STRIKEPOINT GOLD INC.

Condensed Consolidated Interim Financial Statements

Nine Months Ended September 30, 2018

(Unaudited)

These unaudited condensed consolidated interim financial statements of Strikepoint Gold Inc. for the nine months ended September 30, 2018 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company’s external auditors.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT
(Unaudited)
(Expressed in Canadian dollars)

		September 30, 2018		December 31, 2017
ASSETS				
Current				
Cash	$	2,460,828	$	5,379,383
Receivables		423,419		164,031
Prepaid expenses and deposits		17,623		15,280
		2,901,870		5,558,694
Equipment (Note 3)		1,422		2,546
	$	2,903,292	$	5,561,240
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 10)	$	1,679,465	$	214,823
Shareholders' equity				
Share capital (Note 11)		33,305,112		30,869,358
Special warrants (Notes 5 and 11)		384,000		-
Reserves (Note 11)		7,524,304		7,156,406
Deficit		(39,989,589)		(32,679,347)
		1,223,827		5,346,417
	$	2,903,292	$	5,561,240

Nature of operations and going concern (Note 1)

On behalf of the Board:

"Shawn Khunkhun" Director	*"Ian Harris"* Director
Shawn KhunKhun	Ian Harris

See accompanying notes to these condensed consolidated interim financial statements

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended Sept 30, 2018	Three months ended Sept 30, 2017	Nine months ended Sept 30, 2018	Nine months ended Sept 30, 2017
EXPENSES				
Amortization (Note 4)	$ 194	$ 465	$ 1,124	$ 1,395
Consulting	195,900	78,410	261,000	140,740
Exploration costs (Notes 4 to 9)	3,194,481	876,168	4,439,887	2,120,112
Management fees (Note 12)	45,000	45,000	135,000	135,000
Office	11,694	9,323	33,140	30,112
Professional fees	37,617	24,140	92,737	100,308
Property acquisition payments (Notes 5 to 8)	1,837,500	-	1,837,500	4,192,500
Rent	9,000	9,000	27,000	27,000
Shareholder communications	34,825	73,612	109,813	165,693
Share-based payments (Note 11 (d))	337,652	61,096	337,652	1,159,601
Transfer agent and filing fees	17,402	1,554	56,228	54,803
Travel and related costs	8,922	4,547	19,426	10,218
Loss from operations	(5,730,187)	(1,183,315)	(7,350,507)	(8,137,483)
OTHER ITEMS				
Gain on sale of Black Raven property	-	(30,778)	-	622,925
Fair value adjustment on investments	-	(93,750)	-	(326,479)
Interest income	17,205	10,000	40,265	16,515
	17,205	(114,528)	40,265	312,961
Loss and comprehensive loss for the period	$ (5,712,982)	$ (1,297,843)	$ (7,310,242)	$ (7,824,522)
Loss per common share (basic and diluted)	$ (0.08)	$ (0.02)	$ (0.11)	$ (0.16)
Weighted average number of common shares outstanding (basic and diluted)	69,748,435	60,025,392	64,281,546	47,422,374

See accompanying notes to these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30,
(Unaudited)
(Expressed in Canadian dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (7,310,242)	$ (7,824,522)
Items not affecting cash:		
Amortization	1,124	1,395
Fair value adjustment on investments	-	326,479
Gain on sale of Black Raven property	-	(622,925)
Share-based payments	337,652	1,159,601
Acquisition payment by issuance of common shares	1,178,500	4,042,500
Acquisition payment by issuance of special warrants	384,000	-
Change in non-cash working capital items:		
Increase in receivables	(259,388)	(114,876)
Decrease (increase) in prepaid expenses and deposits	(2,343)	(85,136)
Increase (decrease) in accounts payable and accrued liabilities	1,464,642	44,693
Net cash used in operating activities	(4,206,055)	(234,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares, net of issuance costs	1,287,500	7,504,178
Proceeds from exercise of stock options	-	50,000
Proceeds from sale of mineral property	-	15,000
Net cash provided by financing activities	1,287,500	7,569,178
Change in cash and equivalents during the period	(2,918,555)	4,840,395
Cash and equivalents, beginning of period	5,379,383	935,655
Cash and equivalents, end of period	$ 2,460,828	$ 5,776,050
Cash and equivalents consist of:		
Cash	$ 60,828	$ 776,050
Guaranteed Investment Certificates (less than 90 days)	2,400,000	5,000,000
	$ 2,460,828	$ 5,776,050

See accompanying notes to these condensed consolidated interim financial statements.

STRIKEPOINT GOLD INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
(Expressed in Canadian dollars)

	Share Capital						
	Number	**Amount**	**Special Warrants**	**Warrants**	**Reserves**	**Deficit**	**Total**
Balance at December 31, 2016	25,752,683	$ 19,660,942	$ -	$ -	$ 5,575,865	$ (24,305,141)	$ 931,666
Shares issued for mineral property acquisition	10,500,000	4,042,500	-	-	-	-	4,042,500
Shares issued for private placement, net	23,461,154	7,035,713	-	468,465	157,814	-	7,504,178
Shares issued for exercise of stock options	250,000	97,525	-	-	(47,525)	-	50,000
Shares issued for finder's fee on sale of property	61,555	30,778	-	-	-	-	30,778
Share-based payments	-	-	-		1,159,601	-	1,159,601
Comprehensive loss for the period	-	-	-	-	-	(7,824,522)	(7,824,522)
Balance at September 30, 2017	60,025,39 2	$ 30,867,458	$ -	$ 468,465	$ 6,626,845	$ (32,129,663)	$ 5,894,201
Balance at December 31, 2017	60,035,3922	$ 30,869,358	$ -	$ 468,465	$ 6,687,941	$ (32,679,347)	$ 5,346,417
Shares issued for mineral property acquisitions	7,350,0000	1,178,500	-	-	-	-	1,178,500
Special Warrants issued for property acquisition *	-	-	384,000	-	-	-	384,000
Shares issued for private placements, net	6,700,0000	1,257,254	-	30,246	-	-	1,287,500
Share-based payments	-	-	-	-	337,652	-	337,652
Comprehensive loss for the period	-	-	-	-	-	(7,310,242)	(7,310,242)
Balance at September 30, 2018	74,085,392	$ 33,305,112	$ 384,000	$ 498,711	$ 7,025,593	$ (39,989,589)	$ 1,223,827

*** Note**: Each special warrant is convertible into one common share of the Company at any time without additional consideration for a five-year period (Notes 5 and 11).

See accompanying notes to these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

StrikePoint Gold Inc. (the "Company") is incorporated under the laws of the Province of Alberta and is listed on the TSX Venture Exchange under the symbol "SKP" and in the United States on the OTCQB under the symbol "STKXF". The Company is considered to be in the exploration stage with respect to its mineral properties. Based on the information available to date, the Company has not yet determined whether its mineral properties contain ore reserves.

The Company's head office and principle address is 507-837 West Hastings Street, Vancouver, BC, V6C 3N6. The registered and records office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared by management on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to complete its exploration projects by issuance of share capital or through joint ventures, and/or proceeds from the disposition of a property. As at September 30, 2018, the Company has an accumulated deficit of $39,989,589 and has working capital of $1,222,405. The Company's current forecast indicates that it will have sufficient cash available for the next year to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were authorized for issue on November 28, 2018 by the directors of the Company.

Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of its wholly-owned subsidiary, Mount Rainey Silver Inc. All intercompany accounts and transactions have been eliminated on consolidation.

Basis of preparation

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

Except for the adoption of IFRS 9 on January 1, 2018, as detailed below, these unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and, therefore, should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2017. In particular, the Company's significant accounting policies where were presented in Note 3 to the consolidated financials for the fiscal year ended December 31, 2017 have been consistently applied in the preparation of the Company's condensed consolidated interim financial statements.

These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Cont'd)

Adoption of new accounting standard

On January 1, 2018, the Company adopted IFRS 9 – *Financial Instruments,* which replaces IAS 39 Financial Instruments – *Recognition and Measurement*. The new standard provides guidance that is based on the Company's business model for managing its financial instruments, which includes the purpose for which the financial instruments were acquired as well as their contractual cash flow characteristics.

IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL"). It also includes a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own-credit risk in other comprehensive income for any liabilities designated as FVTPL.

Determination of the classification of financial instruments is made at initial recognition and reclassifications are made only upon the Company changing its business model for managing its financial instruments. Financial assets are derecognized when they mature or are sold, and substantially all of the risks and rewards of ownership have been transferred. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, upon initial recognition the Company can make a one-time irrevocable election to designate them as FVTOCI.

Upon adoption of IFRS 9 on a retrospective basis, the Company made an irrevocable election to measure its marketable securities at FVTOCI, therefore, there was no impact on the carrying values or equity as at January 1, 2018 and no measurement differences due to adopting the new standard. Accordingly, the Company was not required to retroactively restate the comparative periods or to make an adjustment to deficit or accumulated other comprehensive income at January 1, 2018. As a result of adopting IFRS 9, the Company's accounting policy for financial instruments has been modified to include the following:

Financial assets

FVTPL
Financial assets classified as FVTPL are initially recognized at fair value with transaction costs being expensed in the period incurred. Realized gains and losses recognized upon de-recognition and unrealized gains and losses arising from changes in the fair value of the financial assets are included in profit or loss in the period in which they arise.

FVTOCI
Investments in equity instruments classified as FVTOCI are initially recognized at fair value plus transaction costs. Unrealized gains and losses arising from changes in fair value are recognized in other comprehensive income with no subsequent reclassification to profit or loss upon de-recognition. Realized gains and losses recognized upon de-recognition remain within accumulated other comprehensive income.

Amortized cost
A financial asset is measured at amortized cost if the objective of the Company's business model is to hold the instrument for the collection of contractual cash flows, which are comprised solely of payments of principal and interest. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. Impairment losses are included in profit or loss in the period the impairment is recognized.

(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Cont'd)

Financial liabilities
The Company's financial liabilities include accounts payable and accrued liabilities and are measured at amortized cost.

The Company completed an assessment of its financial instruments as at January 1, 2018. The following table summarizes the original classification under IAS 39 and the new classification under IFRS 9:

	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL ($)	FVTPL ($)
Receivables	205,787	205,787
Accounts payable	51,748	51,748

3. EQUIPMENT

		Furniture & equipment
Cost		
Balance, December 31, 2016, 2017 and September 30, 2018	$	79,984
Accumulated amortization		
Balance, December 31, 2016	$	75,578
Amortization		1,860
Balance, December 31, 2017		77,438
Amortization		1,124
Balance, September 30, 2018	$	78,562
Carrying amounts		
As at December 31, 2017	$	2,546
As at September 30, 2018	$	1,422

(Expressed in Canadian dollars)

4. YUKON PROPERTIES

On March 28, 2017, the Company signed a definitive agreement with IDM Mining Ltd. ("IDM"), a Canadian public company, to purchase a 100% interest in a portfolio of 14,031 claims defining 22 properties over 282,000 hectares located in the Yukon, Canada. The terms of the agreement are as follows:

- pay $150,000 in cash (paid);
- issue 10,500,000 common shares of the Company with a value of $4,042,500 (issued); and
- incur $1,500,000 in exploration expenditures by December 31, 2017 (incurred).

IDM has been granted an equity participation right, allowing it to maintain its pro-rata interest. IDM has a right of first refusal for two years on the sale of any of the Yukon properties.

Exploration Costs	Yukon Properties	Porter Idaho Property (Note 6)	Handsome Jack Property (Note 7)	Lobstick Property (Note 8)	Total – Nine months ended September 30, 2018
Claim renewals	$ 43,842	$ -	$	$ -	$ 43,842
Drilling and assaying costs	287,073	586,418	1,658	-	875,149
Field costs	1,020,814	575,178		-	1,595,992
Geological consulting	462,500	187,770		4,600	654,870
Helicopter and fuel	628,682	638,345		-	1,267,027
Reports	3,007	-		-	3,007
Total	$ 2,445,918	$ 1,987,711	$ 1,658	$ 4,600	$ 4,439,887

Exploration Costs	Yukon Properties	(Note 8) Lobstick Property	Total - Year ended December 31, 2017
Claim renewals	$ 190,470	-	$ 190,470
Drilling and assaying costs	806,872	-	806,872
Field costs	441,553	-	441,553
Geological consulting	206,847	27,110	233,957
Helicopter and fuel	625,499	-	625,499
Reports	37,822	-	37,822
Total	$ 2,309,063	$ 27,110	$ 2,336,173

5. PORTER IDAHO PROPERTY

On August 15, 2018, the Company completed the acquisition of the Porter Idaho property, near Stewart, British Columbia, from Skeena Resources Limited (TSXV: SKE) ("Skeena") (the "Porter Idaho Transaction"), whereby the Company purchased the property indirectly through the acquisition of all of the shares of Mount Rainey Silver Inc., a wholly-owned subsidiary of Skeena. The terms of the Porter Idaho Transaction are as follows:

- $1,500,000 payable in cash to Skeena ($250,000 was paid on completion of the Porter Idaho Transaction with $1,250,000 to be paid over the ensuing period ending December 31, 2019) ;
- issuance to Skeena of 7,100,000 Strikepoint common shares (issued August 15, 2018);
- issuance to Skeena of 2,400,000 special warrants of Strikepoint (issued August 15, 2018). The special warrants have a five-year term. Each special warrant will be convertible into common shares of the Company for no additional consideration at such time that Skeena elects to convert.
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of $750,000.

Until such time as the purchase price has been paid in full, if the Company completes an equity or debt financing, the Company must pay to Skeena 50% of the net proceeds from a financing if the proceeds are less than $1 million and 100% of the net proceeds if the proceeds exceed $1 million, not to exceed any remaining purchase price obligation.

6. HANDSOME JACK PROPERTY

During August, 2018, the Company completed an acquisition agreement with Trifecta Gold Ltd. (TSXV: TG) ("Trifecta") to purchase the Handsome Jack property, adjacent to the Porter Idaho property, near Stewart, British Columbia (the "Transaction"). The terms of the Transaction are as follows:

- $25,000 payable in cash to Trifecta (paid);
- issuance to Trifecta of 250,000 Strikepoint common shares (issued); and
- grant of 1% NSR on the property with the option to buy back 0.5% at a price of $500,000.

7. BIG, BADA AND BOOM PROPERTIES

During September, 2018, the Company acquired, by staking, the Big, Bada and Boom properties contiguous to its Porter Idaho and Handsome Jack properties near Stewart, BC. Staking costs totaled $2,547.

8. LOBSTICK OPTION AGREEMENT

On November 26, 2013, the Company entered into an option agreement with an unrelated individual (the "Optionor") whereby the Optionor granted the Company the option to acquire a 100% undivided right, title and interest in the optioned property (the "Lobstick Property") located in the Lobstick area near Lake of the Woods, Ontario.

The Company earned its 100% interest in the Lobstick Property during December 2017.

During the nine months ended September 30, 2018, the Company incurred $3,100 (2017 - $19,850) of geological consulting expenditures on the Lobstick Property.

During the year ended December 31, 2017, the Company recognized property option payments expense of $16,900, comprised of the 2017 cash and share payments under the above agreement valued at $15,000 and $1,900, respectively.

Following the exercise of the option, the Company must pay and issue to the Optionor:

- $50,000 plus 100,000 common shares of the Company within 30 days of filing a technical report under National Instrument 43-101 demonstrating mineral resources on any part of the Lobstick Property;

- $50,000 plus 100,000 common shares of the Company within 30 days of filing a positive, bankable feasibility study (as defined under National Instrument 43-101) with respect to any part of the Lobstick Property; and

- A 3% net smelter return royalty with respect to the Lobstick Property upon commencement of commercial production, for which the Company may repurchase two-thirds of the 3% net smelter return royalty from the Optionor for $1,000,000 for each one-third repurchased.

9. ANGELINA PROPERTY - MANITOBA

The Company's owns a 100% interest in the Angelina property, located in Rice Lake Belt, Manitoba. The property is on care and maintenance.

(Expressed in Canadian dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2018	December 31, 2017
Accounts payable	$ 1,679,465	$ 189,823
Accrued liabilities	-	25,000
Total	$ 1,679,465	$ 214,823

11. SHARE CAPITAL AND RESERVES

a) Authorized share capital

As at September 30, 2018, the authorized share capital of the Company is an unlimited number of common shares without par value. All issued shares, consisting only of common shares, are fully paid.

b) Issued share capital

Fiscal 2017

On March 23, 2017, the Company issued 6,779,664 flow-through shares at $0.295 per share for gross proceeds of $2,000,001. There was no flow-through share premium with respect to this placement. A Finder's fee, totalling $140,000 and 474,576 finder's warrants, was paid in conjunction with this private placement. The finder's warrants are exercisable at $0.295 per share for a period of two years. The warrants were valued at $157,814 using the Black-Scholes option pricing model.

On April 3, 2017, the Company issued 3,524,490 units at $0.295 per unit for gross proceeds totalling $1,039,725. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.50 per share for a two-year period. Finders' fees totalling $65,873 and 223,334 finders' warrants, exercisable at $0.295 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $53,833 using the Black-Scholes option pricing model.

On May 2, 2017, the Company issued 13,157,000 flow-through units at $0.38 per unit for gross proceeds totalling $4,999,660. Each flow-through unit consisted of one flow-through common share and one-half non-flow-through share purchase warrant, with each whole warrant being exercisable at a price of $0.50 per share for a two year period. There was no flow-through share premium with respect to this placement. Finders' fees totalling $280,763 and 738,850 finders' warrants, exercisable at $0.38 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $256,818 using the Black-Scholes option pricing model.

On April 24, 2017, the Company issued 250,000 common shares pursuant to the exercise of 250,000 stock options, for proceeds of $50,000. On exercise, $47,525 was reclassified to share capital from reserves.

Fiscal 2018

On April 27, 2018, the Company issued 4,150,000 units at $0.20 per unit for gross proceeds totalling $830,000. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.40 per share for a two-year period. Finders' fees totalling $52,500 and 262,500 finders' warrants, exercisable at $0.20 per share for a period of two years, were paid in conjunction with this private placement. The warrants were valued at $30,246 using the Black-Scholes option pricing model.

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND RESERVES (cont'd)

b) Issued share capital (cont'd)

Fiscal 2018 (cont'd)

On July 23, 2018, the Company issued 2,550,000 units for proceeds totalling $510,000 in conjunction with the closing of a non-brokered private placement. Each unit is comprised of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.30 per share for a two-year period. There was no finder's fee payable in conjunction with this private placement.

On August 15, 2018, the Company issued 7,100,000 common shares and 2,400,000 special warrants pursuant to the Porter Idaho property acquisition described in Note 5, for which the market value on the date of issuance was $0.16 per share and per special warrant. Each special warrant is convertible, at any time, into one common share of the Company for a five-year period for no additional consideration.

On August 24, 2018, the Company issued 250,000 common shares pursuant to the Handsome Jack property acquisition described in Note 6, for which the market value on the date of issuance was $0.17 per share.

c) Stock options

The Company has an incentive stock option plan in place under which it is authorized to grant options to directors and employees to acquire up to 10% of the Company's issued and outstanding common shares. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of 5 years and vesting periods are determined by the Board of Directors.

Details of stock options outstanding and exercisable as at September 30, 2018 are as follows:

Number of Shares	Exercise Price	Expiry Date
1,200,000	$0.15	April 26, 2021
500,000	$0.30	October 25, 2021
3,455,000	$0.43	May 9, 2022
250,000	$0.38	August 7, 2022
2,000,000	$0.20	September 25, 2023
7,405,000		

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2016	2,000,000	$ 0.20
Forfeited	(50,000)	0.35
Granted	4,230,000	0.43
Exercised	(250,000)	0.20
Balance, December 31, 2017	5,930,000	$ 0.36
Forfeited	(525,000)	0.42
Granted	2,000,000	0.20
Balance, September 30, 2018	7,405,000	$ 0.31
Balance, exercisable, September 30, 2018	7,405,000	$ 0.31

(Expressed in Canadian dollars)

11. SHARE CAPITAL AND RESERVES (cont'd)

d) Share-based payments

During January 2017, the Company granted stock options to a consultant to acquire up to 125,000 common shares with a grant date fair value of $0.39 per option, resulting in stock-based payments expense of $47,290, using the Black-Scholes option pricing model.

During May, 2017, the Company granted stock options to directors, officers and consultants to acquire up to 3,855,000 common shares with a grant date fair value of $0.43 per option, resulting in stock-based payments expense of $1,051,215, using the Black-Scholes option pricing model.

During August, 2017, the Company granted stock options to a consultant to acquire up to 250,000 common shares with a grant date fair value of $0.38 per option, resulting in stock-based payments expense of $61,096, using the Black-Scholes option pricing model.

During September 2018, the Company granted stock options to directors, officers and a consultant to acquire up to 2,000,000 common shares with a grant date fair value of $0.20 per option, resulting in stock-based payments expense of $337,652 using the Black-Scholes option pricing model.

e) Warrants

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2016	-	$	-
Issued	11,539,750		0.48
Balance, December 31, 2017	11,539,750	$	0.48
Issued	4,150,000		0.40
Issued	262,500		0.40
Issued	2,550,000		0.30
Balance, September 30, 2018	18,502,250	$	0.44

Details of warrants outstanding and exercisable as at September 30, 2018 are as follows:

Number of Shares	Exercise Price	Expiry Date
474,576	$0.295	March 22, 2019
223,334	$0.295	April 2, 2019
3,524,490	$0.50	April 2, 2019
738,850	$0.38	May 1, 2019
6,578,500	$0.50	May 1, 2019
262,500	$0.40	April 27, 2020
4,150,000	$0.40	April 27, 2020
2,550,000	$0.30	July 23, 2020
18,502,250		

(Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2018, the Company entered into the following transactions with related parties:

a) Paid or accrued management fees of $135,000 (2017 - $135,000) to the CEO of the Company.

b) Paid or accrued professional fees of $58,500 (2017 - $47,500) to a company controlled by the Corporate Secretary of the Company.

c) Paid or accrued consulting fees of $27,000 (2017 - $27,000) to a company controlled by a director of the Company and $62,000 (2017 - $14,000) to directors of the Company.

d) Paid or accrued geological consulting fees of $885,195 (2017 - $528,859) to a company controlled by the Company's vice-president of exploration.

Key management personnel compensation disclosed above (including senior officers and certain directors of the Company):

	September 30, 2018	September 30, 2017
Short-term benefits	$ 1,167,695	$ 752,359

13. FINANCIAL INSTRUMENTS AND RISK FACTORS

Fair value

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

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

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value. Cash is measured based on Level 1 inputs of the fair value hierarchy.

The following is an analysis of the Company's financial assets measured at fair value as at September 30, 2018 and December 31, 2017:

	As at September 30, 2018		
	Level 1	**Level 2**	**Level 3**
Cash	$ 2,460,828	$ -	$ -

	As at December 31, 2017		
	Level 1	**Level 2**	**Level 3**
Cash	$ 5,379,383	$ -	$ -

13. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd)

Risk factors

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 has cash balances but no interest-bearing debt. The bank account is held with a major Canadian bank. As all of the Company's cash is held by one bank, there is a concentration of credit risk with the bank. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Company operates in Canada and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank account. The income earned on the bank account is subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

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. The Company achieves this by maintaining sufficient cash balances.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risk have been assessed as high.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation interests, acquire additional exploration and evaluation interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

14. CAPITAL MANAGEMENT (cont'd)

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management.

15. SEGMENTED INFORMATION

The primary business of the Company is the acquisition and exploration of mineral properties in Canada.