LUCKY MINERALS INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

DMCL
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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, 2018 and 2017, 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, 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 Lucky Minerals Inc.'s ability to continue as a going concern.

/s/ DMCL LLP

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
January 30, 2019

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(expressed in Canadian dollars)

	Note		**September 30, 2018**		**September 30, 2017**
ASSETS					
Current assets					
Cash		$	906	$	80,715
Sales tax receivable			64,104		12,370
Loans receivable	5		1,157,521		-
Prepaid expenses			39,828		6,309
			1,262,359		99,394
Non-current assets					
Deposit	6		250,000		-
Equipment	7		6,382		1,142
Mineral property interest	8		868,328		666,433
		$	**2,387,069**	$	**766,969**
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	9	$	1,033,942	$	60,679
Due to related parties	15		331,334		52,045
Loan payable	10		622,058		17,446
			1,987,334		130,170
Shareholders' equity					
Share Capital	11		4,700,215		2,651,010
Share Subscriptions	11		224,650		-
Shares to be issued	11		60,000		-
Reserves			1,542,218		1,055,942
Deficit			(6,127,348)		(3,070,153)
			399,735		636,799
		$	**2,387,069**	**$**	**766,969**

Contingency (Note 16)
Subsequent events (Notes 6, 8, 10, 15, 17)

Approved on behalf of the Board:

"John Mears" Director

"Robert Rosner" Director

The accompanying notes are an integral part of these financial statements

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(expressed in Canadian dollars)

	Note		**September 30, 2018**		**September 30, 2017**
OPERATING EXPENSES					
Advertising and promotion		$	434,282	$	20,309
Amortization	7		1,328		93
Bank charges and interest			6,906		1,845
Consulting	15		1,177,540		322,824
Directors' fees			114,564		7,000
Insurance			8,462		-
Investor relations			129,396		51,399
Management fees	15		2,500		30,750
Office and miscellaneous			26,228		97,455
Rent			51,494		9,000
Professional fees			280,687		32,243
Property investigation costs			145,182		-
Stock-based compensation	11,15		371,835		589,942
Transfer agent and filing fees			95,776		55,533
Travel			221,778		51,834
			(3,067,958)		(1,271,227)
OTHER ITEMS					
Foreign Exchange			(1,728)		(14,083)
Interest expense			(12,689)		-
Interest income	5		25,180		-
NET AND COMPREHENSIVE LOSS		**$**	**(3,057,195)**	**$**	**(1,285,310)**
BASIC AND DILUTED LOSS PER SHARE		**$**	**(0.04)**	**$**	**(0.02)**
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING – BASIC AND DILUTED			**80,277,951**		**58,451,029**

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

LUCKY MINERALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(expressed in Canadian dollars)

		September 30, 2018		September 30, 2017
Operating activities				
Net loss for the year	$	(3,057,195)	$	(1,285,310)
Items not involving cash				
Stock-based compensation		371,835		589,942
Amortization		1,328		93
Accrued interest income		(25,180)		-
Shares to be issued for services		60,000		-
Change in non-cash working capital items				
GST receivable		(51,734)		(3,750)
Prepaid expenses		(33,519)		2,579
Accounts payable and accrued liabilities		973,263		48,379
Related parties		-		646
Cash used in operating activities		**(1,761,202)**		**(647,421)**
Investing activities				
Loan receivable		(1,132,341)		-
Property, plant and equipment		(6,568)		-
Deposit		250,000		-
Exploration and evaluation asset expenditures		(201,895)		(55,195)
Cash used by investing activity		**(1,090,804)**		**(55,195)**
Financing activities				
Loan payable		604,612		17,446
Proceeds from issuance of common shares		2,163,646		750,000
Proceeds received for share subscriptions		224,650		-
Advances from related parties		279,289		-
Cash provided by financing activities		**3,272,197**		**767,446**
Change in cash		(79,809)		64,830
Cash, beginning of period		80,715		15,885
Cash, end of year	**$**	**906**	**$**	**80,715**
Supplemental cash flow information:				
Exploration expenditures included in due to related party	$	-	$	51,399

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

LUCKY MINERALS INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(expressed in Canadian dollars)

	Common Stock						Reserves							
	Number of Shares		Amount		Share Subscriptions		Shares to be issued		Options		Warrants		Deficit		Shareholders' Equity
Balance, September 30, 2016	**55,300,053**	**$**	**1,896,508**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**466,000**	**$**	**(1,784,483)**	**$**	**577,665**
Shares issued for private placement	10,000,000		750,000		-		-		-		-		-		750,000
Shares issued for extension of a property option payment	50,030		4,502		-		-		-		-		-		4,502
Stock-based compensation	-		-		-		-		589,942		-		-		589,942
Net and comprehensive loss	-		-		-		-		-		-		(1,285,310)		(1,285,310)
Balance, September 30, 2017	**65,350, 083**		**2,651,010**		**-**		**-**		**589,942**		**466,000**		**(3,070,153)**		**636,799**
Shares issued for private placements	17,551,700		2,031,705		-		-		114,441		-		-		2,146,146
Shares issued for the exercise of warrants	175,000		17,500		-		-		-		-		-		17,500
Share subscriptions received	-		-		224,650		-		-		-		-		224,650
Shares to be issued for services	-		-		-		60,000								60,000
Stock-based compensation	-		-		-		-		371,835		-		-		371,835
Net and comprehensive loss	-		-		-		-		-		-		(3,057,195)		(3,057,195)
Balance, September 30, 2018	**83,026,783**	**$**	**4,700,215**	**$**	**224,650**	**$**	**60,000**	**$**	**1,076,218**	**$**	**466,000**	**$**	**(6,127,348)**	**$**	**399,735**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Lucky Minerals Inc. (the "Company") was incorporated under the British Columbia Business Corporations Act on May 7, 2007. The Company is in the business of acquiring, exploring and evaluating mineral resource properties.

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "LJ". 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 1015, 789 West Pender, Vancouver, British Columbia V6C 2X1.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful identification of an exploration and evaluation asset, its ability to raise equity capital, to obtain loans from related parties, and to attain profitable operations to generate funds and meet current and future obligations. As at September 30, 2018, the Company had not advanced any exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. These factors indicate 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 over the next twelve months with cash on hand, loans from related parties and/or private placement of common shares.

2. BASIS OF PREPARATION

Statement of compliance
These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on January 30, 2019.

Basis of measurement
The financial statements have been prepared on a historical cost basis. The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Basis of Consolidation
These consolidated financial statements included the accounts of the Company and its wholly owned subsidiary, Lucky Minerals Montana, Inc ("LMMI"). The results of LMMI are 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.

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions are eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

Pre-Exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation assets

The Company accounts for mineral property interests in accordance with IFRS 6 – Exploration for and evaluation of mineral properties ("IFRS 6"). Costs directly related to acquiring the legal right to explore a mineral property including acquisition of licenses, mineral rights, and similar acquisition costs are recognized and capitalized as mineral property interests. Acquisition costs incurred in obtaining the legal right to explore a mineral property are deferred until the legal right is granted and thereon reclassified to mineral property interests. Transaction costs incurred in acquiring an asset are deferred until the transaction is completed and then included in the purchase price of the asset acquired.

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation activities, including but not limited to researching and analyzing existing exploration data, conducting geological studies, exploration drilling and sampling, payments made to contractors and consultants in connection with the exploration and evaluation of the property, are expensed in the period in which they are incurred as exploration and evaluation costs on the consolidated statement of loss and comprehensive loss.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of the estimated recoverable amount, are written off to the statement of loss and comprehensive loss. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

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 are 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 comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (continued)
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.

Asset retirement 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 exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

Share based compensation
From time to time, the Company grants share options to employees and non-employees. An individual is classified as an employee, versus a non-employee, when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. The fair value of share options, measured using the Black-Scholes option pricing model at the date of grant, is charged to the statement of loss and comprehensive loss over the vesting period. Performance vesting conditions and forfeitures are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss over the remaining vesting period.

Equity instruments granted to non-employees are recorded in the consolidated statement of loss and comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for a share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations. All equity-settled share-based payments are recorded in share option and warrant reserve until exercised. Upon exercise, shares are issued from treasury and the amount previously recorded in share option and warrant reserve is reclassified to share capital along with any consideration paid.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Loss per share

Loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is calculated by dividing the net income available to common shareholders by the weighted average number of shares outstanding on a diluted basis. The weighted average number of shares outstanding on a diluted basis takes into account the additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period. The calculation of basic and diluted earnings per share for all periods presented is adjusted retrospectively when the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split.

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories based on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Available-for-Sale Financial Assets

Non-derivative financial assets that do not meet the definition of loans and receivables are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in other comprehensive income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. On sale or impairment, the cumulative amount recognized in other comprehensive income is reclassified from accumulated other comprehensive income to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Assets at Fair Value through Profit or Loss ("FVTPL")
Financial assets are classified as FVTPL when the financial asset is held-for-trading or is designated as FVTPL. A financial asset is classified as FVTPL when it has been acquired principally for the purpose of selling in the near future, it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking or if it is a derivative that is not designated and effective as a hedging instrument. Upon initial recognition, attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Securities held-for-trading consisting of share purchase warrants held in other public companies not qualifying as subsidiaries or associates and cash and cash equivalents are included in this category. Related realized and unrealized gains and losses are included in profit or loss.

Impairment on Financial Assets
At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities
Financial liabilities are classified as either FVTPL or other financial liabilities, based on the purpose for which the liability was incurred, and are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument.

Other financial liabilities comprise trade payables and accrued liabilities and are subsequently carried at amortized cost using the effective interest rate method. This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the year that are unpaid.

Income taxes
Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date. Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes (continued)
Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Foreign currency translation
Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

Recent Accounting Standards
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee (“IFRIC”) that are mandatory for accounting periods beginning after January 1, 2018, or later periods.

Accounting Standards issued but not yet adopted

IFRS 9, Financial Instruments
IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The adoption of this standard on October 1, 2018 did not have a significant impact on the Company’s consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows: i. Identify the contract with the customer ii. Identify the performance obligations in the contract iii. Determine the transaction price iv. Allocate the transaction price to the performance obligations in the contracts v. Recognize revenue when (or as) the entity satisfies a performance obligation. Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The adoption of this standard on October 1, 2018 did not have a significant impact on the Company’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting Standards issued but not yet adopted (continued)

IFRS 16, Leases
IFRS 16 specifies how an entity will 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. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17 Leases. IFRS 16 is effective for years beginning after January 1, 2019. The Company does not anticipate the adoption of this standard to have a significant impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below.

Estimates

Income taxes
Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Share-based payments
Management is required to make a number of estimates when determining the fair value of the payments resulting from share-based transactions, including the forfeiture rate and expected life of the instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Economic recoverability and probability of future economic benefits of mineral property interests
Management has determined that exploration and evaluation of mineral properties and related costs incurred, which have been recognized on the statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

Judgments

Going Concern
The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning.

5. LOANS RECEIVABLE

On February 8, 2018, the Company entered into a Letter of Intent (the "LOI") to acquire 100% of Goldmindex S.A. ("Goldmindex"), a private Ecuadorian company. Pursuant to the LOI, the Company will acquire the issued and outstanding shares of Goldmindex in exchange for common shares (the "Transaction").

Under the terms of the LOI, the Company agreed to advance an amount of $409,203 to Goldmindex. The Company also agreed to advance an amount of USD$558,100 (CDN$748,318) (the "Second Loan"). The Second Loan is secured by way of a pledge granted on the shares of Goldmindex. Should the Company decide not to complete the Transaction, Goldmindex will have 45 days to repay the Second Loan. Failure to do so will result in the Company receiving the Goldmindex shares that are currently being held in a trust. The Second loan bears interest at 7% and is due 12 months from the date of the loan agreement on March 27, 2018. As of September 30, 2018, the Company accrued USD$20,015 (CDN$25,179) interest income related to the advance and Second Loan.

6. DEPOSIT

During the year ended September 30, 2018, the Company entered into a consulting agreement in relation to the acquisition of Goldmindex and its Fortuna concessions. The Company agreed to pay bonus of $250,000 upon approval of the acquisition of Goldmindex from TSX Venture Exchange. On September 11, 2018, the Company obtained approval from TSX Venture Exchange and paid the bonus of $250,000. On October 26, 2018, the transaction was completed and the amount was included in the acquisition cost of the Fortuna concessions.

(Expressed in Canadian dollars)

7. EQUIPMENT

	Computer	Vehicle	Total
Cost			
Balance, September 30, 2017	$ 1,896	$ 14,050	$ 15,946
Additions	6,568	-	6,568
Balance, September 30, 2018	8,464	14,050	22,514
Accumulated Depreciation			
Balance, September 30, 2017	1,754	13,050	14,804
Charge for the year	1,028	300	1,328
Balance, September 30, 2018	2,782	13,350	16,132
Net Carrying Amount			
September 30, 2017	**$ 142**	**$ 1,000**	**$ 1,142**
September 30, 2018	**$ 5,682**	**$ 700**	**$ 6,382**

8. MINERAL PROPERTY INTERESTS

	Emigrant	St. Julien	Total
Balance, September 30, 2016	**$ 508,735**	**$ 46,602**	**$ 555,537**
Acquisition	13,500	34,502	48,002
Exploration	53,320	9,775	63,095
Balance, September 30, 2017	**575,555**	**90,879**	**666,434**
Acquisition	15,796	53,667	69,463
Exploration	126,122	6,309	131,431
Balance, September 30, 2018	**$ 717,473**	**$ 150,855**	**$ 868,328**

(Expressed in Canadian dollars)

8. MINERAL PROPERTY INTERESTS (continued)

Emigrant Project, USA

On June 15, 2014, the Company entered into an agreement to have an option agreement assigned (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 100% acquire the claims is still outstanding, for the following consideration:

Date Due	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 (paid $10,000)
June 1, 2018	35,000 (paid $12,000)
June 1, 2019	40,000
June 1, 2020	45,000
Every year thereafter until total consideration is $1,000,000	50,000

In May 2016, the Company negotiated with the optionor to amend the above 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, 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, 2017. In June 2018, the option agreement was amended whereby the Company paid USD$12,000 to the optionor during the year ended September 30, 2018.

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)

8. MINERAL PROPERTY INTERESTS (continued)

St. Julian Project, USA

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

Date Due	USD $
November 1, 2015	10,000 (paid)
February 1,2016	10,000 (paid)
November 1, 2016	30,000 (paid)
November 1, 2017	40,000 (paid)
November 1, 2018	50,000 (paid subsequent to September 30, 2018)
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
	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.

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.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2018		**September 30, 2017**
Accounts payable	$	738,997	$	52,179
Accrued liabilities		294,945		8,500
	$	1,033,942	$	60,679

10. LOANS PAYABLE

On October 11, 2017, the Company entered into an agreement for a $300,000 loan. The loan bore interest at 6% per annum, was unsecured and due on demand. During the year ended September 30, 2018, the Company recorded interest expense of $2,000 and repaid the principal and accrued interest in full.

On July 16, 2018, the Company entered into an agreement for a $255,205 loan. The loan bears interest at 8% per annum, is unsecured and due on the earlier date of the day the Company receives funds from next financing or 6 months. As at September 30, 2018, the principal and accrued interest is $243,644.

On August 21, 2018, the Company entered into an agreement for a $154,949 loan. In addition to the loan, the Company is to repay any additional expenses spent by the lender in regards to the business of the Company. The loan bears interest at 8% per annum, is unsecured and due on the earlier date of the day the Company receives funds from next financing or 6 months. As at September 30, 2018, the principal and accrued interest is $254,620.

On August 29, 2018, the Company entered into an agreement for a $123,794 loan. The loan bears no interest, is unsecured and due in 36 days. As at September 30, 2018, the principal and accrued interest is $123,794. On October 5, 2018, the Company repaid the principal in full.

11. SHARE CAPITAL

Authorized

Authorized share capital consists of an unlimited number of common shares without par value.

Share 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.

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.

On October 19, 2017, 50,000 share purchase warrants were exercised and 50,000 common shares were issued for gross proceeds of $5,000.

On November 27, 2017, the Company closed a bought deal offering for an issuance of 17,551,700 units for total proceeds of $2,031,705, net of share issuance costs. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.20 per share until November 27, 2020.

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Share Issuances (continued)

On November 30, 2017, 75,000 share purchase warrants were exercised and 75,000 common shares were issued for gross proceeds of $7,500.

On August 22, 2018, 50,000 share purchase warrants were exercised and 50,000 common shares were issued for gross proceeds of $5,000.

Share Subscriptions

As at September 30, 2018, the Company had received $224,650 in respect of subscription agreements for an aggregate of 1,497,667 units at a price of $0.15 per unit. Each unit consists of one common share and one half share purchase warrant. Each whole purchase warrant entitles the holder to purchase an additional common share at a price of $0.22 per share for a period of two years. These units were issued to the subscribers subsequent to September 30, 2018.

Shares to be issued

In June 2018, the Company entered into an agreement to receive various services. Pursuant to the terms of the agreement, the Company will pay a fee of $120,000 in common shares of the Company at the same terms of the planned private placement for services provided during the initial six months. As at September 30, 2018, $60,000 of the fee was payable in shares.

Options

The continuity of the number of share purchase options outstanding is as follows:

	Number		Weighted average exercise price
Outstanding, September 30, 2017 and 2016	4,300,000	**$**	0.20
Granted	4,428,619		0.15
Outstanding, September 30, 2018	8,728,619	**$**	0.17

As at September 30, 2018, the following options were outstanding:

Number of options		Expiry date		Exercise price	Weighted remaining contractual life (years)
Outstanding	*Exercisable*				
1,228,619	1,228,619	June 8, 2019	$	0.15	0.69
4,300,000	4,300,000	June 23, 2019	$	0.20	0.73
3,200,000	3,200,000	November 27, 2020	$	0.15	2.16
8,728,619					

(Expressed in Canadian dollars)

11. SHARE CAPITAL (continued)

Options (continued)

Stock based payments relating to options vested during the year ended September 30, 2018 using the Black-Scholes option pricing model was $371,835 (2017 - $55,533), which was recorded as reserves on the statements of financial position and as stock based compensation expense on the statement of operations and comprehensive loss. The associated stock based compensation expense for the options granted during the year was calculated based on the following weighted average assumptions: Risk free-interest rate – 1.95%; Dividend yield – 0.00%; Expected volatility – 72.66%; Expected life – 4.45 years.

Warrants

The continuity of the number of share purchase warrants outstanding is as follows:

	Number		Weighted average exercise price
Outstanding, September 30, 2016	11,000,000	$	0.15
Issued	5,000,000		0.10
Outstanding, September 30, 2017	16,000,000		0.13
Issued	17,551,700		0.20
Exercised	(175,000)		0.10
Outstanding, September 30, 2018	33,376,700	$	0.17

As at September 30, 2018, the following warrants were outstanding:

Number of warrants outstanding	Expiry date		Exercise price
11,000,000	June 23, 2019	$	0.15
4,825,000	June 8, 2019	$	0.10
17,551,700	November 27, 2020	$	0.20
33,376,700			

12. CAPITAL DISCLOSURE AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue its business objectives. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure. The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the operation of the Company.

The Company considers its capital structure to include shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms.

There have been no changes are made to the capital management policy during the year ended September 30, 2018.

13. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash, accounts payable, accrued liabilities, loans payable and loans receivables. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's consolidated financial instruments are summarized below.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at September 30, 2018, the Company had cash of $906 to settle current liabilities of $1,987,334. The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise additional financing through these means.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash. As at September 30, 2018, there were no financial instruments held by counterparties; therefore, the Company has incurred no credit risk as at that date or for the year then ended.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2018, the Company does not have any interest-bearing loans or liabilities outstanding. All accounts payable and accrued liability balances as at September 30, 2018 are current and as such, are not subject to interest.

(Expressed in Canadian dollars)

14. INCOME TAXES

The reconciliation of the provision for income taxes at the federal statutory rate compared to the Company's income tax expense as reported is as follows:

		September 30, 2018		September 30, 2017
Net loss	$	(3,057,195)	$	(1,285,310)
Statutory rate		26%		26%
Expected income tax expense (recovery)		(795,000)		(334,000)
Stock-based compensation		97,000		153,000
Share issue costs		(92,000)		-
Adjustment to prior year statutory return		18,000		199,000
Effect of foreign exchange		7,000		-
		(765,000)		18,000
Change in unrecognized deferred tax assets		765,000		(18,000)
	$	-	**$**	-

The significant components of deferred income tax assets at December 31, 2017 and December 31, 2016 are as follows:

		September 30, 2018		September 30, 2017
Deferred tax assets				
Non-capital losses	$	1,139,000	$	438,000
Share issue costs		92,000		4,000
Property and equipment		-		4,000
		1,231,000		446,000
Deferred tax liability				
Mineral property interests		(49,000)		(29,000)
Net deferred tax assets		1,182,000		417,000
Valuation allowance		(1,182,000)		(417,000)
	$	-	**$**	-

At September 30, 2018 the Company had accumulated non-capital loss carry-forwards of approximately $4,207,000 that expire in 2038. The potential future tax benefits of these expenses and losses carried-forward have not been reflected in these financial statements due to the uncertainty regarding their ultimate realization. Tax attributes are subject to review, and potential adjustment by tax authorities.

(Expressed in Canadian dollars)

15. 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, 2018 and 2017 was as follows:

		September 30, 2018		September 30, 2017
Consulting fees	$	288,659	$	22,000
Management fee		101,338		-
Share-based compensation		336,976		-
	$	726,973	$	22,000

As at September 30, 2018, the Company accrued consulting fees of $32,500 or USD$25,000 to the CEO of the Company for August and September 2018 per a consulting service agreement effective August 1, 2018 (September 30, 2017-$NIL) with a twelve-month term with an option to renew a further twelve months term. The Company owed a balance of $32,363 (September 30, 2017 - $NIL) as at September 30, 2018.

As at September 30, 2018, the consulting fee of $126,250 was paid to the Chairman and owed $124,002 including accrued interest to the Chairman. This balance was repaid in October 2018.

As at September 30, 2018, consulting fees of $84,909 for the CFO of the Company were incurred. On August 1, 2018, the Company and the CFO entered into a consulting service agreement whereby the Company would pay a consulting fee of USD$8,000 per month to the CFO effective August 1, 2018 and renewable after two four months. The Company owed a balance of $66,774 (September 30, 2017 - $646) as at September 30, 2018.

As at September 30, 2018, director and committee advisory fees of $102,500 for directors of the Company were incurred. The Company owed the directors a balance of $99,795 (September 30, 2017 - $NIL).

As at September 30, 2018, consulting and management fees of $43,838 for a corporate secretary of the Company were incurred. The Company owed the corporate secretary a balance of $8,400 (September 30, 2017 - $NIL).

16. CONTINGENCY

The Company has been served with a complaint in which the plaintiff has sought declaratory and injunctive relief prohibiting further exploration on the Emigrant Project. Management considers the complaint to be without merit and continues to pursue its defense in the Montana Sixth Judicial District Court.

17. EVENTS AFTER THE REPORTING PERIOD

Convertible Debenture Bought Deal Financing

On October 4, 2018, the Company completed a financing of units for proceeds of $2,500,000. The underwriter also exercised the over-allotment option in full and purchased an additional 375 units to cover over-allotments, for additional proceeds of $375,000 resulting in total proceeds of $2,875,000. Each unit issued consisted of $1,000 principal amount of 12% three-year convertible unsecured unsubordinated debentures and convertible at a price of $0.15 per common share, and 2,500 common share purchase warrants of the Company. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.22 for a period of 24 months.

Private Placement Financing

On October 11, 2018, the Company completed the first tranche of its non-brokered private placement by the issuance of 7,075,612 units issued at a price of $0.15 per unit for proceeds of $1,061,342. Each unit consists of one common share and one half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.22 for a period of 24 months following the closing date. A finder's fee of 8% in cash as well as corporate finance fee of $2,500 are payable on a portion of the units in association with the closing of the private placement.

On October 26, 2018, the Company announced the closing of the final tranche of its ongoing private placement by the issuance of an additional amount of 957,720 units issued at a price of $0.15 per unit for proceeds of $143,658.

Completion of Goldmindex Acquisition

On October 26, 2018, the Company issued 15,970,489 common shares to acquire Monterra in exchange for 100% of the outstanding common shares of Goldmindex. As a result, Goldmindex became a wholly owned subsidiary of the Company effective October 26, 2018.

Stock Option Grant

Subsequent to the year ended September 30, 2018, the Company granted 6,100,000 stock options to certain directors, officers and consultants of the Company. The options are exercisable at a price of $0.20 per share for a period of five years.