GOWEST GOLD LTD.

Unaudited

Financial Statements

Nine Months Ended July 31, 2018 and 2017

Expressed in Canadian Dollars

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Gowest Gold Ltd. ("Gowest" or the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed interim consolidated financial statements have been prepared by management on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that: (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements; and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

GOWEST GOLD LTD.
Condensed Interim Statements of Financial Position
Unaudited
In Canadian dollars

ASSETS		July 31, 2018		October 31, 2017
Current assets				
Cash and cash equivalents (Note 5)	$	**120,457**	$	2,590,753
HST receivable and other assets (Note 6)		**320,428**		1,373,152
Total current assets		**440,885**		3,963,905
Deferred financing costs (Note 11)		**465,052**		465,052
Long term investment (Note 8)		**8,250**		8,250
Equipment (Note 7)		**2,143,072**		2,241,015
Long term deposits (Note 9)		**854,298**		854,298
Exploration and evaluation properties (Note 9)		**48,858,502**		37,014,493
Total assets	$	**52,770,059**	$	44,547,013
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9 & 14)	$	**9,032,440**	$	7,452,092
Flow-through premium liability (Note 12)		**-**		686,286
Total current liabilities		**9,032,440**		8,138,378
Asset retirement obligation (Note 10)		**847,915**		836,500
Long term debt (Note 11)		**12,036,395**		6,830,227
Deferred income taxes		**1,260,000**		1,301,000
Total liabilities		**23,176,750**		17,106,105
SHAREHOLDERS' EQUITY				
Share capital (Note 12)		**38,556,878**		35,000,298
Reserves (Note 11 & 12 (c)(d)(e))		**2,990,982**		2,583,190
		41,547,860		37,583,488
Accumulated deficit		**(11,958,676)**		(10,146,705)
Accumulated other comprehensive income (Note 8)		**4,125**		4,125
		(11,954,551)		(10,142,580)
Total shareholders' equity		**29,593,309**		27,440,908
Total liabilities and shareholders' equity	$	**52,770,059**	$	44,547,013

Nature of operations and going concern (Note 1)
Commitments and Contingencies (Notes 9, 10, 11 and 15)

APPROVED ON BEHALF OF THE BOARD

"Peter Quintiliani" Director

"C. Fraser Elliott" Director

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

GOWEST GOLD LTD.
Condensed Interim Statements of Loss and Comprehensive Loss
Unaudited
In Canadian dollars

		Three Months Ended July 31, 2018		Three Months Ended July 31, 2017		**Nine Months Ended July 31, 2018**		Nine Months Ended July 31, 2017
Operating Expenses								
General and administrative (Note 13)	$	**461,143**	$	767,569	$	**1,613,178**	$	1,918,584
Accretion (Notes 10 & 11)		**422,012**		345,624		**1,173,783**		662,777
		(883,155)		(1,113,193)		**(2,786,961)**		(2,581,361)
Deferred tax recovery		**16,000**		9,000		**41,000**		9,000
Flow through premium recovery		**-**		-		**1,112,142**		-
Foreign exchange (loss)/gain		**(224,171)**		630,896		**(267,898)**		384,613
Interest and other income/(expense)		**16**		6,510		**(12,798)**		16,343
Net loss for the period	$	**(1,107,310)**	$	(466,787)	$	**(1,955,515)**	$	(2,171,405)
Unrealized gain on securities available for sale		**-**		-		**-**		3,000
Net comprehensive loss for the period		**(1,107,310)**		(466,787)		**(1,955,515)**		(2,168,405)
Basic and diluted (loss) per share	$	**(0.003)**	$	(0.001)	$	**(0.006)**	$	(0.007)
Weighted average number of common shares outstanding		**357,385,710**		307,057,002		**342,955,489**		300,262,342

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

GOWEST GOLD LTD.
Condensed Interim Statements of Changes in Equity
Unaudited
In Canadian dollars

Equity attributable to shareholders		**Reserves**					
	Share Capital	**Warrants**	**Stock options**	**Convertible Feature of Long-Term Debt**	**Accumulated other comprehensive loss**	**Accumulated deficit**	**Total equity**
Balance at October 31, 2017	**$ 35,000,298**	**$ 498,511**	**$ 1,302,680**	**$ 782,000**	**$ 4,125**	**$ (10,146,705)**	**$ 27,440,909**
Issued on private placement	**3,930,301**	**618,000**	**-**	**-**	**-**	**-**	**4,548,301**
Issued on exercise of options/warrants	**272,056**	**-**	**-**	**-**	**-**	**-**	**272,056**
Share issue costs	**(292,470)**	**46,883**	**-**	**-**	**-**	**-**	**(245,587)**
Flow-through premium on private placement	**(425,855)**	**-**	**-**	**-**	**-**	**-**	**(425,855)**
Fair value of warrants expired		**(2,254)**	**-**	**-**	**-**	**2,254**	**-**
Fair value of options/warrants exercised	**72,548**	**(72,548)**	**-**	**-**	**-**	**-**	**-**
Fair value of stock options expired	**-**	**-**	**(182,289)**	**-**	**-**	**182,289**	**-**
Net loss and comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(1,996,515)**	**(1,996,515)**
Balance at July 31, 2018	**$ 38,556,878**	**$ 1,088,592**	**$ 1,120,391**	**$ 782,000**	**$ 4,125**	**$ (11,958,677)**	**$ 29,593,309**
Balance at October 31, 2016	$ 27,161,491	$ 149,642	$ 976,804	$ -	$ 1,875	$ (7,249,426)	$ 21,040,386
Issued on private placement	5,490,499	-	-	-	-	-	5,490,499
Issued on exercise of options	2,375	-	-	-	-	-	2,375
Share issue costs	(310,184)	12,913	-	-	-	-	(297,271)
Shares issued for compensation	135,000	-	-		-	-	135,000
Convertible feature of long term debt	-	-	-	782,000	-	-	782,000
Share-based payment	-	-	498,968	-	-	-	498,968
Fair value of warrants expired	-	(10,375)	-	-	-	10,375	-
Fair value of options exercised	2,325	-	(2,325)	-	-	-	-
Fair value of stock options expired	-	-	(148,300)	-	-	148,300	-
Net loss and comprehensive loss for the year	-	-	-	-	3,000	(2,171,405)	(2,168,405)
Balance as at July 31, 2017	$ 32,481,506	$ 152,180	$ 1,325,147	$ 782,000	$ 4,875	$ (9,262,156)	$ 25,483,552

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

GOWEST GOLD LTD.
Condensed Interim Statements of Cash Flows
Unaudited
In Canadian dollars

	Nine months ended July 31,	
	2018	2017
Operating activities		
Net (loss) for the period	**$ (1,996,515)**	$ (2,168,405)
Items not affecting cash:		
Amortization	**102,323**	12,861
Share-based payments	-	498,968
Unrealized (loss)/gain on marketable securities	-	(3,000)
Unrealized foreign exchange (loss)/gain	**267,898**	(381,586)
Accretion	**1,173,783**	662,777
Flow through premium recovery	**686,286**	-
Deferred income tax recovery	**41,000**	-
	(1,179,797)	(1,318,385)
Changes in non-cash working capital items:		
Amounts receivable and other assets	**1,052,724**	(1,423,593)
Accounts payable and accrued liabilities	**1,591,552**	- 2,349,602
Cash flows from operating activities	**1,464,478**	(392,376)
Investing activities		
Exploration and evaluation expenditures	**(11,844,009)**	(8,953,018)
Purchase of equipment	**(4,380)**	(53,140)
Deposit on equipment	-	(332,507)
Cash flows from investing activities	**(11,848,389)**	(9,338,665)
Financing activities		
Proceeds from issue of capital stock, options and warrants	**4,394,502**	5,492,874
Transaction costs on private placements	**(245,587)**	(297,271)
Proceeds from issuance of long-term debt	-	7,329,840
Transaction costs on long-term debt	-	(771,440)
Proceeds from Prepayment of Gold Concentrate	**3,764,700**	-
Cash flows from financing activities	**7,913,615**	11,754,003
Increase in cash and cash equivalents during the period	**(2,470,296)**	2,022,962
Cash and cash equivalents, beginning of period	**2,590,753**	893,806
Cash and cash equivalents, end of period	**$ 120,457**	$ 2,916,768
CASH AND CASH EQUIVALENTS ARE COMPOSED OF:		
Cash	**$ 89,987**	$ 2,886,379
Cash equivalents	**30,470**	30,389
	$ 120,457	$ 2,916,768
SUPPLEMENTAL INFORMATION		
Change in non-cash working capital related to Exploration and evaluation expenditures	**$ 4,910,714**	$ 2,278,769

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Gowest Gold Ltd. ("Gowest" or the "Company") is in the business of exploring and evaluating properties that it believes contain mineralization that is, or will, in the future, be economically recoverable. To date, the Company has not earned significant revenues from its activities. The address and registered office of the Company is 80 Richmond Street West, Suite 1400, Toronto, Ontario, Canada, M5H 2A4.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The recoverability of the amounts capitalized for exploration and evaluation properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from dispositions of such properties. Changes in future conditions could require material write-downs of the carrying amounts of exploration and evaluation properties.

Although the Company has taken steps to verify title to its property interests, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social discretionary requirements, unregistered prior agreements, aboriginal claims, and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

The accompanying financial statements have been prepared on the going concern assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Due to continuing operating losses and working capital deficiency, the Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of property. The Company incurred a loss of $1,955,515 for the nine month period ended July 31, 2018 (July 31, 2017 – ($2,168,405) and as of July 31, 2018, the Company had a working capital deficiency of $8,591,555 (October 31, 2017 – $4,174,473), and had a cumulative deficit of $11,958,676 (October 31, 2017 - $10,146,705). These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Accordingly, readers are cautioned that these financial statements do not reflect adjustments that would be necessary if the "going concern" basis were not appropriate. Changes in future conditions could require material write downs of the carrying value of certain assets.

These financial statements of the Company were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors October 1, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard 34 (“IAS 34”) Interim Financial Reporting. These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended October 31, 2017.

These interim financial statements follow the same accounting policies and methods of application as the Company’s most recent audited financial statements, except as disclosed below. Accordingly, they should be read in conjunction with the Company’s most recent annual financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation

The functional currency of Gowest is the Canadian dollar. For the purpose of the financial statements, the results and financial position are expressed in Canadian dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in the statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Financial instruments

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash and financial instruments included in long-term deposits	Loans and receivables
Cash equivalents and financial instruments	Fair value through profit or loss ("FVTPL")
Long-term investments	Available for sale

Financial liabilities:	Classification:
Accounts payable and accrued liabilities	Other financial liabilities
Long-term debt	Other financial liabilities

Compound financial instruments

Compound financial instruments comprise convertible debentures that can be converted into common shares at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at an amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

FVTPL

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

Available for sale

Available-for-sale investments are non-derivative financial assets that are either designated in this category or not classed in any other categories. Available-for-sale investments are carried at fair value at initial recognition. Changes to the fair value of available-for-sale investments are recognized in other comprehensive income. When available-for-sale investments are sold or impaired, the accumulated fair value adjustments recognized in accumulated other comprehensive income are included in the statement of loss.

Other financial liabilities

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are de-recognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of July 31, 2018 and October 31, 2017, other than cash equivalents and the available-for-sale investment, none of the Company’s financial instruments are recorded at fair value on the statement of financial position based on their classification. See Note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets are impaired. Where such an indication exists, the recoverable amount of the asset is estimated. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

(e) Exploration and evaluation expenditures

The Company is in the exploration and evaluation stage with respect to its investment in exploration and evaluation properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and evaluation of its interest in these properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned exploration and evaluation properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to an exploration and evaluation property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for interest in exploration and evaluation properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in profit and loss, costs recovered on exploration and evaluation properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration and evaluation expenditures are not expected to be recovered, it is charged to profit and loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

(f) Cash and cash equivalents

Cash and cash equivalents in the statements of financial position comprise cash at banks, and guaranteed investment certificates with an original maturity of three months or less, and which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Amortization is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Vehicle	30%	Declining balance
Furniture and fixtures	20%	Straight line
Computer equipment	30%	Declining balance
Software	30%	Declining balance
Equipment	10%	Straight line

An asset's residual value, useful life, and depreciation method are reviewed and adjusted, if appropriate, on an annual basis.

(h) Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(i) Share based payment transactions

The fair value of share based payments to employees and non-employees is recognized as an expense over the vesting period using the graded vesting method with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of employee share based payments is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest based on an estimate of the forfeiture rate.

Share-based payments granted to non-employees are measured at the fair value of goods received unless that cannot be reasonably estimated in which case the fair value of the share-based payments are used. The measurement date is generally the date the goods or services are received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements unless such differences arise from goodwill or the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the taxable profit nor the accounting profit or loss. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to do so, when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(k) Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration and evaluation of a property interest. Such costs are discounted to their net present value using a risk-free rate and are provided for and expensed as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation and environmental obligations as at July 31, 2018, as the disturbance, to that date, was minimal. See Note 10 for details of the asset retirement obligation as at July 31, 2018.

(l) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Loss per share (Continued)

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The Company's diluted loss per share does not include the effect of stock options and warrants as they are anti-dilutive.

(m) Significant accounting judgments and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

Capitalization of exploration and evaluation expenditures

Management has determined that exploration and evaluation expenditures incurred during the year have future economic benefits and are economically recoverable. In making this judgment, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits.

Impairment of exploration and evaluation properties and equipment

While assessing whether any indications of impairment exist for exploration and evaluation properties and equipment, consideration is given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation properties and equipment. Internal sources of information include the manner in which exploration and evaluation properties and equipment are being used or are expected to be used and indications of expected economic performance of the assets. Estimates may include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company’s exploration and evaluation properties and equipment, costs to sell the properties and equipment and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company’s exploration and evaluation properties and equipment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant account judgments and estimates (continued)

Long term debt

The classification of the Company's long term debt required management to analyze the terms and conditions of the long term debt and use judgment to assess whether the instrument is a liability, equity or a combination of the two. IAS 32 provides the criteria for management to assess these complicated financial instruments to determine their appropriate classification(s). Factors considered include, but are not limited to, whether the Company has a future obligation to settle the instrument in cash or exchange other assets or liabilities, and if the settlement is already known to be equity, the amount will not vary based on the Company's future share price, future foreign exchange rates or some other factor that results in a variable number of equity instruments being issued.

The Company was required to make certain estimates when determining the value of the liability and equity components of the long term debt. The discount rate used to measure the liability component on initial recognition is subject to management estimation and has a significant impact on the allocation of the debt and equity components of the facility.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Significant accounting judgments and estimates (continued)

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Contingencies – Refer to Note 15
Going concern – Refer to Note 1

(n) Flow-through shares

The Company periodically finances a portion of its exploration and evaluation activities through the issue of flow through shares, which transfers the tax deductibility of exploration expenditures to the investor (referred to as renunciation). Proceeds received on the issuance of such shares up to the value of similar non-flow through shares are credited to share capital and any difference between that amount and the issue price is recognized as a flow through share premium and recognized as a liability in the statement of financial position. Upon renunciation to the investor of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the liability previously recorded is reversed with any difference being recorded as a deferred tax recovery (expense). To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a recovery on the statement of loss. The related exploration costs are charged to exploration and evaluation properties.

(o) New accounting standards and interpretations effective in future period

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after November 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine the impact on the Company.

(i) IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New accounting standards and interpretations effective in future period (continued)

(ii) IFRS 9 – Financial instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

(iii) IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

(iv) IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

During the period ended July 31, 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 1. These new standards and changes did not have any materials impact on the Company's financial statements.

3. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and evaluation of its properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. The Company considers its capital to be shareholders' equity, which comprises share capital, reserves, accumulated deficit and accumulated other comprehensive income, which at July 31, 2018, totalled $29,593,309 (October 31, 2017 - $27,440,908).

The properties in which the Company currently has an interest are in the exploration and evaluation stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration programs and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts when economic conditions permit it to do so.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements;
(ii) reducing or eliminating exploration expenditures that are of limited strategic value; and
(iii) exploring alternative sources of liquidity.

In light of the above, the Company will attempt to explore and evaluate its properties, assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient 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 appropriate. There were no changes in the Company's approach to capital management during the periods ended July 31, 2018 and October 31, 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than by the TSX Venture Exchange ("TSXV") who requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of July 31, 2018, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the direction of the TSXV.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk and commodity and equity price risk). Financial risk management is carried out by the Company's management team with guidance from the Board of Directors.

(i) Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash and cash equivalents consist of cash, high interest savings accounts and certificates of deposit at select Canadian financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to the financial instruments included in cash and cash equivalents is remote.

4. FINANCIAL RISK FACTORS (CONTINUED)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at July 31, 2018, the Company had cash, cash equivalents, HST receivable and other current assets of $440,885 (October 31, 2017 - $3,963,905) to settle current accounts payable and accrued liabilities of $9,032,440 (October 31, 2017 - $8,138,378). All of the Company's accounts payable and certain liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. As at July 31, 2018, included in accrued liabilities are liabilities of $2,333,362 that are subject to extended payment terms. (See Note 11 for details of the long-term debt repayment terms.) The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity. As discussed in Note 1, the Company's ability to continually meet its obligations and carry out its planned exploration and evaluation activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

(a) Interest rate risk

The Company has cash and cash equivalents. The Company's current policy is to invest excess cash in high interest savings accounts and investment-grade certificates of deposit issued by its Canadian financial institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its Canadian financial institutions. The Company's long-term debt effectively bears interest at a fixed rate. Currently, the Company does not hedge against interest rate risk.

(b) Foreign currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to foreign currency risk is minimal.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. As the Company's mineral properties are in the exploration stage, the Company does not hedge against commodity price risk. The Company's long-term investment in Crown Mining Corp. ("Crown") is subject to fair value fluctuations arising from changes in the equity and commodity markets.

4. FINANCIAL RISK FACTORS (CONTINUED)

(iii) Market risk (continued)

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

(i) Cash equivalents are subject to floating interest rates. As at July 31, 2018, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the nine month period ended July 31, 2018 would have not had been significantly impacted.

(ii) The Company's available-for-sale investment in the common shares of Crown is subject to fair value fluctuations. As at July 31, 2018, if the bid price of the common shares of Crown had changed by 10% with all other variables held constant, the other comprehensive income for the nine month period ended July 31, 2018, before tax, would not have been significantly impacted.

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at July 31, 2018 and October 31, 2017:

July 31, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash equivalents	**$ -**	**$ 30,470**	**$ -**	**$ 30,470**
Long-term investments:				
- Investment in a public company	**8,250**	**-**	**-**	**8,250**
	$ 8,250	**$ 30,470**	**$ -**	**$ 38,720**

October 31, 2017	Level 1	Level 2	Level 3	Total
Cash equivalents	$ -	$ 30,420	$ -	$ 30,420
Long-term investments:				
- Investment in a public company	8,250	-	-	8,250
	$ 8,250	$ 30,420	$ -	$ 38,670

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	July 31, 2018	October 31, 2017
Financial assets:		
FVTPL		
Cash equivalents	**$ 30,470**	$ 30,420
Loans and Receivables		
Cash	**89,987**	2,560,333
Total Cash and cash equivalents	**120,457**	2,590,753
Available for sale financial asset	**8,250**	8,250
Financial liabilities:		
Other financial liabilities		
Accounts payable and accrued liabilities	**$ 9,032,440**	$ 7,452,092
Long-term debt	**$ 12,036,395**	$ 6,830,227

As at July 31, 2018 and October 31, 2017, the fair value of the Company's loans and receivables and accounts payable and accrued liabilities approximate their estimated carrying values, due to their short-term nature. The fair value of the long-term debt approximates its carrying value due to the short amount of time that has passed since it was received.

6. AMOUNTS RECEIVABLE AND OTHER ASSETS

	As at July 31, 2018	As at October 31, 2017
HST receivable	**$ 250,596**	$ 1,073,333
Prepaid expense	**69,832**	299,819
	$ 320,428	$ 1,373,152

7. EQUIPMENT

Cost	**Computer Equipment**	**Furniture**	**Vehicles**	**Software**	**Equipment**	**Total**
Balance, October 31, 2016	8,726	26,441	96,491	63,174	-	194,832
Additions	3,581	22,800	28,999	-	2,173,472	2,228,852
Balance, October 31, 2017	12,307	49,241	125,490	63,174	2,173,472	2,423,684
Additions	**1,051**	**-**	**-**	**3,329**	**-**	**4,380**
Balance, July 31, 2018	**13,358**	**49,241**	**125,490**	**66,503**	**2,173,472**	**2,428,064**

Accumulated amortization	**Computer Equipment**	**Furniture**	**Vehicles**	**Software**	**Equipment**	**Total**
Balance, October 31, 2016	6,800	26,441	84,926	54,656	-	172,823
Additions	654	1,637	5,273	2,282	-	9,846
Balance, October 31, 2017	7,454	28,078	90,199	56,938	-	182,669
Additions	**1,231**	**3,422**	**7,359**	**1,301**	**89,011**	**102,323**
Balance, July 31, 2018	**8,685**	**31,500**	**97,558**	**58,239**	**89,011**	**284,992**

Carrying value	**Computer Equipment**	**Furniture**	**Vehicles**	**Software**	**Equipment**	**Total**
Balance, October 31, 2016	1,926	-	11,565	8,518	-	22,009
Balance, October 31, 2017	4,853	21,163	35,291	6,236	2,173,472	2,241,015
Balance, July 31, 2018	**4,673**	**17,741**	**27,932**	**8,264**	**2,084,461**	**2,143,072**

8. LONG-TERM INVESTMENT

Long term Investment	**Cost**	**Impairment**	**Accumulated other comprehensive income adjustment**	**July 31, 2018 estimated fair value**	October 31, 2017 estimated fair value
Crown Mining Corp - common shares	$ 115,500	$(111,375)[(i)]	$ 4,125	**$ 8,250**	$ 6,000

(i) During the year ended October 31, 2014, the Company recorded an impairment charge as the drop in value of the investment was estimated to be other than temporary.

9. EXPLORATION AND EVALUATION PROPERTIES

July 31, 2018	**Acquisition Cost**	**Exploration and Evaluation**	**Option Payments Received**	**Net Book Value**
Frankfield Property [(i)]	**$ 1,263,575**	**$ 44,657,051**	**$ -**	**$ 45,920,626**
Pipestone Property[(iii)]	**201,500**	**1,717,104**	**-**	**1,918,604**
Tully Property [(ii)]	**69,458**	**835,339**	**-**	**904,797**
Whitney Property [(iv)]	**126,059**	**65,984**	**(77,568)**	**114,475**
	$ 1,660,592	**$ 47,275,478**	**$ (77,568)**	**$ 48,858,502**

October 31, 2017	Acquisition Cost	Exploration and Evaluation	Option Payments Received	Net Book Value
Frankfield Property [(i)]	$ 1,263,575	$ 33,163,651	$ -	$ 34,427,226
Pipestone Property[(ii)]	201,500	1,545,619	-	1,747,119
Tully Property [(iii)]	69,458	823,513	-	892,971
Whitney Property [(iv)]	126,059	65,984	(77,568)	114,475
	$ 1,660,592	$ 35,431,469	$ (77,568)	$ 37,014,493

The Bradshaw Project is located in the Frankfield Property.

In March 2009, Gowest acquired a 100% interest in the Frankfield project in Ontario. In consideration for New Texmont Exploration Ltd's ("New Texmont") 50% interest in the Frankfield project, the Company issued 15,000,000 common shares to New Texmont and also granted New Texmont a sliding scale net smelter royalty (the "NSR").

In December 2015, the Company purchased the NSR from New Texmont with a one-time payment of the issuance of 10,000,000 common shares (estimated grant date fair value of $800,000 based on the quoted market price of the Company's shares) at a deemed price of $0.10.

In February, 2010, the Company completed an agreement with Goldcorp Canada Ltd. and Goldcorp Inc. (collectively "Goldcorp"), for the purchase of Goldcorp's properties in Tully Township adjacent to the Company's 100% owned Frankfield Project. Consideration for this acquisition included a 2% NSR derived from future production specifically from the Goldcorp leased claims, a 1% NSR derived from future production specifically from the Goldcorp unpatented claims and $100,000 in cash (paid). The Company will maintain an NSR buyout option for both the Goldcorp leased claims and Goldcorp unpatented claims valued at $500,000 for each 0.5% of the desired NSR. Goldcorp may elect not to sell the final 0.5% portion of its NSR.

In December, 2010, the Company completed its acquisition of a 100% interest of the Dowe property in Tully Township, Ontario adjacent to the Company's 100% owned Frankfield Gold Property. In consideration for this acquisition, the Company paid $16,000 in cash, issued 70,000 common shares (estimated grant date fair value of $18,200 based on the quoted market price of the Company's shares) of the Company and agreed to a 0.5% NSR at gold prices of less than US$950 per ounce or 0.75% NSR at gold prices equal to or greater than US$950 per ounce. The Company maintains an NSR buyout option valued at $125,000 for each 0.25% of the NSR.

9. EXPLORATION AND EVALUATION PROPERTIES (CONTINUED)

(i) Frankfield Property (continued)

The Company entered into advanced exploration bulk sample program on the Bradshaw project during the year ended October 31, 2017. During the year ended October 31, 2017, the Company increased its previously placed financial assurance bond by $773,877 for a total of $854,298 with the Ministry of Northern Development and Mines for the Bradshaw project advanced exploration closure plan, which is refundable once certain conditions are met. The bond is included in long term deposits for the periods ended July 31, 2018 and October 31, 2017.

The following costs have been capitalized during the nine months ended July 31, 2018 and the year ended October 31, 2017 to exploration and evaluation expenditures in respect of the Frankfield Property:

		Nine Months Ended July 31, 2018		Year Ended October 31, 2017
Opening Balance, October 31, 2017	**$**	**34,427,226**	**$**	18,924,043
Additions during the period:				
Asset retirement provision		**-**		824,000
Engineering, permitting and overhead		**960,045**		1,864,937
Site access and development		**3,443,837**		5,108,944
Bulk sample development		**6,870,508**		6,836,195
Exploration, geophysics, drilling and assays		**219,010**		869,107
Royalty buy-back		**-**		-
	$	**11,493,400**	**$**	15,503,183
Closing Balance, July 31, 2018		**45,920,626**		34,427,226

(ii) Pipestone Property

On April 26, 2011, the Company entered into an option and joint venture agreement (the "Option Agreement") with Transition Metals Corp. ("TMC") to explore and earn an interest in certain claims in the Porcupine mining district in Ontario (the "Pipestone Property"). The Company completed it's earn in option for a 60% interest in the properties on April 26, 2016. Upon earning the 60% interest, as applicable, a joint venture automatically formed between Gowest and TMC, pursuant to which the companies will continue to explore and develop the Pipestone Property as warranted. Should either party's joint venture interest be diluted below 10%, its interest will be converted to a 2% NSR. As of April 30, 2018, the Company's interest has increased to 67.7% by spending $400,000 on the property.

Pursuant to IFRS 11, joint arrangements are classified as joint operations or joint ventures based on the rights and obligations of the parties to the joint arrangements. Joint arrangements represent arrangements in which two or more parties have joint control established by a contractual agreement. Joint control requires unanimous consent for financial and operational decisions. Joint arrangements can be classified as either a joint operation or a joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method of accounting. Under the equity method, the Company's initial investment is recognized at cost and subsequently adjusted for the Company's share of the joint venture's income or loss, less distributions received.

(iii) Tully Property

The Company owns 100% of certain claim blocks in Tully Township.

(iv) Whitney Property

The Company has a 100% interest in certain claims in Whitney Township, Ontario.

10. RECLAMATION AND CLOSURE COST OBLIGATIONS

Pursuant to the Bradshaw Project Closure Plan, the Company is obligated to rehabilitate the Bradshaw site. Each period the Company reviews cost estimates and other assumptions used in the valuation of the obligations at each of its mining properties and development properties to reflect events, changes in circumstances and new information available. Changes in these cost estimates and assumptions have a corresponding impact on the fair value of the obligation. The fair values of the obligations are measured by discounting the expected cash flows using a discount factor that reflects the risk-free rate of interest. The Company prepares estimates of the timing and amount of expected cash flows when an obligation is incurred. Expected cash flows are updated to reflect changes in facts and circumstances. The principal factors that can cause expected cash flows to change are: the construction of new processing facilities; obligations realized through additional ore bodies mined; changes in the quantities of material in reserves and a corresponding change in the life of mine; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; and changes in laws and regulations governing the protection of the environment. The present value of the future estimated obligation is recorded when it is incurred. Assumptions, including an inflation rate of 1.5% and a discount rate of 1.82% have been made which management believes are a reasonable basis upon which to estimate the future liability.

During the nine month period ended July 31, 2018, accretion expense was recorded of $11,415 (October 31, 2017 - $12,500). The present value of the future rehabilitation liability was estimated at $847,915 as at July 31, 2018.

11. LONG TERM DEBT

(i) Pre-Paid Forward Gold Purchase Agreement

On December 16, 2016, the Company entered into a definitive Pre-Paid Forward Gold Purchase Agreement (the "Agreement") to finance the development of its Bradshaw project.

Pursuant to the Agreement, the Company may be advanced up to an aggregate of US$17,600,000 (the "Gold Prepayment Amount"), in four tranches over a period of approximately 12 months, as partial consideration for the purchase of up to an aggregate of 65,805 ounces of gold to be produced from Bradshaw. The full funding of the Gold Prepayment Amount is subject to the satisfaction of certain conditions precedent applicable in respect of each tranche, as specified in the Agreement.

The Gold Prepayment Amount will be used to fund development at Bradshaw, as well as for general and administrative costs and the payment of transaction fees and expenses relating to the Agreement.

Over a period of 60 months following the date of each tranche of the Gold Prepayment Amount, Gowest will be obligated to deliver a specified number of ounces of gold in respect of each such tranche; provided, however, no gold shall be deliverable by the Company during the first 27 months following the initial tranche payment date. The Company, on each delivery of gold, will receive an amount per ounce of gold equal to the market price at the time, less a specified discount. During the term of the Agreement, the lender will also participate in the upside of any increase in the price of gold.

The obligations of the Company under the Agreement will be secured by a first lien (subject to permitted liens) over all of the Company's properties and assets, other than certain excluded properties or assets specified in the Agreement.

On February 1, 2017, the Company received payment of the initial tranche in the amount of US$5,600,000 less the costs of issuance of the debt. The Company has recognized $771,440 as deferred financing cost and allocated $259,388 of these costs against the initial tranche and $47,000 of costs allocated to the conversion feature. The remaining costs will be recognized against the remaining tranches as they are received. The Company continues to work diligently to satisfy the outstanding funding conditions in order to receive the remaining tranches of funding under the Agreement with its lender.

11. LONG TERM DEBT (Continued)

Pursuant to the Agreement, during the 27 month period following the payment of the initial tranche of the Gold Prepayment Amount (the "Conversion Period"), the lender may elect to reduce the amount of gold deliverable by the Company by up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company (the "Conversion") having an aggregate value equal to US$5,000,000 (or CDN$6,673,500, based on an exchange rate of US$1.00 = CDN$1.3347, being the closing rate of exchange on the date prior to the execution of the Agreement as published by the Bank of Canada). For the purposes of the Conversion, the price per common share has been fixed at CDN$0.155, being the closing price of the common shares on the TSX Venture Exchange on the date prior to the execution of the Agreement.

The Conversion may be exercised during the Conversion Period, in whole or in part, in increments of US$1,000,000 and in exchange for 8,610,967 common shares (corresponding to a reduction in the total quantity of gold deliverable under the Agreement by 2,000 ounces). Following the Conversion, if applicable, the scheduled monthly quantities of gold to be delivered will be reduced on a *pro rata* basis. Further, if at any time during the term of the Agreement the common shares of the Company trade at a price greater than CDN$0.465 per share (being a trading price three (3) times the Conversion price) for a period of twenty (20) consecutive trading days, The lender will be obligated to consummate the Conversion.

The Company has valued the Conversion component on the initial tranche at $1,128,000 and has recorded a deferred tax liability of $299,000.

Balance of long term debt as at July 31, 2018:

	$
Total proceeds tranche 1	7,329,840
Cost of issuance	(771,440)
Deferred financing related to remaining tranches	465,052
Conversion feature - equity	(1,128,000)
Cost of issuance - equity	47,000
Accretion	2,166,980
Foreign exchange adjustment	(24,037)
Balance as at July 31, 2018	8,085,395

(ii) Prepayment for Gold Concentrate

On February 14, 2018, the Company received from Shandong Humon Smelting (“Humon”) US$3,000,000 in connection with entering into an agreement to sell gold concentrate produced from its wholly-owned Bradshaw Gold Deposit (“Bradshaw”). Humon has advanced the funds as pre-payment for the planned delivery and sale of gold concentrate to be produced as part of Gowest’s ongoing Advanced Exploration – Bulk Sample program. The Company promises to complete the repayment to Humon of the Prepaid Amount on or prior to June 30, 2019. Subject to the prior approval of the TSX Venture Exchange, the Prepaid Amount that remains outstanding, from time to time, shall be convertible prior to June 30, 2019, at the option of the Company, into common shares of the Company (which common shares will be listed and posted for trading on the TSX Venture Exchange). The conversion price per common share shall be equal to the “market price” of the Company’s common shares on the TSX Venture Exchange determined as of the date that the conversion of option is exercised by the Seller. Humon will be paid an arrangement fee in respect of the pre-payment. As at July 31, 2018, $3,951,000 is included in long term debt.

12. SHARE CAPITAL

(a) Authorized capital

The number of authorized common shares is unlimited. 2,000,000 special shares, redeemable, voting, non-participating.

(b) Issued common shares

	No. of shares	Amount
Balance, October 31, 2016	284,872,238	$ 27,161,491
Private placement, option and warrant exercise (i)(ii)(iii)(Iv)(vi)(vii)(viii)	47,665,513	8,982,794
Share issue costs, net of tax	-	(267,281)
Value of options and warrants exercised	-	73,189
Value of warrants issued	-	(398,609)
Flow-through premium on private placement (vii)(viii)(xii)	-	(686,286)
Shares issued for compensation (x)	675,000	135,000
Balance, October 31, 2017	333,212,751	$ 35,000,298
Private placement and warrant exercise (ix)	35,482,492	4,202,357
Share issue costs	-	(292,470)
Value of warrants exercised	-	72,548
Flow-through premium on private placements (ix)(xi)(xiii)	-	(425,855)
Balance, July 31, 2018	368,695,243	38,556,878

(ii) On November 9, 2016, the Company completed a private placement for aggregate proceeds of $2,510,000. Pursuant to the offering, the Company issued and sold 12,225,000 flow-through common shares of the Company at a price of $0.20 per share and 325,000 non-flow-through common shares of the Company at a price of $0.20 per share.

(ii) On February 13, 2017, the Company issued 25,000 common shares upon exercise of stock options at an exercise price of $0.095 per option for gross proceeds of $2,375.

(iii) On May 18, 2017, the Company completed a private placement for aggregate proceeds of $1,980,500. Pursuant to the offering, the Company issued and sold 10,423,684 flow-through common shares of the Company at a price of $0.19 per share. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $312,711

(iv) On July 6, 2017, the Company completed a private placement for aggregate proceeds of $999,999. Pursuant to the offering, the Company issued and sold 4,347,826 flow-through common shares of the Company at a price of $0.23 per share. In connection with the offering, the Company paid $60,000 in cash and issued 130,435 non-transferable compensation warrants exercisable at $0.23 for 2 years. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $108,696.

The grant date fair value of $12,913 was assigned to the 130,435 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 97%; risk-free rate of return 1.13% and an expected life of 2 years.

(v) On July 25, 2017, the Company issued 675,000 common shares to settle certain director and management compensation of $135,000 at a price of $0.20 per shares based on the quoted market price at the time of grant.

(vi) On August 11, 2017, 100,000 common shares were issued upon exercise of stock options at an exercise price of $0.08 per option for gross proceeds of $8,000.

(vii) On August 18, 2017, 1,800,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $270,000.

12. SHARE CAPITAL (CONTINUED)

(b) Issued common shares *(continued)*

(viii) On October 31, 2017, the Company closed a first tranche of a private placement for aggregate proceeds of $3,211,920. Pursuant to the offering, the Company issued and sold 13,244,003 flow-through common share units of the Company at a price of $0.18 per share for gross proceeds of $2,383,920 and 5,175,000 units at a price of $0.16 per share for gross proceeds of $828,000. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.25 per warrant until October 31, 2019. In connection with the offering, the Company paid finders fees of $16,965 and issued 94,250 non-transferable compensation warrants exercisable at $0.25 for 2 years. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium was calculated to be $264,880.

The grant date fair value of $398,609 was assigned to 9,209,502 warrants and value of $4,807 was assigned to the 94,250 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 87%; risk-free rate of return 1.39% and an expected life of 2 years.

(ix) On November 15, 2017, the Company closed the second tranche of a private placement for aggregate proceeds of $1,428,151. Pursuant to the offering, the Company issued and sold 7,934,170 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,428,151. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.25 per warrant until November 15, 2019. In connection with the offering, the Company paid finders fees of $89,289 and issued 331,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

The grant date fair value of $207,000 was assigned to 3,967,085 warrants and value of $17,348 was assigned to the 331,667 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 87%; risk-free rate of return 1.44% and an expected life of 2 years.

(x) On December 11, 2017, 1,688,710 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $253,306.

(xi) On December 18, 2017, the Company closed the final tranche of a private placement for aggregate proceeds of $1,383,140. Pursuant to the offering, the Company issued and sold 7,373,000 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $1,327,140 and 350,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $56,000. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.25 per warrant until December 18, 2019. In connection with the offering, the Company paid finders fees of $71,552 and issued 398,180 non-transferable compensation warrants exercisable at $0.25 for 2 years.

The grant date fair value of $201,000 was assigned to 3,861,500 warrants and value of $18,642 was assigned to the 398,180 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 87%; risk-free rate of return 1.57% and an expected life of 2 years.

(xii) On December 22, 2017, 125,000 common shares were issued upon exercise of warrants at an exercise price of $0.15 per warrant for gross proceeds of $18,750.

12. SHARE CAPITAL (CONTINUED)

(b) Issued common shares (Continued)

(xiii) On December 29, 2017, the Company closed a private placement for aggregate proceeds of $707,400. Pursuant to the offering, the Company issued and sold 3,761,112 flow-through units of the Company at a price of $0.18 per unit for gross proceeds of $677,000 and 190,000 common share units of the Company at a price of $0.16 per unit for gross proceeds of $30,400. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.25 per warrant until December 29, 2019. In connection with the offering, the Company paid finders fees of $37,380 and issued 207,667 non-transferable compensation warrants exercisable at $0.25 for 2 years.

The grant date fair value of $102,000 was assigned to 1,975,667 warrants and value of $10,893 was assigned to the 207,667 compensation warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 87%; risk-free rate of return 1.68% and an expected life of 2 years.

(xiv) On July 13, 2018, the Company closed a private placement for aggregate proceeds of $1,029,610. Pursuant to the offering, the Company issued and sold 4,537,500 flow-through units of the Company at a price of $0.08 per unit for gross proceeds of $363,000 and 9,523,000 common share units of the Company at a price of $0.07 per unit for gross proceeds of $666,610. Each unit is comprised of one common share and one-half of one common share purchase warrant with each warrant exercisable at a price of $0.15 per warrant until July 13, 2020.

The grant date fair value of $108,000 was assigned to 7,030,250 warrants issued as part of the offering was estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility 82.20%; risk-free rate of return 1.92% and an expected life of 2 years.

The estimated volatility used in the Black-Scholes valuation model is based on the historical volatility of the Company's shares.

(c) Stock options

The Company has an incentive stock option plan that allows it to grant options to its employees, directors and consultants. The plan received shareholder re-approval on May 25, 2016. The plan allows the Company to grant options to acquire up to 10% of the issued and outstanding common shares. The plan provides that the exercise price of an option granted under the plan shall not be less than the market price at the time of granting the option. Options have a maximum term of 5 years, vest immediately upon issue, unless otherwise stated and terminate on the 90th day after the optionee ceases to be any of: an employee, director or consultant of the Company.

The following table reflects the continuity of options as of July 31, 2018:

	Number of options	Weighted average exercise price ($)
Balance, October 31, 2016	12,925,000	0.11
Granted (ii)(iii)(iv)	3,900,000	0.16
Exercised	(125,000)	0.08
Expired	(1,625,000)	0.18
Balance, October 31, 2017	15,075,000	0.11
Expired	(2,500,000)	0.12
Balance, July 31, 2018	12,575,000	0.11

12. SHARE CAPITAL (CONTINUED)

(c) Stock options (Continued)

(i) On March 28, 2017, the Company granted 3,250,000 options to purchase common shares at a price of $0.16 per share for a period of five years, of which 3,200,000 vested immediately and 50,000 vest over four quarters. The fair value of the 3,250,000 options was estimated to be $412,296 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 119%; risk-free interest rate of 1.10% and an expected life of 5 years.

(ii) On September 24, 2017, the Company granted 250,000 options to purchase common shares at a price of $0.16 per share for a period of five years, which vested immediately. The fair value of the options was estimated to be $39,250 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 116%; risk-free interest rate of 1.80% and an expected life of 5 years.

(iii) On October 31, 2017, the Company granted 400,000 options to purchase common shares at a price of $0.16 per share for a period of five years, which vested immediately. The fair value of the options was estimated to be $46,400 using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 115%; risk-free interest rate of 1.62% and an expected life of 5 years.

During the nine month period ended July 31, 2018, $Nil (July 31, 2017 - $498,968) was recorded as share-based payment in the statement of loss. The weighted average remaining contractual life of the options outstanding at July 31, 2018 was 2.40 years (October 31, 2017 – 2.72 years).

The estimated volatility used in the Black-Scholes valuation model is based on the historical volatility of the Company's shares.

The following table reflects the options issued and outstanding as of July 31, 2018:

Expiry Date	Exercise price ($)	Number of Options Outstanding	Number of Options Exercisable
February 28, 2019	0.08	2,450,000	2,450,000
September 30, 2019	0.085	400,000	400,000
November 7, 2019	0.085	400,000	400,000
June 22, 2020	0.08	2,600,000	2,600,000
June 21, 2021	0.095	2,825,000	2,825,000
March 28, 2022	0.16	3,250,000	3,250,000
September 24, 2022	0.16	250,000	250,000
October 31, 2022	0.16	400,000	400,000
		12,575,000	**12,575,000**

12. SHARE CAPITAL (CONTINUED)

(d) Warrants

The following table reflects the continuity of warrants as of July 31, 2018:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 31, 2016	3,963,710	0.15
Issued	9,494,187	0.20
Expired	(75,000)	0.25
Exercised	(1,800,000)	0.15
Balance, October 31, 2017	11,582,897	0.23
Issued	17,729,725	0.21
Expired	(275,000)	0.15
Exercised	(1,813,710)	0.15
Balance, July 31, 2018	27,223,912	0.22

The following table reflects the warrants issued and outstanding as of July 31, 2018:

Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	ExpiryDate
60,000	0.20	7,380	November 9, 2018
130,435	0.23	12,913	July 6, 2019
9,209,502	0.25	398,609	October 31, 2019
94,250	0.25	4,807	October 31, 2019
3,967,085	0.25	207,000	November 15, 2019
331,667	0.25,,	17,348	November 15, 2019
3,861,500	0.25	201,000	December 18, 2019
398,180	0.25	18,642	December 18, 2019
1,975,556	0.25	102,000	December 29, 2019
207,667	0.25	10,893	December 29, 2019
7,030,250	0.15	108,000	July 13, 2020
27,223,912		1,088,592	

(e) CONVERTIBLE DEBT

Pursuant to the Agreement (See Note 11), during the 27 month period following the payment of the initial tranche of the Gold Prepayment Amount (the "Conversion Period"), the lender may elect to reduce the amount of gold deliverable by the Company by up to 10,000 ounces in exchange for up to 43,054,838 common shares of the Company (the "Conversion") having an aggregate value equal to US$5,000,000 (or CDN$6,673,500, based on an exchange rate of US$1.00 = CDN$1.3347, being the closing rate of exchange on the date prior to the execution of the Agreement as published by the Bank of Canada). For the purposes of the Conversion, the price per common share has been fixed at CDN$0.155, being the closing price of the common shares on the TSX Venture Exchange on the date prior to the execution of the Agreement

12. SHARE CAPITAL (CONTINUED)

(e) Convertible Debt (Continued)

The Conversion may be exercised during the Conversion Period, in whole or in part, in increments of US$1,000,000 and in exchange for 8,610,967 common shares (corresponding to a reduction in the total quantity of gold deliverable under the Agreement by 2,000 ounces). Following the Conversion, if applicable, the scheduled monthly quantities of gold to be delivered will be reduced on a pro rata basis. Further, if at any time during the term of the Agreement the common shares of the Company trade at a price greater than CDN$0.465 per share (being a trading price three (3) times the Conversion price) for a period of twenty (20) consecutive trading days, the lender shall be obligated to consummate the Conversion.

The Company has valued the Conversion component on the initial tranche at $1,128,000 and has recorded a deferred tax liability of $299,000. Transaction costs of $47,000 were allocated to this component resulting in an amount of $782,000 recognized as at July 31, 2018.

13. GENERAL AND ADMINISTRATIVE

		Three Months ended July 31, 2018		Three Months ended July 31, 2017		**Nine Months ended July 31, 2018**		Nine Months ended July 31, 2017
General and administrative	**$**	**243,051**	$	691,343	**$**	**1,053,194**	$	1,227,524
Professional fees		**171,322**		47,251		**353,030**		71,086
Investor relations		**1,511**		11,600		**22,949**		37,526
Shareholder communications		**7,500**		4,717		**28,750**		16,159
Share-based payments		**-**		1,925		**-**		498,968
Transfer agent and exchange fees		**3,990**		5,050		**52,933**		54,460
Amortization		**33,769**		5,683		**102,322**		12,861
	$	**461,143**	$	767,569	**$**	**1,613,178**	$	1,918,584

14. RELATED PARTY TRANSACTIONS

The remuneration of directors and key management of the Company for the nine month period ended July 31, is as follows:

	2018	2017
	$	$
Aggregate cash compensation	346,500	650,813
Share based compensation	-	485,500

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the nine month period ended July 31, 2018, officers, directors and insiders subscribed for 8,098,000 units in the private placements for proceeds of $609,110 (October 31, 2017 – 5,481,361 units for proceeds of $999,500).

During the nine month period ended July 31, 2018, $16,652 was paid to Mr. Wu, a director who provided geological services to the Company (July 30, 2017 - $16,680), $25,200 was paid to Mr. Yuanhui, a director who provided Corporate Development services to the Company (July 31, 2017 - $37,800) and $5,000 was paid to Mr. Huang, a director for professional services.

Included in accounts payable and accrued liabilities as at July 31, 2018 was $240,499 (July 31, 2017 - $135,000) owing to management, directors and officers of the Company. The amounts payable is unsecured, non-interest bearing with no fixed terms of repayment.

15. COMMITMENTS AND CONTINGENCIES

The Company is party to a management and consulting contract. The contract contains clauses requiring additional payments of up to $617,000 to be made upon the occurrence of certain events such as a change of control or termination. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.

On October 31, 2017, the Company issued a total of $2,383,920 in flow-through shares. As at April 30, 2018, the Company had expended all of the related commitments to these flow-through funds.

On November 15, 2017, December 18, 2017 and December 29, 2017, the Company issued a total of $3,432,291 in flow-through shares. As at July 31, 2018, the Company had expended all of the related commitments to these flow-through funds.

On July 13, 2018, the Company issued $363,000 in flow-through shares.

The Company has indemnified the subscribers of current and previous flow-through share offerings against any tax related amounts that become payable by the shareholder as a result of the Company not meeting its expenditure commitments.

The Company is committed to minimum amounts under one operating lease agreement for premises, which expire on November 30, 2023. Minimum commitments remaining under this lease are approximately $355,000, of which approximately $65,000 are due within one year.

Minimum payments due under operating leases in respect of office space are set out below:

2018 - $ 26,948
2019 - $ 65,000
2020 - $ 67,000
2021 - $ 67,000
2022 - $ 67,000
2023 - $ 62,000

The Company's exploration and evaluation activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company committed to the purchase of equipment for use during the processing of the ore delivered during the fourth quarter of the year. The total purchase price is US$829,869 with an initial deposit of US$253,691 paid and the outstanding balance to be paid over a 10 month period following delivery of the equipment. During the current year period the Company has made additional payments of US$194,200.