities. As at September 30, 2017 and 2016, the carrying value of cash is at fair value. Accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company has no financial instruments subject to Level 2 and Level 3 fair value measurements

(Expressed in Canadian dollars)

10. SEGMENTED INFORMATION

Geographic Segments

The Company's non-current assets are located in the following countries:

	As at September 30, 2017		
	Canada	**USA**	**Total**
	$	**$**	**$**
Equipment	1,142	-	1,142
Exploration and evaluation assets	-	666,433	666,433
	1,142	666,433	667,575

	As at September 30, 2016		
	Canada	USA	Total
	$	$	$
Equipment	1,235	-	1,235
Exploration and evaluation assets	-	555,337	555,337
	1,235	555,337	556,572

11. INCOME TAX

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

	September 30, 2017	September 30, 2016
	$	$
Net loss	(1,285,310)	(191,973)
Statutory tax rate	26%	26%
Expected income tax recovery	(334,000)	(50,000)
Non-deductible expenditures	153,000	-
Adjustments to prior years provision versus tax returns	199,000	-
Change in valuation allowance	(18,000)	50,000
Total income tax recovery	-	-

(Expressed in Canadian dollars)

11. INCOME TAX (continued)

The Company has the following deductible temporary differences for which no deferred tax has been recognized:

	September 30, 2017	September 30, 2016
	$	$
Deferred tax assets		
Non-capital losses	438,000	256,000
Exploration and evaluation assets	-	165,000
Share issuance costs	4,000	10,000
Equipment	4,000	4,000
	446,000	435,000
Deferred tax liabilities		-
Exploration and evaluation assets	(29,000)	-
Net deferred tax assets	417,000	435,000
Less: Valuation allowance	(417,000)	(435,000)
Net deferred income tax assets	-	-

As at September 30, 2017, the Company has estimated non-capital losses totaling $1,683,000 in Canada that may be carried forward to reduce taxable income derived in future years, from 2018 to 2037.

12. CONTINGENCY

The Company has received a claim whereby the plaintiffs have challenged the Company's mineral exploration permit on its Emigrant Project. The outcome of this litigation cannot be determined. Management believes that the possibility of an adverse outcome will be unlikely and intends to vigorously defend its right to explore on the Emigrant Property.

13. SUBSEQUENT EVENTS

Subsequent to year ended September 30, 2017, the Company executed a promissory note for principal of $300,000. The loan bears interest at 6% per annum, is unsecured and due on demand. The loan was repaid on November 27, 2017.

On November 27, 2017, the Company completed a bought deal offering, raising gross proceeds of $2,632,755 for the Company. Clarus Securities Inc. (the "Underwriter") acted as an agent for the Company with respect to the sale of 17,551,700 units of the Company (the "Shares") at a price of $0.15 per Unit (the "Offering"). Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $0.20 at any time prior to November 27, 2020. The Shares were sold pursuant to an agency agreement dated November 8, 2017 between the Company and the Underwriter (the "Underwriting Agreement").

13. SUBSEQUENT EVENTS (continued)

In consideration of the services performed by the Underwriter under the Underwriting Agreement, the Company: (i) paid the Underwriting a commission of $184,293 in cash; and (ii) issued to the Underwriter and members of its selling group an aggregate of 1,228,619 options entitling the Underwriter and members of its selling group to acquire up to an aggregate of 1,228,619 Units of the Company at a price of $0.15 per Unit for a period of 36 months. The Company has also reimbursed the Underwriter for expenses incurred by the Underwriter in connection with the Offering in the amount of $101,050.