NEW CAROLIN GOLD CORP.

Condensed Interim Financial Statements
For the Six Months Ended April 30, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW OF 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 interim financial statements they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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

	April 30, 2018 $	October 31, 2017 $
ASSETS		
Current Assets		
Cash	**42,403**	112,779
Amounts receivable	**60,179**	44,258
Prepaid expenses	**117,504**	23,089
	220,086	180,126
Exploration and evaluation assets (note 4)	**9,137,967**	8,585,596
Reclamation bonds (note 4)	**220,000**	220,000
	9,578,053	8,985,722
LIABILITIES		
Accounts payable and accrued liabilities (notes 8 and 13)	**1,534,083**	1,423,222
Decommissioning provision (note 4)	**220,000**	220,000
Loans payable (note 9)	**-**	193,204
	1,754,083	1,836,426
EQUITY		
Share capital (note 6)	**14,970,632**	13,537,301
Reserves	**2,258,208**	1,921,819
Deficit	**(9,404,870)**	(8,309,824)
	7,823,970	7,149,296
	9,578,053	8,985,722

Nature of operations and going concern (note 1)
Commitments (note 13)
Subsequent events (note 15)

Approved on behalf of the board of directors on June 22, 2018

"Kenneth Holmes"	*"Robert L. Thast"*
Kenneth Holmes	Robert L. Thast
Director	Director

The accompanying notes are an integral component of these condensed interim financial statements

	Three months ended April 30,		Six months ended April 30,	
	2018	2017	**2018**	2017
	$	$	**$**	$
EXPENSES				
Consulting fees (note 8)	**368,933**	70,654	**498,033**	130,400
Filings and investor relations	**84,182**	64,436	**130,167**	147,077
General and administration	**21,070**	16,894	**28,635**	44,524
Professional fees (note 8)	**42,261**	45,843	**89,847**	92,743
Insurance	**4,433**	4,963	**8,865**	9,926
Term loans interest and accretion (note 5)	**--**	--	**-**	(181)
Loans payable interest and accretion (note 8)	**-**	25,021	**23,621**	33,110
Penalties and other interest expense	**1,858**	--	**1,858**	--
Share-based payments	**157,102**	30,487	**314,020**	293,431
Net and comprehensive loss	**(679,839)**	(258,298)	**(1,095,046)**	(751,030)
Net loss per share				
Basic and diluted	**(0.03)**	(0.00)	**(0.06)**	(0.00)
Weighted average number of common shares outstanding	**23,281,251**	17,422,854	**19,464,977**	17,422,854

The accompanying notes are an integral component of these condensed interim financial statements

New Carolin Gold Corp.
Condensed Interim Statements of Changes in Equity
Canadian dollars

	Shares Issued	Share Capital $	Equity component of convertible debt $	Share-based Payments Reserve $	Warrant Reserve $	Deficit $	Total equity $
October 31, 2016	**15,562,572**	**11,944,755**	**10,000**	**1,195,376**	**279,751**	**(7,144,887)**	**6,284,995**
Loss for the period	-	-	-	-	-	(751,030)	(751,030)
Shares issued in respect of private placement of units	726,100	508,270	-	-	-	-	508,270
Shares issued in respect of flow-through financing	1,293,265	939,997	-	-	-	-	939,997
Shares issued for debt settlement	942	613	-	-	-	-	613
Shares issued on exercise of warrants	550,000	275,000	-	-	-	-	275,000
Extinguishment of convertible debentures	-	-	(10,000)	-	-	10,000	-
Warrants issued for loan payable	-	-	-	-	75,315	-	75,315
Share issue costs	-	(131,334)	-	-	56,413	-	(74,921)
Share-based payments	-	-	-	293,431	-	-	293,431
Balance as at April 30, 2017	**18,132,879**	**13,537,301**	**-**	**1,488,807**	**411,479**	**(7,885,917)**	**7,551,670**
October 31, 2017	**18,132,879**	**13,537,301**	**-**	**1,510,340**	**411,479**	**(8,309,824)**	**7,149,296**
Loss for the period	-	-	-	-	-	(1,095,046)	(1,095,046)
Shares issued in respect of flow-through financing	713,427	249,700	-	-	-	-	249,700
Shares issued in respect of private placement of units	5,000,000	1,250,000	-	-	-	-	1,250,000
Share issue costs	-	(66,369)	-	22,369	-	-	(44,000)
Share-based payments	-	-	-	314,020	-	-	314,020
Balance as at April 30, 2018	**23,846,306**	**14,970,632**	**-**	**1,846,729**	**411,479**	**(9,404,870)**	**7,823,970**

The accompanying notes are an integral component of these condensed interim financial statements

New Carolin Gold Corp.
Condensed Interim Statements of Cash Flows
For the Six Months April 30, 2018 and 2017
Canadian dollars

	2018 **$**	2017 $
Cash provided by (used for)		
Operating activities		
Net loss for the period	**(1,095,046)**	(751,030)
Non-cash items:		
Share-based payments	**314,020**	293,431
Accrued interest and accretion – term loans	**-**	(1,712)
Accrued interest and accretion – loans payable	**23,621**	22,354
Interest paid by issuance of shares	**-**	613
Change in non-cash working capital items:		
Amounts receivable	**(15,921)**	16,487
Accounts payable and accrued liabilities	**104,036**	(130,849)
Prepaid expenses	**(94,415)**	27,347
Cash flows used for operating activities	**(763,705)**	(523,359)
Financing activities		
Loan payable proceeds (repayment)	**(210,000)**	(15,000)
Issue of units and flow-through shares for cash	**1,499,700**	1,504,680
Warrants exercised	**-**	275,000
Share issue costs	**(44,000)**	(131,334)
Cash flows provided by financing activities	**1,245,700**	1,633,346
Investing activity		
Investment in exploration and evaluation assets	**(552,371)**	(826,982)
Reclamation bond	**-**	(15,000)
Cash flows used for investing activity	**(552,371)**	(841,982)
Decrease in cash	**(70,376)**	268.005
Cash beginning of period	**112,779**	228,175
Cash end of period	**42,403**	496,180

Supplemental cash flow information (note 13)

The accompanying notes are an integral component of these condensed interim financial statements

1. Nature of operations and going concern

New Carolin Gold Corp. is a Canadian resource exploration and development company incorporated in British Columbia. The Company maintains its head office in Vancouver, British Columbia.

As at April 30, 2018, the Company holds a 100% interest in the Ladner Gold Project located in southwestern British Columbia. The property is subject to a 2% net smelter return and a lesser portion of the property is subject to a 5% net profits interest.

Effective January 16, 2018, the Company completed a share consolidation on the basis of ten (10) pre-consolidation common shares for one (1) post-consolidation common share. All periods presented have been retrospectively adjusted to reflect this consolidation.

These financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated revenues from operations and has a significant working capital deficiency of $1,533,997 (2017 - $1,656,300). The continuing operations of the Company are dependent on its ability to obtain additional financing. As a result there exists a material uncertainty that raises significant doubt about the Company's ability to continue as a going concern. Management plans to obtain sufficient working capital from external financing to meet the Company's liabilities and commitments as they become due. The financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of presentation

a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" ("IAS 34") as issued by the International Financial Reporting Accounting Standards Board ("IASB") and interpretations of the International Accounting Standard Board (IASB). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with IASB, have been omitted or condensed.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

b) Basis of presentation

The financial statements have been prepared using the same accounting policies and methods as those used in the financial statements for the year ended October 31, 2017, except for the impact of the adoption of the accounting standard described below. These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value and are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended October 31, 2017.

3. Adoption of new accounting pronouncements and recent developments

The following new standards, and amendment to standards and interpretations, are either not yet effective for the current period or have not yet been applied in preparing these financial statements. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below:

IFRS 9 – Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. This standard is effective for reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. This standard is effective for reporting periods beginning on or after January 1, 2019.

IFRS 15 Revenue from Contracts with Customers

The IASB issued IFRS 15, Revenue from Contracts with Customers, which provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. These amendments are effective for reporting periods beginning on or after January 1, 2018.

4. Exploration and evaluation assets

	April 30, 2018	October 31, 2017
Acquisition costs		
Balance, beginning of the period	$ 3,884,511	$ 3,662,364
Acquisition costs	-	2,147
Decommissioning provision	-	220,000
Total acquisition costs, end of the period	3,884,511	3,884,511
Exploration costs		
Balance, beginning of the period	4,701,085	3,564,062
Assay and analysis	-	51,144
Drilling	-	215,976
Geological and consulting	50,226	563,240
Property taxes	-	2,086
Site activities	502,145	406,210
Government assistance	-	(101,633)
Total exploration costs, end of the period	5,253,456	4,701,085
Total exploration and evaluation assets, end of the period	**$ 9,137,967**	**$ 8,585,596**

Ladner Gold Project

In August, 2014, the Company entered into an acquisition agreement ("Agreement") to acquire all rights and title to the mineral claims comprising the Carolin Mine and associated Ladner gold properties, collectively known as the Ladner Gold Project (the "Project") then owned by or under option to Century Mining Corporation ("Century") and under a receivership order with Samson Belair / Deloitte & Touche Inc. ("Receiver"). The Company owned a historic 10% interest in the Project. During the year ended October 31, 2015, as part of the Agreement with and facilitated by the Receiver, the Company exercised Century's existing Tamerlane Option to complete the purchase of a 30% interest in the Ladner Gold Project, making the final payment to acquire Tamerlane's 30% interest. On closing, the Company then controlled a 40% interest in the Project.

In February, 2016, the Company and the Receiver amended the Agreement to reduce the amounts payable and the closing conditions in order to accelerate closing on the remaining 60% interest in the Project. On April 13, 2016, the Company completed the acquisition with the Receiver, acquiring the remaining 60% of the Ladner Gold Project, issuing 2,488,951 common shares to the Receiver and agreeing to grant and pay a 2% Net Smelter Returns royalty ("NSR") on the Project; and 35% of the profits earned and received by the Company from the sale of gold obtained by reprocessing the tailings presently existing on the Project.

The Company has 100% of the legal and beneficial ownership of the 144-square kilometer Ladner Gold Project contiguous land package, which includes the Carolin Mine. The property is subject to a 2% net smelter return and a lesser portion of the property is subject to a 5% net profits interest.

In connection with the Project, the Company has a total of $220,000 placed with the Province of British Columbia in environmental and mining bonds. During the year ended October 31, 2017, the Company recognized a decommissioning provision of $220,000 equal to the value of the bonds. The timing of the settlement of the obligation cannot be reasonably determined at this time.

4. Exploration and evaluation assets (continued)

Property option agreement with Crucible Resources Ltd.

On February 11, 2016, the Company entered into an option agreement with Crucible Resources Ltd. ("Crucible") to acquire the Warkentin Property, whereby the Company can acquire 20 mineral claims covering 30 square kilometers situated near the southern portion of the Ladner Gold Project, under the following terms:

a) Paying Crucible $32,000 (paid) in respect of settlement of the previous agreement and to secure the new Option;
b) The Company can acquire all 20 claims at any time for a total of $50,000 over five years;
c) Funds spent on exploration will be factored into the $50,000 acquisition purchase price; and
d) Crucible retains a 2% NSR, which the Company may purchase for $250,000 for the first 1% and $500,000 for the second 1%.

5. Term loans

2012 Term Loans

In July 2012, the Company signed multiple Non-Transferable Secured Convertible Debentures ("2012 Debentures") that matured on July 31, 2013 for a total of $415,000, which paid 8% interest per annum and were convertible to units (common shares and warrants) at $1.00 per unit, with each common share purchase warrant exercisable at $1.20 per share for a twelve month period. The Company paid $44,037 in financing fees and allocated $270,816 to the carrying value of the loan and $92,165 to equity on initial recognition. Over the term of the loan this carrying value was accreted to the $415,000 principal amount and the corresponding interest and accretion was charged to operations.

On February 11, 2015, by agreement with the Debentureholders, the 2012 Debentures were amended as follows:

- The new convertible debentures will have an issue date of January 1, 2015, with a maturity date of December 31, 2016.
- The interests owing at December 31, 2014 will be settled with common shares of the Company at a rate of $0.50 per share (settled with share issuance on February 13, 2015).
- Secured through a General Security Agreement against the assets of the Company.
- Paying 13% interest semi-annually.
- When interest is due and payable and the Company has unallocated working capital of less than $300,000, the Company may settle such interest by issuing common shares at a rate equal to the greater of (i) 0.50 and (ii) the last closing price of the Company's shares on the TSX Venture Exchange on the day immediately prior to the day such interest is due.
- The holders can convert the convertible debentures into Units (the "2012 Unit") at a conversion price of $0.50 per 2012 Unit on or before December 31, 2015, or $1.00 per 2012 Unit thereafter. Each 2012 Unit consists of one Common Share and one Common Share Purchase Warrant (the "2012 Warrant"), each 2012 Warrant exercisable to acquire one additional Common Share of the Company at an exercise price of $0.50 per Common Share until December 31, 2016.

5. Term loans (continued)

2012 Term Loans (continued)

Subsequent to the amendment, during the year ended October 31, 2015, the Company issued 220,000 2012 Units upon conversion of $110,000 principal amount. The carrying amount of the liability at the time of conversion was $75,991. This amount, along with the equity component of convertible debt in the amount of $44,000, were transferred to share capital.

During the year ended October 31, 2016 the Company issued 560,000 2012 Units upon conversion of $280,000 principal amount. The carrying amount of the liability at the time of conversion was $212,893. This amount, along with the equity component of convertible debt in the amount of $112,000, was transferred to share capital.

On December 19, 2016, the Company issued 942 common shares at a fair value of $0.65 per share for consideration of $613 representing interest payable upon the final payout of the 2012 Term Loans.

During the six months ended April 30, 2018 the Company recorded nil (April 30, 2017 – $nil) in interest and accretion expense in connection with the 2012 Debentures.

6. Share capital

a. Authorized

Unlimited common shares without par value.

b. Issued shares

As at April 30, 2018, the Company has 23,846,306 common shares outstanding (October 31, 2017 – 18,132,879).

Effective January 16, 2018, the Company completed a share consolidation on the basis of ten (10) pre-consolidation common shares for one (1) post-consolidation common share. All periods presented have been retrospectively adjusted to reflect this consolidation.

Share issuances during the six months ended April 30, 2018

On February 8, 2018, the Company issued 5,000,000 units at a price of $0.25 per unit for gross proceeds of $1,250,000. Each unit consists of one common share of the Company and one-half of one common share purchase, with each whole purchase warrant entitling the holder to purchase one additional common share at a price of $0.35 per share for a period of two years from the date of closing.

Finder's fees of $32,000 and finder's warrants totaling 80,000 warrants were paid on portions of the unit offering totaling. Each warrant issued for a period of two years and exercisable on the same terms as the subscriber unit warrants.

On February 8, 2018, the Company issued 142,000 flow-through common shares at a price of $0.35 per flow through share for proceeds of $49,700.

On December 29, 2017, the Company issued 571,427 flow-through common shares at a price of $0.35 per flow through share for proceeds of $200,000. Finder's fees total $8,000 in cash were paid in connection with the flow through offerings.

6. Share capital (continued)

b. Issued shares (continued)

Share issuances during the year ended October 31, 2017

On January 19, 2017, the Company closed a non-flow through private placement of 726,100 units ("Units") in the capital stock of the Company at a price of $0.70 per Unit for gross proceeds of $508,270. Each unit consists of one common share of the Company and one warrant to purchase one additional common share for a period of two years from the date of closing at a price of $0.70 per share in the first year and $0.90 per share in year two. Finder's fees were paid on portions of the Unit offering totaling $19,821 and finder's warrants totaling 45,516 warrants, each warrant issued for a period of two years and exercisable on the same terms as the subscriber Unit warrants. The finder's warrants were valued at $20,956 (see note 6c).

The Company raised $275,000 through the exercise of common share purchase warrants held by several of its current shareholders. Prior to the expiration date on December 31, 2016, the Company received notice of exercise of 550,000 warrants to purchase shares at a price of $0.50 per share, and has issued the shares accordingly.

The Company issued 630,765 flow-through common shares in its capital stock at a price of $0.65 per flow through share for proceeds of $409,997 on December 23 and December 30, 2016, and 662,500 flow-through common shares in its capital stock at a price of $0.80 per flow through share for proceeds of $530,000 on November 8, 2016. Finder's fees totaling $55,100 in cash and 78,010 non-flow through common share purchase warrants were paid in connection with the flow through offerings. The finder's warrants are exercisable for a period of 3 years from the date of closing, with 37,625 exercisable at a price of $0.80 and 40,385 exercisable at $0.65. The finder's warrants were valued at $35,457 (see note 6c).

On December 19, 2016, the Company issued 942 common shares at a fair value of $0.65 per share for consideration of $613 representing interest payable upon the final payout of the 2012 Term Loans.

Please refer to the Statement of Changes in Equity for a summary of changes in share capital for the periods ended April 30, 2018 and 2017.

c. Warrants

The following table summarizes the Company's warrant transactions:

	Number of warrants	Weighted average exercise price
Balance October 31, 2016	**5,723,000**	**$ 0.79**
Issued with unit private placement	726,100	0.90
Issued to finders	123,526	0.79
Bonus warrants issued for loan (note 9)	350,000	0.60
Exercised	(550,000)	0.50
Expired	(955,500)	0.60
Balance October 31, 2017	**5,417,126**	**0.88**
Issued	2,580,000	0.35
Expired	(3,098,500)	0.76
Balance April 30, 2018	**4,898,626**	**$ 0.69**

6. Share capital (continued)

c. Warrants (continued)

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

Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life
4,898,626	**$0.69**	**1.09 years**

The fair value for the warrants issued to finders during the six months ended April 30, 2018 was $22,369, which was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issue date of $0.43, exercise price of $0.35, a risk free rate of 1.83%, an expected life of 2 years, an expected annualized volatility of 120%, and no expectation of dividend payments. Volatility was determined based on historical volatility.

The fair value for the warrants issued to finders during the year ended October 31, 2017 was $56,413, which was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issue date of $0.71, exercise price of $0.71, a risk free rate of 0.68%, an expected life of 2.61 years, an expected annualized volatility of 115%, and no expectation of dividend payments. Volatility was determined based on historical volatility.

7. Share-based payments

The Company has adopted an incentive stock option plan (the “Plan”), the essential elements of which provide that options granted under the Plan: 1) may in aggregate not exceed 10% of the Company’s issued and outstanding common shares; 2) can have a maximum term of five (5) years; and 3) must be granted with an exercise price of not less than the market price of the shares (the closing market price on the last day shares are traded prior to the grant date).

The following table summarizes the Company’s stock option transactions:

	Number of options	Weighted average exercise price
Balance October 31, 2016	1,237,500	$ 0.80
Granted	565,000	0.70
Cancelled/forfeited	(77,500)	1.00
Expired	(50,000)	1.10
Balance October 31, 2017	**1,675,000**	**0.70**
Granted	1,190,000	0.31
Cancelled / forfeited	(545,000)	0.85
Balance April 30, 2018	**2,320,000**	**$ 0.52**

7. Share-based payments (continued)

The following table summarizes the stock options outstanding at April 30, 2018:

Options Outstanding	Exercise Price	Remaining Contractual Life	Number of Options Currently Exercisable
175,000	$ 0.50	0.95 years	175,000
6,500	0.50	1.12 years	6,500
85,000	0.50	1.69 years	85,000
43,500	0.50	1.92 years	43,500
70,000	0.50	2.15 years	70,000
265,000	0.85	2.98 years	265,000
45,000	1.10	3.13 years	45,000
50,000	0.90	3.25 years	50,000
50,000	0.60	3.69 years	50,000
340,000	0.70	3.72 years	340,000
750,000	0.255	4.72 years	-
440,000	0.40	4.87 years	-
2,320,000	**$ 0.49**	**3.78 years**	**1,130,000**

During the six months ended April 30, 2018, there were 1,190,000 (April 30, 2017 – 565,000) stock options granted by the Company, exercisable at prices of $0.255 and $0.40 (April 30, 2017 - $0.60-$0.75) per share for a period of 5 (April 30, 2017-5) years, of which Nil (April 30, 2017 – 80,000) stock options were granted to investor relations consultants that vest over 12 months.

The option valuation for the options granted in the year ended October 31, 2017 was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on grant date of $0.70, exercise price of $0.70, a risk-free rate of 0.69%, an expected life of 5 years, an expected annualized volatility of 120% and no expectation of dividends payments. Volatility for both periods was determined based on historical volatility.

Using the above assumptions, the fair value of options granted and vested during the six months ended April 30, 2018 was $314,020 (April 30, 2017 – $275,576).

8. Related party transactions

At April 30, 2018 included in accounts payable and accrued liabilities is $402,922 (October 31, 2017 – $223,144) owed to current and former officers and directors for salary capitalized to exploration and evaluation assets, consulting fees and reimbursement of expenses.

Amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise noted. Fair value cannot be readily determined.

Key management includes the Company's directors and officers. Compensation awarded to key management includes:

For the six months ended	**April 30, 2018**	April 30, 2017
Salaries capitalized to evaluation and exploration assets, consulting fees, and professional fees	$ 380,300	$ 151,200
Share-based payments	-	114,509
	$ 380,300	$ 265,709

These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

9. Loans payable

During the year ended October 31, 2015 a former director of the Company loaned the Company $200,000. The loan bears interest at 13% per annum, compounded and payable quarterly. The loan matured on December 31, 2016. The loan is secured by the Company's present and after acquired personal property, including the acquisition agreement with Century's receiver (note 4). In consideration for the loan, warrants were issued to the lender to purchase 400,000 common shares of the Company until December 31, 2016 at a price of $0.50 per share. In addition, the Company incurred $15,000 in financing costs in connection with this loan. During the year ended October 31, 2016, the Company paid accrued interest of $26,000 to the lender.

During the year ended October 31, 2015 a director of the Company loaned the Company $10,000. The loan bears interest at 13% per annum, compounded and payable quarterly. The loan matured on December 31, 2016. As consideration for the loan, warrants were issued to the lender to purchase 20,000 common shares of the Company until December 31, 2016 at a price of $0.50 per share. On February 24, 2016, the Company repaid the principal amount of $10,000 plus accrued interest to the lender.

The fair value of the 420,000 warrants have been valued at $107,448 using the Black-Scholes option pricing model based on the following assumptions: a risk-free rate of 0.54%, an expected life of 1 year, an expected annualized volatility of 138.17% and no expectation of dividends payments. Volatility was determined based on historical volatility.

The aggregate financing costs of $122,448 have been recorded against the carrying amount of the loans, which have been accreted over the term of the loan.

During the year ended October 31, 2017, the Company arranged a third-party loan for $210,000 to repay the $200,000 loan payable outstanding at December 31, 2016. The loan has a term of one year, will bear interest at a rate of 13% per annum compounded quarterly with the first payment due March 31, 2017, and is secured by a general security agreement over the assets of the Company. The Company issued 350,000 bonus common share purchase warrants exercisable at $0.60 per share for a period of one year to the lender in connection with the loan. The fair value of the warrants is $75,315 which was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions: share price on issue date of $0.60, a risk-free rate of 0.70%, an expected life of 1 year, an expected annualized volatility of 92.53%, and no expectation of dividend payments. Volatility was determined based on historical volatility. This financing cost has been recorded against the carrying amount of the loan, and has been accreted over the term of the loan.

During the six months ended April 30, 2018, the loan was repaid in full.

10. Capital disclosures

The Company's objectives when managing capital are to:

(i) Maintain a flexible capital structure which optimizes the cost of capital at acceptable risk;
(ii) Continue the development and exploration of its resource property; and
(iii) Support expansion plans.

In the management of capital, the Company includes shareholders' equity, term loans and the current portion of loans, if any.

The Company manages its capital structure and makes adjustments to it when the economic and risk conditions of the underlying assets require change. In order to maintain or adjust the capital structure, the Company may issue new shares or issue new debt. The Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operations and growth objectives. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed restrictions.

11. Financial instruments and risk management

Fair value

The Company categorizes its fair value measurements for financial assets and financial liabilities at fair value according to a three level hierarchy which prioritizes the inputs used in the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the overall fair value measurement. The three levels of the fair value hierarchy based on the reliability of inputs are as follows:

Level 1: Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company did not have any financial instruments carried at fair value at April 30, 2018 and October 31, 2017.

Risk management

The Company is exposed, in varying degrees, to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management procedures are established to identify and analyze the risks faced by the Company.

The types of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk: Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's cash is deposited at a high credit-worthy financial institution. All of the Company's amounts receivable is with the federal government of Canada and the reclamation bonds are with the provincial government of British Columbia.

Market risk: Market risk includes currency risk, interest rate risk and price risk. The Company's activities expose it primarily to the financial risks of changes in the price of resources. The Company does not currently hold any financial instruments that mitigate this risk.

Liquidity risk: Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations when they become due, or can only do so at excessive cost. The Company expects to satisfy current obligations of $1,534,083 (2017 - $1,616,426) by continuing to finance its activities by raising funds from private equity investments. Even if it has succeeded in financing its activities in the past, management cannot comment on the success of its future fund raising and believes that liquidity risk is high. At April 30, 2018, the Company's accounts payable and accrued liabilities are due on demand or within 30 days.

12. Commitments

Flow-through share subscription agreements

The Company entered into flow-through share subscription agreements during the year ended December 31, 2008 whereby it was committed to incur on or before December 31, 2009 a total of $600,000 of qualifying Canadian Exploration Expenses ("CEE") as described in the Income Tax Act of Canada, of which $290,723 was not fulfilled. An amount totaling $187,400 has been accrued for the indemnification of shareholders for taxes and penalties related to the unspent portion of the commitment.

The Company entered into flow-through share subscription agreements during the year ended December 31, 2009 whereby it was committed to incur on or before December 31, 2010 a total of $575,000 of qualifying CEE, of which $113,764 was not fulfilled. An amount totaling $70,800 has been accrued for the indemnification.

In addition, Part XII.6 taxes and related interest and penalties of $116,000 were accrued on the unfulfilled commitments.

During the year ended October 31, 2016, the Company raised $470,369 from flow-through financing which has been incurred on qualifying CEE during the year.

12. Commitments (continued)

During the year ended October 31, 2017, the Company raised $939,997 from flow-through financing which has been incurred on qualifying CEE during the year.

During the six months ended April 30, 2018, the Company raised $249,700 from flow-through financing, of which $191,448 has been incurred on qualifying CEE during the period, and $58,252 is left to be spent by December 31, 2018.

13. Supplemental cash flow information

		April 30, 2018		April 30, 2017
Cash paid during the period for interest	**$**	**-**	$	13,822

Non-cash financing transactions:		**April 30, 2018**		April 30, 2017
Shares issued to settle term loans interest	**$**	**-**	$	613
Warrants issued to finder	**$**	**22,369**	$	56,413
Accretion of financing costs included in exploration and evaluation assets	**$**	**-**	$	2,147

Included in accounts payable and accrued liabilities is 510,305 (April 30, 2017 - $402,622) related to investment in exploration and evaluation assets.

Included in prepaid expenses is $30,000 (April 30, 2017 - $13,500) related to investment in exploration and evaluation assets.

14. Subsequent events

On May 14, 2018, 375,000 stock options priced at $0.255 were exercised for gross proceeds of $95,625.

On May 25, 2018, 1,094,000 warrants priced at $1.25 and 375,000 warrants priced at $0.90 expired unexercised.

On May 31, 2018, 375,000 stock options priced at $0.255 were exercised for gross proceeds of $95,625.

On June 1, 2018, the Company granted 825,000 stock options priced at $0.30 per share expiring June 1, 2023.

On June 18, 2018, the Company announced a 4,200,000 Unit offering at a price of $0.30 per Unit for gross proceeds of up to $1,260,000. Each Unit is comprised of one common share and one share purchase warrant (“Warrant”) with each Warrant entitling the holder to purchase one additional common share at a price of $0.45 per share for a period of twelve months from closing. Proceeds of the Unit offering will be used for continued development of the Company's Ladner Gold Project in southwestern British Columbia and general working capital.