Azncourt Energy Corp.
(formerly Azincourt Uranium Inc.)

(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements

Three and Six Months Ended March 31, 2018 and 2017

Unaudited – Expressed in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Azincourt Energy Corp. (formerly Azincourt Uranium Inc.)
(An Exploration Stage Company)
Consolidated Interim Statements of Financial Position
In Canadian Dollars

ASSETS		**March 31, 2018**		**September 30, 2017**
Current				
Cash	$	1,635,315	$	502,158
Amounts receivable		46,787		15,653
Prepaid expenses		493,078		134,554
		2,175,180		652,365
Mineral Properties (Note 4)		2,269,789		2,009,789
	$	4,444,969	$	2,662,154

LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 7)	$	61,606	$	68,647
Flow-through share liability (Note 5)		-		65,000
		61,606		133,647

SHAREHOLDERS' EQUITY				
Share Capital (Note 5)		9,269,515		6,437,391
Reserves (Note 5)		1,931,458		1,323,401
Subscriptions received in advance (Note 5)		-		20,000
Deficit		(6,817,610)		(5,252,285)
		4,383,363		2,528,507
	$	4,444,969	$	2,662,154

Nature of Operations and Going Concern *(Note 1)*
Subsequent Event *(Note 10)*

Approved by the Board of Directors:

"Paul Reynolds" *"Terrence O'Connor"*

Paul Reynolds, Director Terrence O'Connor, Director

- See Accompanying Notes -

Azincourt Energy Corp. (formerly Azincourt Uranium Inc.)
(An Exploration Stage Company)
Consolidated Interim Statements of Loss and Comprehensive Loss
For the Three and Six Months Ended March 31, 2018 and 2017
Unaudited – Prepared by Management
In Canadian Dollars

	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Six Months Ended March 31, 2018	Six Months Ended March 31, 2017
Expenses				
Audit and accounting	$ 28,710	$ 6,000	$ 36,210	$ 8,250
Consulting and directors' fees (Note 7)	180,500	79,250	264,500	141,500
Exploration and evaluation costs (Note 4)	250,898	1,322	268,298	1,322
Filing and transfer agent fees	16,593	7,776	21,301	11,005
Insurance	1,238	-	2,475	-
Legal	6,654	-	8,581	678
Marketing, advertising and conferences	488,517	93,384	651,969	93,384
Office and administration	14,532	10,119	27,205	13,926
Property investigation costs	51,620	-	61,620	-
Share-based compensation (Note 5e))	144,000	100,000	291,000	100,000
Total Expenses	(1,183,262)	(297,851)	(1,633,159)	(370,065)
Other Income				
Other income (Note 5c))	2,334	-	2,834	-
Interest income	65,000	-	65,000	-
Net loss and comprehensive loss for the period	$ (1,115,928)	$ (297,851)	$ (1,565,325)	$ (370,065)
Loss per share – basic and diluted	$ (0.02)	$ (0.02)	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding	63,006,158	18,982,200	53,421,145	12,466,256

– See Accompanying Notes –

Azincourt Energy Corp. (formerly Azincourt Uranium Inc.)

(An Exploration Stage Company)

Consolidated Interim Statements of Cash Flows

For the Six Months Ended March 31, 2018 and 2017

Unaudited – Prepared by Management

In Canadian Dollars

Cash Provided By (Used In):	**2018**	**2017**
Operations:		
Loss for the period	$ (1,565,325)	$ (370,065)
Items not affecting cash:		
Share-based compensation	291,000	100,000
Other income	(65,000)	-
Change in non-cash working capital:		
Amounts receivable	(31,134)	(10,216)
Tax credit receivable	-	-
Prepaid expenses	(358,524)	(179,460)
Accounts payable and accrued liabilities	(7,041)	(112,823)
	(1,736,024)	(572,564)
Investing:		
Mineral property acquisition costs	(210,000)	(6,134)
Financing:		
Proceeds from issuance of shares	1,829,999	1,224,887
Share issuance costs	(133,617)	(74,625)
Exercise of options	18,000	-
Exercise of warrants	1,364,799	40,000
	3,079,181	1,190,262
Net increase (decrease) in cash	1,133,157	611,564
Cash - beginning of period	502,158	29,214
Cash - end of period	$ 1,635,315	$ 640,778

- See Accompanying Notes -

Azincourt Energy Corp. (formerly Azincourt Uranium Inc.)

(An Exploration Stage Company)

Interim Statements of Changes in Equity

In Canadian Dollars

	Share Capital		Reserves				
	Shares	Amount $	Warrants $	Options $	Subscriptions received in advance $	Deficit $	Total $
Balance, September 30, 2016	10,005,007	4,253,069	303,958	540,571	-	(4,446,951)	650,647
Loss for the period	-	-	-	-	-	(370,065)	(370,065)
Private placements – non flow-through	14,198,495	964,887	-	-	-	-	964,887
Private placements – flow-through	2,600,000	260,000	-	-	-	-	260,000
Fair value of warrants		(306,886)	306,886	-	-	-	-
Flow-through share liability	-	(65,000)	-	-	-	-	(65,000)
Share issue costs	-	(75,327)	-	-	-	-	(75,327)
Exercise of warrants	800,000	40,000	-	-	-	-	40,000
Fair value of warrants exercised	-	14,200	(14,200)	-	-	-	-
Share-based compensation	-	-	-	100,000	-	-	100,000
Balance, March 31, 2017	27,603,502	5,084,943	596,644	640,571	-	(4,817,016)	1,505,142
Loss for the period	-	-	-	-	-	(435,269)	(435,269)
Private placements – non flow-through	7,200,000	360,000	-	-	-	-	360,000
Fair value of warrants	-	(89,000)	89,000	-	-	-	-
Fair value of finders' fee warrants	-	(2,000)	2,000	-	-	-	-
Subscriptions received in advance	-	-	-	-	20,000	-	20,000
Share issue costs	-	(6,077)	-	-	-	-	(6,077)
Exercise of warrants	139,000	6,950	-	-	-	-	6,950
Fair value of warrants exercised	-	4,814	(4,814)	-	-	-	-
Shares issued to acquire mineral properties	4,898,913	1,077,761	-	-	-	-	1,077,761
Balance, September 30, 2017	39,841,415	6,437,391	682,830	640,571	20,000	(5,252,285)	2,528,507
Loss for the period	-	-	-	-	-	(1,565,325)	(1,565,325)
Private placements – non flow-through	14,933,325	1,849,999	-	-	(20,000)	-	1,829,999
Fair value of warrants	-	(651,999)	651,999	-	-	-	-
Share issue costs	-	(133,617)	-	-	-	-	(133,617)
Exercise of warrants	12,925,579	1,364,799	-	-	-	-	1,364,799
Fair value of warrants exercised	-	317,799	(317,799)	-	-	-	-
Exercise of options	180,000	18,000	-	-	-	-	18,000
Fair value of options exercised	-	17,143	-	(17,143)			
Shares issued to acquire mineral properties	250,000	50,000	-	-	-	-	50,000
Share-based compensation	-	-	-	291,000	-	-	291,000
Balance, March 31, 2018	68,130,319	9,269,515	1,017,030	914,428	-	(6,817,610)	4,383,363

– See Accompanying Notes –

1. Nature of Operations and Going Concern

Azincourt Energy Corp. (formerly Azincourt Uranium Inc.) (the "Company") was incorporated on April 7, 2011, under the laws of the province of British Columbia, Canada, and its principal activity is the acquisition and exploration of mineral properties in Canada. The head office, principal address, and records office of the Company are located at 800 West Pender Street, Suite 1430, Vancouver, British Columbia, V6C 2V6, Canada.

The recoverability of amounts shown as mineral property interests is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties and the ultimate realization of profits through future production or sale of the properties. Realized values may be substantially different than carrying values as recorded in these condensed consolidated interim financial statements.

These consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operation as a going concern for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At March 31, 2018, the Company had not achieved profitable operations and had an accumulated deficit of $6,817,610. Based on the Company's working capital, the Company estimates it will have sufficient funds to continue operations for the upcoming year. These consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 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 International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements for the year ended September 30, 2017.

2. Basis of Presentation - *Continued*

c) Approval of the Financial Statements

These financial statements were approved and authorized for issue by the Board of Directors on May 30, 2018.

d) Basis of Consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly-owned subsidiary, Azincourt International Holding Ltd., incorporated and located in British Columbia.

e) Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which the company operates. The presentation currency for a company is the currency in which the company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of the Company's subsidiary does not differ from that of the parent company.

f) Critical accounting judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. The most significant accounts that require estimates as the basis for determining the stated amounts include: impairment of mineral property; inputs used in the valuation of share-based payments; and provision for deferred income tax, including the effects of flow-through shares.

Significant estimates that have the most significant effect on the amounts recognized in the financial statements are as follows:

2. Basis of Presentation - *Continued*

f) Critical Accounting Judgments and Estimates – *Continued*

Recoverability of capitalized mineral property costs

The Company capitalizes mineral property acquisition costs that are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The carrying value of the Company's capitalized mineral property costs is reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset is measured at the greater of: fair value less costs to sell and value in use.

Share-based payments

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value stock options and of common share purchase warrants issued. The model requires the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and common share purchase warrants. The assumptions and models used for estimating fair value of stock options and common share purchase warrants are disclosed in Note 5.

Critical judgments in applying the Company's accounting policies include the determination of the Company's ability to continue as a going concern (Note 1).

3. Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB. The following have not yet been adopted by the Company are being evaluated to determine their impact:

IFRS 9 *Financial Instruments* – New standard that replaces IAS 39, *Financial instruments: recognition and measurement*, for classification and measurement, effective for annual periods beginning on or after January 1, 2018.

IFRS 15 *Revenue from Contracts with Customers* – New standard to establish principles for reporting nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018.

In Canadian Dollars

3. Recent Accounting Pronouncements - *Continued*

IFRS 16 *Leases* – New standards to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

4. Mineral Properties

Patterson Lake North Project ("PLN Project")

The Company owns a 10% interest in the Patterson Lake North Project located in northern Saskatchewan. The project is subject to a 2% net smelter returns ("NSR") royalty.

East Preston Project

On March 27, 2017, the Company entered into an Option Agreement with Skyharbour Resources Ltd. and Clean Commodities Corp. ("Property Owners") whereby the Company may acquire an undivided 70% interest in the East Preston Project, located in Saskatchewan, by incurring an aggregate of $2,500,000 of staged expenditures and paying an aggregate of $1,000,000 in staged cash payments as follows:

Date	Consideration	Work Obligation
On execution of Option Agreement (paid)	$ 150,000	$ Nil
On or before March 27, 2018 (paid and completed)	150,000	250,000
On or before March 27, 2019	300,000	750,000
On or before March 27, 2020	400,000	1,500,000
TOTAL	$ 1,000,000	$ 2,500,000

In addition, the Company issued 4,500,000 common shares of the Company to the Property Owners on April 4, 2017 at a value of $990,000. The Company issued 398,913 common shares of the Company as finders' fees, valued at $87,761. The project is subject to a 2% NSR royalty on commercial production and a Right of First Refusal of any future proposed sale of the project.

Lithium Projects

On January 11, 2018, the Company entered into an agreement with New Age Metals Inc. ("NAM") and its wholly-owned subsidiary, Lithium Canada Development Inc. ("LCD") to acquire up to a 100% interest in certain mineral claims (the "Property") in Manitoba, Canada.

4. Mineral Properties – *Continued*

Lithium Projects – *Continued*

To acquire an initial 50% interest in the Property ("Initial Option"), the Company must make cash payments of $200,000, issue 1,000,000 shares, and complete a minimum of $2,100,000 of exploration expenditures as follows:

Cash payments:
(i) $50,000 on January 28, 2018 ("Closing Date")(paid);
(ii) $50,000 on or before July 28, 2018;
(iii) $50,000 on or before January 28, 2019; and
(iv) $50,000 on or before July 28, 2019.

Share issuances:
(i) 250,000 shares on January 28, 2018 (issued at fair value of $50,000);
(ii) 250,000 on or before January 28, 2019;
(iii) 250,000 on or before January 28, 2020; and
(iv) 250,000 on or before January 28, 2021.

Exploration Expenditures:
(i) $500,000 on or before January 28, 2019, of which $150,000 must be completed prior to May 31, 2018 and at least $300,000 must be completed prior to August 31, 2018;
(ii) $600,000 on or before January 28, 2020, of which $200,000 must be completed prior to May 31, 2019 and at least $500,000 must be completed prior to August 31, 2019; and
(iii) $1,000,000 on or before January 28, 2021, of which $300,000 must be completed prior to May 31, 2020 and at least $600,000 must be completed prior to August 31, 2020.

The Company has the right to acquire an additional 10% interest in the Property ("Secondary Option") by completing the issuance of a further 1,000,000 shares within 10 days of notice and completing exploration expenditures of not less than $750,000 on or before October 31, 2021.

For a period of 90 days following the Secondary Option, NAM and LCD has the right to enter into a joint venture arrangement with the Company to develop the property. If NAM and LCD do not elect to form a joint venture with the Company, the Company has the right to acquire the remaining 40% of the Property by completing the issuance of a further 1,000,000 shares within 10 business days of committing to the Secondary Option and completing an additional exploration expenditures of not less than $1,000,000 on or before October 31, 2022. The Property is subject to a 2% net smelter return royalty.

During the six months ended March 31, 2018, the Company paid a non-refundable $10,000 signing bonus to NAM.

In Canadian Dollars

4. Mineral Properties – *Continued*

Acquisition Costs Summary

	PLN Project	East Preston Project	Lithium Projects	Total
Balance, as at September 30, 2016	$ 775,894	$ -	$ -	$ 775,894
Filing fees	-	6,134	-	6,134
Option payment – cash	-	150,000	-	150,000
Option payment – shares	-	990,000	-	990,000
Finders' fee shares	-	87,761	-	87,761
Balance, as at September 30, 2017	775,894	1,233,895	-	2,009,789
Signing bonus	-	-	10,000	10,000
Option payment – cash	-	150,000	50,000	200,000
Option payment – shares	-	-	50,000	50,000
Balance, as at March 31, 2018	$ 775,894	$ 1,383,895	$ 110,000	$ 2,269,789

Exploration and Evaluation Expenditures Summary

Details of exploration and evaluation costs incurred for the six months ended March 31, 2018 and 2017 are as follows:

	Six months ended March 31, 2018			Six months ended March 31, 2017	
	East Preston Project	Lithium Projects	Total	East Preston Project	Total
Camp and general	$ 388	$ -	$ 368	$ -	$ -
Filing fees	-	-	-	6,134	6,134
Geological and geophysics	199,357	5,625	204,982	-	-
Helicopter charter	56,065	-	56,065	-	-
Management fee	-	363	363	-	-
Mapping and interpretation	6,500	-	6,500	-	-
Total exploration and evaluation expenditures	$ 262,310	$ 5,988	$ 268,298	$ 6,34	$ 6,314

5. Shareholders' Equity

a) Authorized

Unlimited number of common shares without par value.

b) Issued Share Capital

<u>Share transactions for the six months ended March 31, 2018;</u>

(i) On October 6, 2017, the Company completed the second tranche of a non-brokered private placement of 3,900,000 units at $0.05 per unit for gross proceeds of $195,000, of which $20,000 was received in the year ended September 30, 2017. Each unit comprised of one non flow-through common share and one warrant. Each warrant entitles the holder to purchase one non flow-through common share at $0.12 per share until October 6, 2018. The Company incurred $2,775 in share issue costs related to the private placement.

Of the cash proceeds received from non flow-through shares, $142,000 was allocated to share capital and $53,000 was allocated to warrants based on their relative fair value.

(ii) On January 23, 2018, the Company completed a non-brokered private placement of 11,033,325 units at $0.15 per unit for gross proceeds of $1,655,000. Each unit is comprised of one non flow-through common share and one warrant. Each warrant entitles the holder to purchase one non flow-through common share until January 23, 2019 at $0.22 per share. The Company paid $78,500 of cash commissions as finders' fees and $52,392 of share issuances costs related to the private placement.

Of the cash proceeds received from non flow-through shares, $1,056,000 was allocated to share capital and $598,999 was allocated to warrants based on their relative fair value.

(iii) On January 25, 2018, the Company issued 250,000 common shares to NAM as part of the option agreement (Note 4), valued at $50,000.

(iv) During the six months ended March 31, 2018, 12,925,579 warrants were exercised for gross proceeds of $1,364,799. The fair value of the warrants exercised was $317,799 and was transferred to share capital upon exercise.

(v) During the six months ended March 31, 2018, 180,000 options were exercised for gross proceeds of $18,000. The fair value of the warrants exercised was $17,143 and was transferred to share capital upon exercise.

5. Shareholders' Equity - *Continued*

b) Issued Share Capital – *Continued*

Share transactions for the year ended September 30, 2017:

(vi) On November 10, 2016, the Company completed a non-brokered private placement of 4,000,000 units at $0.05 per unit for total proceeds of $200,000. Each unit consisted of one non flow-through common share and one warrant. Each warrant entitles the holder to purchase one non flow-through common share at $0.05 per share until November 10, 2018. The Company incurred $1,850 in share issue costs related to the private placement.

Of the total proceeds received, $119,000 was allocated to share capital and $81,000 was allocated to warrants based on their relative fair value.

(vii) On February 24, 2017, the Company completed a non-brokered private placement of 10,198,495 non flow-through units at $0.075 per unit and 2,600,000 flow-through units at $0.10 per unit for total proceeds of $1,024,887. Each non flow-through unit consisted of one non flow-through common share and one-half warrant. Each whole warrant entitles the holder to purchase one additional non flow-through common share at $0.12 per share for a period of 1 year. Each flow-through unit consisted of one flow-through common share and one-half warrant. Each warrant entitles the holder to purchase one additional non flow-through common share at $0.12 per share for a period of 1 year. The Company paid cash commissions of $44,501 and incurred costs of $28,976 relating to the private placement.

(viii) Of the cash proceeds received from non flow-through shares, $589,001 was allocated to share capital and $175,886 was allocated to warrants based on their relative fair value.

The amount of the flow-through share liability associated with the flow-through shares was determined to be $65,000 based on the difference between the fair value price per share of the flow-through shares and the non flow-through shares. The remaining proceeds from the flow-through shares, after deducting the flow-through share liability was $195,000, of which $150,000 was allocated to share capital and $45,000 was allocated to warrants based on their relative fair value.

5. Shareholders' Equity - *Continued*

b) Issued Share Capital – *Continued*

Share transactions for the year ended September 30, 2017 (Continued):

(ix) On August 14, 2017, the Company completed the first tranche of a non-brokered private placement of 7,200,000 units at $0.05 per unit for total proceeds of $360,000. Each unit consisted of one non flow-through common share and one warrant. Each warrant entitles the holder to purchase one additional non flow-through common share at $0.12 per share for a period of one year. The Company paid cash commissions of $4,800, incurred costs of $1,277 relating to the private placement, and issued 96,000 finders' fee warrants valued at $2,000. Each finders' fee warrant entitles the holder to purchase one non flow-through common share at $0.12 per share for a period of 1 year.

Of the cash proceeds received from non flow-through shares, $266,000 was allocated to share capital and $94,000 was allocated to warrants based on their relative fair value.

(x) On April 4, 2017, the Company issued 4,500,000 common shares in connection with the East Preston Project (Note 4) valued at $990,000. The Company also issued 398,913 common shares as finder's fee valued at $87,761.

(xi) During the year ended September 30, 2017, the Company issued 939,000 common shares on the exercise of 939,000 warrants for total proceeds of $46,950. The fair value of the warrants exercised was $19,014 and was transferred to share capital upon exercise.

c) Flow-through Share Liability

During the year ended September 30, 2017, the Company raised $260,000 through the issuance of flow-through common shares and recorded a flow-through share liability of $65,000, of which $260,000 (2017: $Nil) has been spent on qualifying flow-through exploration expenditures during the six months ended March 31 2018; therefore $65,000 of the flow-through liability was recognized in other income.

In Canadian Dollars

5. Shareholders' Equity - *Continued*

d) Warrants

Details of warrants activity for the six months ended March 31, 2018 and the year ended September 30, 2017 are as follows:

September 30, 2017	Issued	Exercised	Expired	March 31, 2018	Exercise Price	Expiry Date
6,399,245	-	(6,032,579)	(366,666)	-	$0.12	February 24, 2018
7,296,000	-	(4,232,000)	-	3,064,000	$0.12	August 14, 2018
3,061,000	-	(2,661,000)	-	400,000	$0.05	November 10, 2018
	3,900,000	-	-	3,900,000	$0.12	October 6, 2018
	11,033,325	-	-	11,033,325	$0.22	January 23, 2019
16,756,245	14,933,325	(12,925,579)	(366,666)	18,397,325	$0.18	

September 30, 2016	Issued	Exercised	Expired	September 30, 2017	Exercise Price	Expiry Date
292,545	-	-	(292,545)	-	$0.80	December 31, 2016
644,000	-	-	(644,000)	-	$1.20	May 1, 2017
-	6,399,245	-	-	6,399,245	$0.12	February 24, 2018
	7,296,000	-	-	7,296,000	$0.12	August 14, 2018
-	4,000,000	(939,000)	-	3,061,000	$0.05	November 10, 2018
936,545	17,695,245	(939,000)	(936,545)	16,756,245	$0.11	

The following weighted average assumptions were used in the six months ended March 31, 2018 and 2017:

	2018	**2017**
Stock price volatility	150.50%	156.83%
Risk-free interest rate	1.70%	0.68%
Expected life of options	1.0 year	1.4 years
Expected dividend yield	0.00%	0.00%

In Canadian Dollars

5. Shareholders' Equity – *Continued*

e) Stock Options

The Company has a rolling stock option plan, which authorizes the Board of Directors to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 10 years. The Company's stock option plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

Details of activity in stock options for the six months ended March 31, 2018 and the year ended September 30, 2017 are as follows:

September 30, 2017	Issued	Exercised	Forfeited	March 31, 2018	Exercise Price	Expiry Date
156,250	-	-	-	156,250	$1.44	June 24, 2018
1,050,000	-	(180,000)	-	870,000	$0.10	February 6, 2022*
-	1,410,000	-	-	1,410,000	$0.10	December 21, 2022
	1,000,000	-	-	1,000,000	$0.20	February 1, 2020
1,206,250	2,410,000	-	-	3,436,250	$0.19	

September 30, 2016	Issued	Expired	Forfeited	September 30, 2017	Exercise Price	Expiry Date
45,625	-	(45,625)	-	-	$1.20	May 1, 2017
156,250	-	-	-	156,250	$1.44	June 24, 2018
31,250	-	-	(31,250)	-	$2.16	January 15, 2019
-	1,050,000	-	-	1,050,000	$0.10	February 6, 2022
233,125	1,050,000	(45,625)	(31,250)	1,206,250	$0.27	

(i) On December 21, 2017, the Company granted to its directors, officers and consultants 1,410,000 stock options with an exercise price of $0.10 per share expiring on December 21, 2022. The fair value of $147,000 that fully vested on the grant date was recorded as share-based compensation in the statement of operations and included in reserves.

In Canadian Dollars

5. Shareholders' Equity – *Continued*

e) Stock Options – *Continued*

(ii) On February 1, 2018, the Company granted to its directors, officers and consultants 1,000,000 stock options with an exercise price of $0.20 per share expiring on February 1, 2020. The fair value of $144,000 that fully vested on the grant date was recorded as share-based compensation in the statement of operations and included in reserves.

The following weighted average assumptions were used in the six months ended March 31, 2018 and 2017:

	2018	**2017**
Stock price volatility	145.04%	176.46%
Risk-free interest rate	1.86%	1.07%
Expected life of options	3.76 years	5 years
Expected dividend yield	0.00%	0.00%

6. Segmented Information

The Company has only one reportable operating segment, being mineral property explorations in Canada.

7. Related Party Transactions

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current and senior management including the President, Chief Executive Officer and Corporate Secretary and Chief Financial Officer. Key management personnel compensation for the six months ended March 31, 2018 and 2017 includes:

	2018	2017
Consulting and directors' fees	$ 117,000	$ 49,500
Exploration and evaluation costs	20,000	-
Share-based compensation	99,043	56,190
	$ 236,043	$ 105,690

In Canadian Dollars

7. Related Party Transactions – *Continued*

The accounts payable and accrued liabilities of the Company include amounts due to related parties. The amounts owing are interest free, unsecured, current and without fixed terms and are as follows:

	March 31, 2018	September 30, 2017
Key management personnel	$ 10,364	$ 17,325

8. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of equity comprised of share capital, reserves and deficit. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other demand deposits, all held with major financial institutions.

9. Financial Instruments

The classification of the financial instruments as well as their carrying values as at March 31, 2018 is shown in the table below:

Loans and receivables	$	1,682,102
Financial liabilities measured at amortized cost	$	61,606

9. Financial Instruments – *Continued*

a) Fair Value of Financial Instruments

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1:Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2:Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3:Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short term maturity.

b) Management of Risks Arising From Financial Instruments

The Company is exposed to various types of market risks including credit risk, liquidity risk, interest rate risk and commodity price risk. This is not an exhaustive list of all risks, nor will the mitigation strategies eliminate all risks listed.

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and amounts receivable. Cash and cash equivalents are held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that these amounts are fully collectible.

(ii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is subject to liquidity risk.

9. Financial Instruments – *Continued*

b) Management of Risks Arising From Financial Instruments – *Continued*

(iii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is subject to liquidity risk.

(iii) Interest Rate Risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest income. Presently, the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments as the Company has no interest-bearing debt and due to the short-term nature of cash investments.

(iv) Commodity Price Risk – The Company's future success is linked to the price of minerals, because the value of mineral resources and the Company's future revenues are tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

10. Subsequent Event

On May 10, 2018, the Company and New Age Metals acquired the Lithman West Extension Project. As part of the acquisition, the Company will spend an additional $250,000 of exploration over the life of the partnership and has increased its 2018 exploration budget by $100,000. The Company will issue an additional 250,000 shares.