TARKU RESOURCES

Condensed Consolidated Interim Financial Statements

March 31, 2018

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim financial statements have been prepared by management.

The company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	March 31, 2018 (Unaudited)	September 30, 2017 (Audited)
Current		
Cash and cash equivalents	$ 198,159	$ 493,220
Trade and other receivables	19,140	29,375
Prepaid	-	1,100
	217,299	523,695
Non-current		
Exploration and evaluation assets (note 4)	844,629	833,278
Total assets	$ 1,061,928	$ 1,356,973
Liabilities		
Current		
Trade and other payables (note 7)	$ 274,791	$ 143,430
Flow-through premium liability (note 5)	-	11,925
	274,791	155,355
Equity		
Share capital (note 5)	3,809,629	3,526,011
Contributed surplus	180,336	180,336
Deficit	(3,202,828)	(2,504,729)
	787,137	1,201,618
Total liabilities and equity	$ 1,061,928	$ 1,356,973

Nature of business and continuance of operations (note 1)

APPROVED ON BEHALF OF THE BOARD

“Julien Davy”	**"Sylvain Laberge"**
President & Director	**CEO & Director**

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Three Months Ended March 31,		**Six Months Ended March 31,**	
	2018	2017	**2018**	2017
Expenses				
Administrative expenses (note 6)	**$24,650**	$8,749	**$53,994**	$29,509
Consulting fees (note 6)	**64,360**	29,000	**118,720**	60,999
Exploration costs (notes 3 and 6)	**386,070**	-	**492,361**	26,280
Investor Relations expenses	**22,336**	20,505	**31,438**	39,090
Listing and filing fees	**11,878**	13,569	**15,908**	19,922
Professional fees	**11,937**	19,209	**24,603**	26,340
Share-based compensation (note 4)	**-**	-	**-**	123,750
	(521,231)	(91,032)	**(737,024)**	(325,890)
Other income – flow-through premium (note 5)	**27,000**	-	**38,925**	-
Loss and Comprehensive loss for the period	**$(494,231)**	**$(91,032)**	**$(698,099)**	$(325,890)
Basic and diluted loss per share	**(0.01)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of shares outstanding basic and diluted	**59,829,342**	32,228,112	**32,436,145**	58,419,416

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars)

For the Six months ended March 31,	2018	2017
Operating activities		
Loss for the period	$(698,099)	$(234,859)
Adjustments:		
Other income - flow-through premium	(38,925)	-
Share-based compensation	-	123,750
Changes in non-cash working capital items:		
Prepaid	1,100	3,000
Trade and other receivables	10,234	3,796
Quebec mining tax credit receivable	-	58,100
Trade and other payables	131,363	(70,881)
	(594,327)	(117,094)
Investing activities		
Additions to exploration and evaluation assets	(10,102)	-
	(10,102)	-
Financing activities		
Shares and units issued	321,000	-
Share issuance costs	(11,632)	-
	309,368	-
Decrease in cash and cash equivalents	(295,061)	(117,094)
Cash and cash equivalents, beginning of period	493,220	246,625
Cash and cash equivalents, end of period	$ 198,159	$ 129,531
Cash and Cash Equivalents consists of:		
Cash	$ 180,559	$ 111,931
Term Deposit	17,600	17,600
	$ 198,159	$ 129,531

Supplemental cash flow information (Note 12)

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

Tarku Resources Ltd.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Equity
Balance, September 30, 2016	**30,418,167**	**$**	**2,249,706**	**$**	**-**	**$**	**(1,846,997)**	**$**	**402,709**
Shares issued for mineral properties	2,800,000		136,000		-		-		136,000
Share-based compensation	-		-		123,750		-		123,750
Net loss and comprehensive loss	-		-		-		(325,890)		(325,890)
Balance, March 31, 2017	**33,218,167**	**$**	**2,385,706**	**$**	**123,750**	**$**	**(2,172,887)**	**$**	**336,569**

	Number of Common Shares		Share Capital		Contributed Surplus		Deficit		Equity
Balance, September 30, 2017	**57,055,466**	**$**	**3,526,011**	**$**	**180,336**	**$**	**(2,504,729)**	**$**	**1,201,618**
Private placements	5,700,000		321,000		-		-		321,000
Flow-through premium liability	-		(27,000)		-		-		(27,000)
Share issue costs	-		(11,632)		-		-		(11,632)
Shares issued for mineral properties	25,000		1,250		-		-		1,250
Net loss and comprehensive loss	-		-		-		(698,099)		(698,099)
Balance, March 31, 2018	**62,780,466**	**$**	**3,809,629**	**$**	**180,336**	**$**	**(3,202,828)**	**$**	**787,137**

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

(Expressed in Canadian dollars)

1. Nature of business and continuance of operations

The principal business activity of Tarku Resources Ltd. (the "Company") is the exploration for mineral resources in the provinces of Saskatchewan and Quebec. The Company's corporate office is located at Suite 602, 224 4th Ave S., Saskatoon, Saskatchewan.

The condensed consolidated interim financial statements (the "financial statements") have been prepared on a going concern basis which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability in the future to achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity to the public, will be sought to finance the operations of the Company. Although the Company has a history of raising money, there is no guarantee of this in the future. As a result, there exists material uncertainty which raises significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. Basis of preparation

(a) Statement of compliance

The Company's financial statements for the period ended March 31, 2018 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, has been omitted or condensed.

The same accounting policies and methods of computation were followed in the preparation of these condensed interim financial statements as were followed in the preparation and described in Note 2 of the annual audited financial statements as at and for the year ended September 30, 2017. Accordingly, these condensed interim financial statements for the three and six month periods ended March 31, 2018 and 2017 should be read together with the annual financial statements as at and for the year ended September 30, 2017.

These financial statements were authorized for issue by the Board of Directors on May 7, 2018.

(b) Basis of consolidation

These financial statements include the financial statements of the Company and the entities controlled by the Company. 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. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsidiary name	Place of Incorporation	Ownership	Principal activity
Eureka Exploration Inc. ("Eureka")	Quebec	100%	Exploration

(Expressed in Canadian dollars)

3. Acquisition of Eureka Exploration Inc.

On June 1, 2017 (the "Transaction Date") the Company acquired all of the issued and outstanding common shares of Eureka (note 2(b)) through a share purchase agreement (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, Eureka shareholders received 10,000,000 shares of the Company in exchange for all of the outstanding shares of Eureka. In addition, the Eureka warrant holders received 900,000 replacement warrants of the Company and all of the outstanding warrants in Eureka were subsequently cancelled. The warrants issued by the Company expire June 29, 2018 and are exercisable at a price of $0.10 per warrant. The fair value of the replacement warrants was estimated to be $13,500 using the Black-Scholes valuation model with the following assumptions: risk-free interest rate of 0.69%, expected life of 1.08 years, annualized volatility of 134% and a dividend rate of nil.

Eureka does not qualify as a business according to the definition in IFRS 3, Business Combinations and accordingly it has been treated as an asset acquisition. The consideration paid by the Company for Eureka's net assets is measured by calculating the fair value of the consideration paid and allocating such to the net assets of Eureka as of the Transaction Date.

The consideration paid by the Company to acquire Eureka's net assets is summarized as follows:

Issuance of 10,000,000 common shares (note 6(a)((v))	$ 450,000
Issuance of 900,000 replacement warrants	13,500
	$ 463,500

The consideration paid has been assigned based on the relative fair values of the assets acquired and the liabilities assumed as of the transaction date as follows:

Cash	$ 4,870
Other receivables	1,712
Exploration and evaluation assets (note 5)	464,114
Trade and other payables	(7,196)
	$ 463,500

4. Exploration and evaluation assets

Chateau Fort gold project, Quebec

The Chateau Fort project consist of 205 claims (108.20 km2) located within the Cree communities of Mistissini (category III lands) of the Eeyou Istchee James-Bay territory, 300 km north of Chibougamau and five kilometers east of the all season road 167 to the Stornoway Renard diamond mine.

Eros holds a 2% net smelter return ("NSR") royalty on claims not subject to other underlying agreements. The Company will have the right to buy down the royalty to 1% for $2,000,000 on or before commencement of commercial production. In addition, Eros retains the right to maintain its pro rata percentage ownership of the Company via future financings, and first right of refusal on third party offers to purchase the project.

On July 29, 2016, the project option agreement was amended as follows: 100% of the project was transferred to the Company with no other liabilities or consideration or commitments and the right to buy down the royalty to 1% was reduced from $2,000,000 to $500,000.

During the period ended March 31, 2018 the Company incurred $795 (September 30, 2017 - $30,625) in exploration expenditures and received $2,757 (September 30, 2017 - $21,809) exploration ITCs in connection with previous years exploration expenditures.

4. Exploration and evaluation assets (continued)

Berthiaume gold project, Quebec

The Berthiaume project consist of 29 claims (16.23 km2) located within the Cree communities of Waswanipi (category III lands) of the Eeyou Istchee James-Bay territory, 57 km south of Matagami. The project is year-round accessible via the Route 1005 and secondary bush roads.

On March 29, 2017, the Company acquired 29 mineral claims, 1,623 hectares, in the municipality of Matagami, Quebec, from Marche des Capitaux The Ask (the "Ask") and Syndicated Capital Corp ("Syndicated"), two arms-length parties, subject to the following terms:

(i) $15,000 cash payment ($11,250 to the Ask, $3,750 to Syndicated) (paid); and
(ii) 800,000 common shares (600,000 shares to the Ask, 200,000 to Syndicated) (issued).

The Berthiaume project is subject to a 1% NSR royalty (0.75 % NSR to The Ask and 0.25% NSR to Syndicated) half of which may be bought back by the Company for $500,000 ($375,000 to The Ask and $125,000 to Syndicated).

During the period ended March 31, 2018 the Company incurred $nil (September 30, 2017 - $nil) in exploration expenditures in connection with this project.

Richardson gold project, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (note 3), which owns 42 mining claims covering 2,319 hectares located 20 kilometers north-northeast of Chibougamau, Quebec.

During the period ended March 31, 2018 the Company incurred $9,181 (September 30, 2017 - $33,168) in exploration expenditures in connection with this project.

Bullion gold project, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (note 3), which owns 26 mining claims covering 1,435 hectares located 25 kilometers north-northeast of Chibougamau, Quebec.

During the period ended March 31, 2018 the Company incurred $5,359 (September 30, 2017 - $35,007) in exploration expenditures in connection with this project.

Apollo gold project, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (note 3), which owns 104 mining claims covering 5,495 hectares located 50 kilometers east from Matagami, Quebec.

On December 12, 2018 the Company entered into a purchase agreement, with an arms length party, to acquire 100% undivided interest in 1 claims near the municipality of Matagami, Quebec.

Under the terms of the agreement the consideration required to be given by the company is:

1. $600 cash payment, in total, upon approval fo the TSX Venture Exchange (accrued)
2. Issuance of 12,500 common shares, in total upon approval of the TSX Venture Exchange (Issued)

During the period ended March 31, 2018 the Company incurred $59,455 (September 30, 2017 - $42) in exploration expenditures in connection with this project.

4. Exploration and evaluation assets (continued)

Admiral gold project, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (note 3), which owns 24 mining claims covering 1,334 hectares located 25 kilometers east from Matagami, Quebec.

On December 12, 2018 the Company entered into a purchase agreement, with an arms length party, to acquire 100% undivided interest in 1 claims near the municipality of Matagami, Quebec.

Under the terms of the agreement the consideration required to be given by the company is:

1. $600 cash payment, in total, upon approval fo the TSX Venture Exchange (accrued)
2. Issuance of 12,500 common shares, in total upon approval of the TSX Venture Exchange (Issued)

During the period ended March 31, 2018 the Company incurred $nil (September 30, 2017 - $nil) in exploration expenditures in connection with this project.

Atlas gold project, Quebec

On June 1, 2017, the Company purchased 100% of Eureka (note 2), which owns 89 claims covering 4,870 hectares located 50 kilometers east from Matagami, Quebec.

During the period ended March 31, 2018 the Company incurred $42,613 (September 30, 2017 - $nil) in exploration expenditures in connection with this project.

Net Smelter Royalty

Each of the Eureka properties is subject to:

a. 1% NSR in favour of Julien Davy, a director and officer of the Company, half of which can be bought back by the Company for $500,000.
b. 1% NSR in favour of Benoit Lafrance, a director and exploration manager of the Company; half of which can be bought back by the Company for $500,000.

Guercheville project, Quebec

On January 15, 2018, the Company signed of an option and joint venture agreement with SOQUEM Inc., a subsidiary of Ressources Québec, to acquire 50% of the Guercheville Project

According to the terms of the option agreement, signed on January 15, 2018 (the "Effective Date"), the Company has the option to acquire a 50% interest in the Guercheville Project by incurring $2,000,000 in exploration work over a period of three (3) years according to the following schedule:

1. $350,000 by the first anniversary of the Effective Date;
2. $650,000 by the second anniversary of the Effective Date; and
3. $1,000,000 by the third anniversary of the Effective Date.

Upon acquisition of the 50% interest, SOQUEM and Tarku will form a joint venture.

During the period ended March 31, 2018 the Company incurred $351,857 (September 30, 2017 - $nil) in exploration expenditures in connection with this project.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

Virgin River project, Saskatchewan

On January 15, 2014, the Company entered into an option agreement with Eagle Plains Resources Ltd. ("Eagle Plains") (related by virtue of common directors) to earn an undivided 60% interest in the Virgin River project situated in Saskatchewan.

On August 16, 2016, the project option agreement was amended as follows: 100% of the project was transferred to the Company with no other liabilities or commitments. In consideration the Company issued 2,000,000 common shares, which were issued during the year ended September 30, 2017 (note 6(a)(ii)). Eagle Plains will maintain a 2% NSR, with the Company having the right to buy down the royalty to 1% for $1,000,000 on or before commencement of commercial production.

During the period ended March 31, 2018 the Company incurred $nil (September 31, 2017 - $732) in exploration expenditures in connection with this project.

The following is a summary of changes to exploration and evaluation assets:

Property	Balance at Sept. 30, 2016	Acquisitions and renewals	Balance at Sept. 30, 2017
Chateau Fort	$ 186,355	$ 34,065	$ 220,420
Berthiaume	-	51,000	51,000
Richardson	-	70,529	70,529
Bullion	-	43,643	43,643
Apollo	-	161,798	161,798
Admiral	-	40,572	40,572
Atlas	-	145,315	145,315
Virgin River	1	100,000	100,001
	$ 186,356	**$ 646,922**	**$ 833,278**

Property	Balance at Sept. 30, 2017	Acquisitions and renewals	Balance at Mar. 31, 2018
Chateau Fort	$ 220,420	$ 5,948	$ 226,368
Berthiaume	51,000	2,450	53,450
Richardson	70,529	2,917	73,446
Bullion	43,643	-	43,643
Apollo	161,798	36	161,834
Admiral	40,572	-	40,572
Atlas	145,315	-	145,315
Virgin River	100,001	-	100,001
	$ 833,278	**$ 11,351**	**$ 844,629**

The fair value of the shares issued pursuant to the acquisition of Eureka (note 3) were allocated based on the relative fair values of the assets acquired and the liabilities assumed as of the Transaction Date. The fair value attributable to the exploration and evaluation assets acquired was further allocated based on the number of hectares occupied by the individual properties.

4. **Exploration and evaluation assets (continued)**

The following is a summary of exploration and evaluation expenditures:

For the six months ended March 31, 2017

	Chateau Fort	Berthiaume	Richardson	Apollo	Atlas	Admiral	Bullion	Virgin River	Total
Geological	$ 26,280	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**26,280**
Total exploration expenditures	**$ 26,280**	**$ -**		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 26,280**

*Exploration input tax credits ("ITC") are received from the Quebec government for qualifiying exploration work. Expenditures incurred to satisfy flow through share issuance does not qualifiy for the the ITC.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

For the six months ended March 31, 2018

	Chateau Fort	Berthiaume	Richardson	Apollo	Atlas	Admiral	Bullion	Guercheville	Virgin River	Total
Data compilation and planning	$ 545	$ -	$ -	$ 588	$ 398	$ -	$ -	$ 5,758	$ -	**7,289**
Drilling	-	-	-	-	-	-	-	346,099		**346,099**
Geological	250	-	6,842	6,067	4,115	-	1,586	-	-	**18,860**
Geochemical	-	-	-	52,800	38,100	-	-	-	-	**90,900**
Geophysical	-	-	-	-	-	-	-	-	-	**-**
Ground Stripping	-	-	2,339	-	-	-	3,773	-	-	**6,112**
Exploration ITC refund*	(2,758)	-	-	-	-	-	-	-	-	**(2,758)**
Total exploration expenditures	**$ (1,962)**	**$ -**	**$ 9,181**	**$ 59,455**	**$ 42,613**	**$ -**	**$ 5,359**	**$ 351,857**	**$ -**	**$ 466,502**
Cumulative exploration expenditures since inception	**$ 247,688**	**$ -**	**$ 47,392**	**$ 107,072**	**$ 74,030**	**$ -**	**$ 45,725**	**$ 351,857**	**$ 732**	**$ 874,496**

5. Share capital

(a) Authorized

Unlimited common shares with no par value

Issued

(i) On October 19, 2016, 2,000,000 common shares were issued at a fair value of $100,000 ($0.05 per share) to Eagle Plains pursuant to the amended option agreement in respect of the Virgin River project, Saskatchewan (note 5).

(ii) On March 29, 2017, 800,000 common shares were issued at a fair value of $36,000 ($0.045 per share) to The Ask and Syndicated, in total, pursuant to a property purchase agreement in respect of the Berthiaume project, Quebec (note 5).

(iii) On April 18, 2017, the Company completed a private placement for gross proceeds of $193,500 as follows: issued 3,870,000 non-flow-through units at a price of $0.05 per unit. Each unit consists of one non-flow-through common share and one-half share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Comany at a price of $0.08, expiring April 18, 2019. No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $19,715.

(iv) On June 1, 2017, 10,000,000 common shares were issued at a fair value of $450,000 ($0.045 per share) to the shareholders of Eureka pursuant to the Share Purchase Agreement (note 3).

(v) On July 20, 2017, the Company completed a private placement for gross proceeds of $486,998 as follows: issued 6,533,299 non-flow-through units at a price of $0.06 per unit and 1,187,500 flow-through common shares at a price of $0.08 per flow-through share. Each non-flow through unit consists of one non-flow-through common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.08, expiring July 20, 2020. In connection with the flow-through portion of the financing completed, a total of $29,688 ($0.025 per share) was allocated as a flow-through premium liability (note 6(e)), whereas a residual value of $32,666 ($0.005 per unit) was allocated to the warrant component of the non-flow-through unit portion of the financing. The Company incurred share issue costs of $30,595.

(vi) On September 11, 2017, the Company completed a private placement for gross proceeds of $138,040 as follows: issued 2,084,000 non-flow-through units at a price of $0.06 per unit and 162,500 flow-through common shares at a price of $0.08 per flow-through share. Each non-flow through unit consists of one non-flow-through common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.08, expiring September 11, 2020. In connection with the flow-through portion of the financing completed, a total of $4,063 ($0.025 per share) was allocated as a flow-through premium liability (note 6(e)), whereas a residual value of $10,420 ($0.005 per unit) was allocated to the warrant component of the non-flow-through unit portion of the financing. The Company incurred share issue costs of $1,087. As at September 30, 2017, $5,000 from the offering remains outstanding and has been included in trade and other receivables.

(Expressed in Canadian dollars)

5. Share capital (continued)

(i) On February 21, 2018, the Company completed a private placement for gross proceeds of $321,000 as follows: issued 3,900,000 non-flow-through units at a price of $0.05 per unit and 1,800,000 flow-through common shares at a price of $0.07 per flow-through share. Each non-flow through unit consists of one non-flow-through common share and one-half of a common share purchase warrant. Each full warrant will entitle the holder to purchase one common share of the Company at a price of $0.10, expiring February 21, 2020. In connection with the flow-through portion of the financing completed, a total of $27,000 ($0.015 per share) was allocated as a flow-through premium liability (note 6(e)). No value was attributed to the warrant component of the units sold. The Company incurred share issue costs of $11,632.

(b) Stock option Plan

The Company has a stock option plan (the "Plan") whereby options to purchase common shares are granted by the board of directors to directors, officers, employees and consultants to the Company. Under the terms of the Plan, the Company has reserved an amount of common shares for options up to 10% of the issued and outstanding number of common shares. Options granted under the Plan are non-transferable; expire no later than the tenth anniversary of the date the option is granted and must comply with the requirements of the regulatory authorities. Options granted under the Plan are subject to vesting terms determined by the board.

A summary of the changes to outstanding and exercisable stock options during the six months ended March 31, 2018 and year ended September 30, 2017 is presented below.

	March 31, 2018			September 30, 2017		
	Options		Price	Options		Price
Beginning of period	2,750,000	$	0.10	-	$	-
Options granted	-		-	2,750,000		0.10
End of period	**2,750,000**	**$**	**0.10**	**2,750,000**	**$**	**0.10**

As at March 31, 2018, the weighted average remaining life of stock options is 3.58 years (September 30, 2017 – 4.07).

On October 26, 2016, the board of directors of the Corporation approved the grant of 2,750,000 stock options pursuant to the Plan. 2,250,000 of the options were granted to directors and executive officers with the balance granted to consultants and the advisory board. The options are exercisable at $0.10 per share, vest immediately and, if not exercised, expire October 26, 2021, subject to earlier expiration in accordance with the Plan and applicable policies of the TSX Venture Exchange.

The value of options issued on October 26, 2016, using the Black-Scholes option pricing model, was $123,750 which was allocated to the share-based compensation expense with a corresponding increase in contributed surplus. Assumptions used in the pricing model for the year are as follows: risk-free interest rate of 0.62%, expected life of 5 years, annualized volatility 159.32%, and dividend rate of nil.

(Expressed in Canadian dollars)

5. Share capital (continued)

(c) Warrants

During the six months ended March 31, 2018 and year ended September 30, 2017 , the Company had the following warrant activities:

	Number of Warrants	Exercise Price	Weighted Avg. Exercise Price
Balance, September 30, 2016	12,863,167		$0.12
Issued	7,143,648	$0.09	
Expired	(2,659,167)	$0.20	
Balance, September 30, 2017	17,347,648		$0.10
Issued	1,950,000	$0.10	
Balance, March 31, 2018	**19,297,648**		**$0.10**

At March 31, 2018, the following table summarizes information about warrants outstanding:

Total issued and outstanding	Warrants Outstanding	Expiry Date	Exercise Price
	7,104,000	June 24, 2018	$0.10
	900,000	June 29, 2018	$0.10
	3,100,000	July 21, 2018	$0.10
	1,935,000	April 18, 2019	$0.08
	3,266,648	July 20, 2020	$0.10
	1,042,000	Sept. 11, 2020	$0.10
	1,950,000	Feb 21. 2021	$0.10
Balance, December 31, 2017	**19,297,648**		**$0.10**

(d) Escrow shares

At March 31, 2018 and September 30, 2017, no common shares were held in escrow.

5. Share capital (continued)

(e) Other income on settlement of flow-through premium liability

During the period ended March 31, 2018, the Company closed flow-through financings and recorded a total premium received on flow-through shares in the amount of $27,000 (September 30, 2017 - $33,750), which was recorded as a liability to be reversed to profit and loss as the eligible expenditures were incurred. As at March 31, 2018, the Company had reduced the liability by $38,925 (September 30, 2017 - $21,825), based on expenditures incurred, to $nil and accordingly, had recorded other income in the same amount.

6. Commitments and contingencies

As of March 31, 2018, the Company had $17,600 (September 30, 2017 - $17,600) in term deposits with a Canadian financial institution for the guarantee of business credit cards.

7. Related party transactions

The Company had the following related party transactions during the six months ended March 31, 2018 and 2017:

(a) A former director and officer of the Company provided consulting services to the Company. Fees incurred during the period were $nil (2017 - $12,500).

(b) An officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $56,000 (2017 - $nil). At March 31, 2018, $5,383 (September 30, 2017 - $nil) is recorded in trade and other payables.

(c) An officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $30,000 (2017 - $30,000). At March 31, 2018, $2,155 (September 30, 2017 - $20,364) is recorded in trade and other payables.

(d) An officer and director of the Company provided consulting services to the Company. Fees incurred during the period were $30,000 (2017 - $12,000). At March 31, 2018, $nil (September 30, 2017 - $nil) is recorded in trade and other payables.

(e) A director of the Company provided exploration consulting services to the Company. Fees and wages incurred during the period were $57,000 (2017 - $nil). At March 31, 2018, $1,320 (September 30, 2017 - $nil) is recorded in trade and other payables.

(f) A director of the Company provided consulting services to the Company. Fees incurred during the period were $10,000 (2017 - $nil). At March 31, 2018, $nil (September 30, 2017 - $nil) is recorded in trade and other payables.

(g) The Company paid $nil (2017 - $1,450), which were recorded to administrative expenses, to Eagle Plains which has common directors with the Company. At March 31, 2018, $3,857 (September 30, 2017 - $9,776) is recorded in trade and other payables.

(Expressed in Canadian dollars)

7. Related party transactions (continued)

Key Management Compensation:

Six months ended March 31,		2018		2017
Consulting fees	$	118,720	$	54,500
Administrative expenses		1,000		-
Exploration expense		56,000		-
Share-based compensation to directors and officers		-		101,250
	$	175,720	$	132,750

8. Segmented information

The Company operates in one operating segment, being the exploration of mineral properties. The Company's exploration and evaluation assets by geographic location are as follows:

		March 31, 2018		September 31, 2017
Saskatchewan, Canada	$	100,001	$	100,001
Quebec, Canada		744,628		733,277
	$	844,629	$	833,278

9. Capital management

The Company includes cash and cash equivalents and equity, comprising of issued common shares, contributed surplus and deficit, in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended March 31, 2018. The Company was not subject to any externally imposed capital requirements, other than maintained term deposits for the guarantee of business credit cards (note 6).

10. Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital, and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk – The Company ensures that there is sufficient capital in order to meet short term business requirements. The Company had a cash infusion from directors and officers subsequent to year end to provide working capital. The Company believes that these sources will be sufficient to cover the likely short term cash requirements.

Interest rate risk – In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. For the period ended March 31, 2018, every 1% fluctuation in interest rates up or down would have had little impact on net loss.

Commodity price risk – The value of the Company's mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

Fair Value - The Company has various financial instruments comprised of cash and cash equivalents, trade and other receivables and trade and other payables.

(Expressed in Canadian dollars)

10. Financial risk management (continued)

For disclosure purposes, all financial instruments measured at fair value are categorized into one of three hierarchy levels, described below. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities:

Level 1 – Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 198,159	$ -	$ -	$ 198,159

September 30, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 493,220	$ -	$ -	$ 493,220

11. Income taxes

As at September 30,	**2017**	**Expiry Date Range**	**2016**	**Expiry Date Range**
Exploration and evaluation assets	$ 32,000	No expiry date	$ 323,000	No expiry date
Share issue costs	$ 79,000	2038 to 2041	$ 59,000	2037 to 2040
Non-capital losses available for future period	$ 1,898,000	2031 to 2037	$ 1,459,000	2031 to 2036

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

12. Supplemental cash flow information

Additional cash flow information	Mar. 31, 2018	Sept. 30, 2017
Interest received in cash	$ -	$ -
Interest paid in cash	$ -	$ -
Income taxes paid in cash	$ -	$ -

12. Supplemental cash flow information (continued)

Non-cash investing and financing activities

During the three months ended December 31, 2016, the Company issued;

- 2,000,000 common shares with a value of $100,000 pursuant to a mineral project option agreement and project acquisition agreement.

During the three months ended December 31, 2017, the Company issued;

- 25,000 common shares with a value of $1,250 pursuant to a mineral project option agreement and project acquisition agreement.