Cartier Resources Inc.

(an exploration company)

Interim condensed financial statements
(Unaudited)

First quarter ended March 31, 2018

The interim condensed financial statements for the period ended March 31, 2018 have not been reviewed by the Company's independent auditor.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Financial Position

(In Canadian $)

	March 31, 2018 (Unaudited) $	December 31, 2017 (Audited) $
Assets		
Current		
Cash and cash equivalents (note 3)	**12,965,906**	15,706,671
Other short-term financial assets (note 4)	**31,600**	31,600
Receivables (note 5)	**385,071**	242,315
Prepaid expenses	**124,096**	61,813
	13,506,673	16,042,399
Non-current		
Property, plant and equipment	**6,346**	6,944
Exploration assets and deferred exploration costs (note 6)	**16,085,606**	13,515,566
TOTAL ASSETS	**29,598,625**	29,564,909
Liabilities		
Current		
Accounts payables and accrued liabilities	**690,687**	437,403
Liability related to flow-through shares (note 11)	**704,600**	1,700,938
	1,395,287	2,138,341
Non-current		
Deferred income and mining taxes	**2,139,048**	1,741,953
TOTAL LIABILITIES	**3,534,335**	3,880,294
EQUITY		
Share capital (note 7)	**35,255,308**	32,255,308
Warrants (note 7)	**2,445,849**	2,445,849
Contributed surplus	**2,298,520**	2,178,980
Deficit	**(13,960,074)**	(14,220,209)
Accumulated other comprehensive loss	**24,687**	24,687
TOTAL EQUITY	**26,064,290**	22,684,615
TOTAL LIABILITIES AND EQUITY	**29,598,625**	26,564,909

Basis of preparation and going concern (note 1),
Contingencies and commitments (note 11)

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

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Daniel Massé, Director

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of changes in equity

(In Canadian $)

	Number of shares	Share capital	Warrants	Contributed surplus	Equity component of the convertible debenture	Deficit	Accumulated other comprehensive (loss)	Total equity
		$	$	$		$	$	$
BALANCE AS AT DECEMBER 31, 2017	**176,904,747**	**35,255,308**	**2,445,849**	**2,178,980**	**-**	**(14,220,209)**	**24,687**	**25,684,615**
Net income for the period	**-**	**-**	**-**	**-**	**-**	**260,135**	**-**	**260,135**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**260,135**	**-**	**260,135**
Effect of share-based payments	**-**	**-**	**-**	**119,540**	**-**	**-**	**-**	**119,540**
BALANCE AS AT MARCH 31, 2018	**176,904,747**	**35,255,308**	**2,445,849**	**2,298,520**	**-**	**(13,960,074)**	**24,687**	**26,064,290**

	Number of shares	Share capital	Warrants	Contributed surplus	Equity component of the convertible debenture	Deficit	Accumulated other comprehensive (loss)	Total equity
BALANCE AS AT DECEMBER 31, 2016	112,641,129	22,260,938	2,411,881	1,580,662	82,971	(12,353,365)	15,800	13,998,887
Net loss for the period	-	-	-	-	-	(313,750)	-	(313,750)
Change in fair value of other short-term financial assets	-	-	-	-	-	-	(8,888)	(8,888)
Total comprehensive loss	-	-	-	-	-	(313,750)	(8,888)	(322,638)
Issuance of shares	15,237,690	2,614,053	-	-	-	-	-	2,614,053
Effect of share-based payments	-	-	-	81,971	-	-	-	81,971
Issuance of warrants	-	-	89,971	-	-	-	-	89,971
Exercise of warrants	3,350,000	568,375	(128,875)	-	-	-	-	439,500
Convertible debenture	-	-	-	-	(87,000)	-	-	(87,000)
Convertible debenture issue costs	-	-	-	-	4,029	-	-	4,029
BALANCE AS AT MARCH 31, 2017	131,228,819	25,443,366	2,372,977	1,662,633	-	(12,667,115)	6,912	16,818,773

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of profit or loss

(In Canadian $)

	Three-month periods ended March 31, 2018	March 31, 2017
	$	$
Administrative expenses		
Salaries	**91,276**	94,363
Consultants	**12,375**	1,442
Share-based payments-employees (note 7)	**87,231**	51,754
Share-based payments-consultants	**5,103**	12,965
Professional fees	**5,886**	8,025
Rent	**2,506**	2,463
Business development	**123,921**	68,740
Insurance, taxes and permits	**4,702**	4,573
Interest and bank charges	**5,498**	10,271
Office supplies	**8,743**	7,013
Telecommunications	**1,123**	1,321
Training and travel	**7,941**	3,117
Advertising and sponsoring	**7,460**	2,620
Information to shareholder	**11,747**	16,510
Part XII.6 tax related to flow-through shares	**3,711**	-
	379,223	285,177
Other expenses (income)		
Other exploration costs	**111**	64
Interest income	**(40,226)**	(10,906)
LOSS BEFORE DEFERRED INCOME AND MINING TAXES	**(339,108)**	(274,335)
Deferred income and mining taxes	**(599,243)**	39,415
Net profit (net loss) for the period attributable to shareholders	**260,135**	(313,750)
NET EARNING (NET LOSS) PER SHARE basic and diluted	**0.00**	(0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING basic and diluted	**176,904,747**	116,119,112

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

Cartier Resources Inc.
(an exploration company)
Interim Condensed Statements of Comprehensive Income or Loss

(In Canadian $)

	Three-month periods ended	
	March 31, 2018	March 31, 2017
	$	$
Net profit (net loss) for the period	**260,135**	(313,750)
Items that may be reclassified subsequently to profit or loss :		
Change in fair value of other short-term financial assets	**-**	(8,888)
Comprehensive income (loss) for the period attributable to shareholders	**260,135**	(322,638)

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

Cartier Resources Inc.

(an exploration company)

Interim Condensed Statements of Cash Flows

(In Canadian $)

	Three-month periods ended	
	March 31, 2018	March 31, 2017
	$	$
OPERATING ACTIVITIES		
Net profit (net loss)	**260,135**	(313,750)
Adjustments for:		
Deferred income and mining taxes	**(599,243)**	39,415
Share-based payments-employees	**87,231**	51,754
Share-based payments-consultants	**5,103**	12,965
Imputed interest of convertible debenture	**-**	4,919
Interest income	**(40,226)**	(10,906)
Interest received	**34,981**	6,693
	(252,019)	(208,910)
Net change in non-cash working capital items		
Receivables	**(143,442)**	6,369
Prepaid expenses	**(62,283)**	(30,161)
Accounts payables and accrued liabilities	**41,311**	54,565
Cash flow used in operating activities	**(416,433)**	(178,137)
FINANCING ACTIVITIES		
Share issue	**-**	3,477,600
Share issue expenses	**77**	(304,321)
Exercise of warrants	**-**	439,500
Cash flow from financing activities	**77**	3,612,779
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	**(2,324,409)**	(507,593)
Cash flow used in investing activities	**(2,324,409)**	(507,593)
Net change in cash and cash equivalents	**(2,740,765)**	2,927,049
Cash and cash equivalents at the beginning	**15,706,671**	5,565,355
Cash and cash equivalents at the end (note 3)	**12,965,906**	8,492,404

Additional information (note 9)

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

Incorporation and Nature of Operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec *Companies Act* on July 17, 2006, has been governed by the *Business Corporations Act* (Quebec) since February 14, 2011. The Company's head office is located at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primaily include the acquisition and exploration of mining properties in Canada.

The Company has not yet determined whether these properties contain economically recoverable ore reserves. Although, at the current stage of the exploration work, the Company is taking all industry standard measures to ensure that the mining property titles in which it has a financial interest are in good standing, these measures in place do not guarantee property titles to the Company. Property titles may be subject to prior unregistered agreements or non-compliance with regulatory requirements.

The recoverability of amounts reported for mining properties and deferred exploration expenses is dependent on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production, or the proceeds of the transfer of such property. At the date of the financial statements, the carrying value of mining properties and deferred exploration expenses represents, in management's opinion, the best estimate of their net recoverable value. This value could however be reduced in the future.

On May 16, 2018, the Company's Board of Directors approved these interim condensed financial statements for the period ended March 31, 2018.

1. Basis of preparation and going concern

These interim financial statements were prepared on a going concern basis, using historical costs method, except for "Other short-term financial assets" which are measured at fair value.

The interim financial statements have been prepared on a going concern basis, meaning that the Company will be able to realized its assets and discharge its commitments and liabilities in the normal course of operations. The Company's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in raising financing to date, there can be no assurance it will be able to do so in the future. The Company believes it has sufficient liquidity to meet its obligations for the next 12 months. The Company has not yet determined whether its properties contain economically recoverable ore reserves and has not yet generated revenues from operations. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties. The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material.

These interim condensed financial statements have been prepared by the Company’s management in accordance with (“IFRS”), and in accordance with IAS 34, “Interim Financial Reporting”. They do not include all the information required in annual financial statements in accordance with IFRS. These interim condensed financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2017.

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

2. Changes to accounting policies

The interim condensed financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended December 31, 2017, with the exception of the elements described in the paragraphs below. The accounting policies have been applied consistently throughout the Company for the purposes of preparing these interim financial statements.

New accounting standards and amendments adopted:

The following amendments have been applied in preparing the interim condensed financial statements as at March 31, 2018 and did not have a significant impact on the financial statements:

IFRS 2, Classification and measurement of share-based payment transactions
In June 2016, the IASB issued narrow-scope amendments to IFRS 2 Share-based Payment clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for, (a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, (b) share-based payment transactions with a net settlement feature for withholding tax obligations and (c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The adoption of IFRS 2 did not have a material impact on the financial statements.

IFRS 9, Financial instruments
In July 2014, the final version of IFRS 9 was published, which will supersede IAS 39 Financial Instruments Recognition and Measurement. This new standard simplifies the classification and measurement of financial assets and financial liabilities by reducing the number of measurement categories. The new standard also introduces additional requirements relating to general hedge accounting and financial asset impairment methodology.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

i. Classification and valuation of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments, see (iii) below). The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

2. Changes to accounting policies (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 had no impact on the carrying amount of the Company's other short-term financial assets as at January 1, 2018 as they were measured at fair value as at December 31, 2017 (see Note 4). As at January 1, 2018, the Company made the irrevocable election to designate its equity investments as financial assets measured at FVOCI. As a result, changes in fair value will continue to be recorded in other comprehensive income. However, compared to IAS 39, when the financial asset will be derecognized, the accumulated gains and losses previously recognized in other comprehensive income will not be reclassified to net income as a reclassification adjustment. Finally, financial assets previously classified as loans and receivables, such as cash and cash equivalents, will now be classified as financial assets measured at amortized cost, which had no impact on their carrying amount as at January 1, 2018.

3. Cash and cash equivalents

As at March 31, 2018 and December 31, 2017, the cash and the cash equivalents and the cash reserved for exploration include an account bearing interest and an account without interest, as follows:

	March 31, 2018		December 31, 2017	
	$	**Interest rate**	$	Interest rate
1) Account bearing interest	**11,914,890**	**1.10%-1.60%**	15,580,188	0.75%-1.20%
2) Account without interest	**1,051,016**	**-**	126,483	-
Total	**12,965,906**		15,706,671	

Cash and cash equivalents include $1,788,600 ($4,327,388 as at December 31, 2017) of funds to be expensed in eligible exploration expenses before December 31, 2018 .

4. Other short-term financial assets

	March 31, 2018	December 31, 2017
	$	$
Marketable securities of a quoted mining exploration companies, at fair value through other comprehensive income or loss	**31,600**	31,600

5. Receivables

	March 31, 2018	December 31, 2017
	$	$
Credit on duties refundable and refundable tax credit for resources	**61,188**	67,119
Commodity taxes and others	**323,883**	175,196
	385,071	242,315

8. Exploration assets and deferred exploration costs

	MacCormack	Chimo Mine	Wilson	Cadillac Extension	Benoist	Fenton	Total
% participation	100%	100%	100%	100%	100%	Option 50%	
	$	$	$	$	$	$	$
Mining properties							
Balance as at December 31, 2017	206,871	107,024	72,000	3,715	737,723	24,371	1,151,704
Addition	-	-	-	-	-	273	273
Balance as at March 31, 2018	**206,871**	**107,024**	**72,000**	**3,715**	**737,723**	**24,644**	**1,151,977**
Deferred exploration costs							
Balance as at December 31, 2017	2,850,995	2,360,666	1,081,812	2,352,961	2,380,687	1,336,741	12,363,862
Addition							
Geology	-	209,589	885	3,276	-	580	214,330
Drilling	-	2,161,565	650	-	-	156,586	2,318,801
Exploration office expenses	-	1,577	291	50	6	37	1,961
Surveying and access roads	-	-	-	-	-	-	-
Core shack rental and maintenance	-	2,710	643	-	22	319	3,694
Duties, taxes and permits	545	306	331	599	1,396	-	3,177
Depreciation of exploration leasehold improvements	-	514	84	-	-	-	598
Share-based payments - employees	-	23,397	3,809	-	-	-	27,206
Net expenses during the period	545	2,399,658	6,693	3,925	1,424	157,522	2,569,767
Balance as at March 31, 2018	**2,851,540**	**4,760,324**	**1,088,505**	**2,356,886**	**2,382,111**	**1,494,263**	**14,933,629**
Balance of exploration assets and deferred exploration costs as at March 31, 2018	**3,058,411**	**4,867,348**	**1,160,505**	**2,360,601**	**3,119,834**	**1,518,907**	**16,085,606**

All the mining properties held by the Company are located in northwestern Quebec.

7. Share capital

Authorized

Unlimited number of common shares, without par value, voting and participating

	March 31, 2018		December 31, 2017	
	Number	**Amount**	Number	Amount
		$		$
Balance, beginning of the period	**176,904,747**	**35,255,308**	112,641,129	22,260,938
Shares issued and paid				
Acquisition of property (i)	-	-	50,000	10,000
Private placements (d) (f)	-	-	27,250,000	7,007,500
Flow-through private placements (c) (g)	-	-	25,910,000	7,777,500
Renouncement of tax deductions on flow-through shares (c) (g)	-	-	-	(2,466,700)
Redemption of the debenture (h)	-	-	2,307,690	300,000
Redemption of a royalty (e)	-	-	135,594	40,000
Exercise of options (a)	-	-	35,000	11,029
Exercise of warrants (b)	-	-	8,575,334	1,555,260
	-	-	64,263,618	14,234,589
Share issue expenses	-	-	-	(1,240,219)
Balance, at end of the period	**176,904,747**	**35,255,308**	176,904,747	35,255,308

(a) During the year 2017, the Company issued 35,000 common shares at a price of $0.19, totalling $6,650 following exercise of options whose fair value of the common share was $0.295 at the time of exercise.

(b) During the year 2017, the Company issued 5,650,000 common shares at a price of $0.13, 175,000 common shares at a price of $0.14, 2,083,334 common shares at a price of $0.15 and 667,000 common shares at a price of $0.20 totalling $1,204,900 following exercise of warrants whose fair value of the common share ranged from $0.19 to $0.35 at the time of exercise.

(c) Issuance of flow-through shares on December 5, 2017

On December 5, 2017, the Company completed a private placement through Sprott Capital Partners (the "agents". The Company issued 13,030,000 flow-through shares at a price of $0.33 per flow-through share for total gross proceeds of $4,299,900. In connection with the offering, the agent received a cash commission equal to 6% of the gross proceeds received by the company and broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder there of to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $499,573 were also applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares representing an amount of $1,693,900 which reduced the share capital and increased the liabilities related to flow-through shares.

7. Share capital (continued)

(d) Issuance of common shares on December 5, 2017

On December 5, 2017, the Company completed a private placement through Sprott Capital Partners (the "agents"). The Company issued 5,000,000 shares at a price of $0.20 per share for total gross proceeds of $1,000,000. In connection with the offering, the agent received broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder there of to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $50,00 were also applied against the share capital.

(e) Redemption of a royalty on May 31, 2017

On May 31, 2017, the Company repurchased 0.2% of royalty from two investors on the Benoist property. A total of 135,594 common shares were issued for $40,000. Share issue expenses totalling $302 were also applied against the share capital.

(f) Issuance of common shares on May 30, 2017

On May 30, 2017,the Company completed a private placement through Canaccord Genuity Corp. and Paradigm Capital Inc. (the "agents"). The Company issued 22,250,000 shares at a price of $0.27 per share for total gross proceeds of $6,007,500. In connection with the offering, the agents received a cash commission equal to 6% of the gross proceeds received by the company and broker warrants, equal to 6% of the number of shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 18 months following the closing date. Share issue expenses totalling $650,874 were also applied against the share capital.

(g) Issuance of flow-through shares on March 20, 2017

On March 20, 2017, the Company completed a private placement through Paradigm Capital Inc ("the agent"). The Company issued 12,880,000 flow-through shares at a price of $0.27 per flow-through share for total gross proceeds of $3,477,600. In connection with the offering, the agent received a cash commission equal to 7% of the gross proceeds received by the company and broker warrants, equal to 7% of the number of flow-through shares sold pursuant. Each broker warrant shall entitle the holder thereof to acquire one common share at a price of $0.27 for a period of 24 months following the closing date. Share issue expenses totalling $400,521 were also applied against the share capital.

The Company also renounced to the tax deduction related to the flow-through shares representing an amount of $772,800 which has reduced the share capital and increased the liabilities related to flow-through shares.

(h) Redemption of the debenture on February 28, 2017

On February 28, 2017, in accordance with the contractual terms of the debenture, the Company converted the debenture at a conversion price of $0.13 per common share. A total of 2,307,690 shares were issued for $300,000. In addition, accrued interest totaling $18,763 was also paid in cash.

7. Share capital (continued)

(i) On September 16, 2014, the Company amended its option agreement with SOQUEM INC. for 3 years extending the deadline to March 19, 2018.

On March 19, 2012, the Company issued 50,000 common shares in vertue of the option agreement enabling it to acquire a 50% undivided interest in the Fenton project. The Company must also incur exploration expenditures aggregating $1,500,000 by March 19, 2018 and pay 50,000 shares at each anniversary date. In addition, the Company had a firm commitment to invest $500,000 in exploration work over the first year following the signature of the agreement, which was completed over the period. The Company issued 50,000 common shares to SOQUEM INC, on the first, the second, the third, the fourth, the fifth and the sixth anniversary following the signature of the agreement. SOQUEM INC. is the operator. Since the Company earns its undivided interest of 50%, SOQUEM INC. and the Company form a joint venture.

Stock Option Plan

The Company has a stock option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionnee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

The following table summarizes the information about the outstanding stock options:

	March 31, 2018		December 31, 2017	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding - Beginning	**11,475,000**	**0.18**	8,970,000	0.16
Granted-employees	**-**	**-**	3,075,000	0.25
Granted-consultants	**-**	**-**	250,000	0.30
Exercised	**-**	**-**	(35,000)	0.19
Expired	**-**	**-**	(785,000)	0.25
Outstanding - End	**11,475,000**	**0.18**	11,475,000	0.18
Exercisable - End	**10,043,750**	**0.17**	9,212,500	0.17

The following table summarizes certain information for stock options outstanding and exercisable:

	Outstanding options as at March 31, 2018			**Exercisable options as at March 31, 2018**		
Exercise price	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**
		(years)	**$**		**(years)**	**$**
$0.10 to $0.20	**8,400,000**	**2.78**	**0.14**	**7,500,000**	**2.55**	**0.14**
$0.21 to $0.30	**3,075,000**	**2.90**	**0.28**	**2,543,750**	**2.64**	**0.28**
$0.10 to $0.30	**11,475,000**	**2.81**	**0.18**	**10,043,750**	**2.57**	**0.17**

7. Share capital (continued)

The weighted average fair value of stock options granted was estimated using the Black-Scholes model at $0.21 per option in 2017 using the following assumptions:

	2017
Risk-free interest rate	1.17%
Expected volatility	112%
Dividend yield	Nil
Weighted average expected life	5 years

During the period ended March 31, 2018, the share-based payment expense was $119,540 ($602,697 as at December 31, 2017). An amount of $92,334 ($483,566 as at December 31, 2017) was presented in the statement of profit and loss and an amount of $27,206 ($119,131 as at December 31, 2017) was presented in the statement of deferred exploration costs.

Warrants

The following table presents the changes that occurred during the year:

	March 31, 2018			December 31, 2017		
	Number	**Weighted average exercise price**	**Weighted average remaining contractual life**	Number	Weighted average exercise price	Weighted average remaining contractual life
		$	**(years)**		$	(years)
Outstanding - Beginning	**3,518,400**	**0.26**	**1.27**	8,775,334	0.14	0.49
Granted-agent	**-**	**-**	**-**	3,318,400	0.27	1.33
Exercised	**-**	**-**	**-**	(8,575,334)	0.14	-
Outstanding - End	**3,518,400**	**0.26**	**1.03**	3,518,400	0.26	1.27
Exercisable - End	**2,436,600**	**0.26**	**0.73**	2,436,600	0.26	0.98

At issuance, the warrants are subject to a 4 month and 1 day statutory hold period.

Warrants (continued)

The outstanding warrants are as follows:

Maturity date	**Exercise price**	**Number**
	$	
May 2018	0.13	**200,000**
November 2018	0.27	**1,335,000**
March 2019	0.27	**901,600**
December 2019	0.27	**1,081,800**
		3,518,400

7. Share capital (continued)

The weighted average fair value of warrants granted during the period was estimated on the grant date using the Black-Scholes option-pricing model at $0.12 per warrant as at December 31, 2017 using the following assumptions:

	2017
Risk-free interest rate	0.96%
Expected volatility	97%
Dividend yield	nil
Weighted average expected life	1.8 year

8. Employee remuneration

Employee benefits expense recognized are detailed below:	**Three-month periods ended**	
	March 31, 2018	March 31, 2017
	$	$
Wages, salaries	**160,194**	176,201
Social security costs	**16,349**	19,328
Share-based payments-employees	**114,437**	69,006
Defined contribution pension plan	**8,620**	5,871
	299,600	270,406
Less: salaries capitalized in exploration and evaluation assets	**(103,672)**	(103,692)
Employee benefits expense	**195,928**	166,714

9. Cash flows

Additional information	**Three-month periods ended**	
	March 31, 2018	March 31, 2017
	$	$
Items not affecting cash and cash equivalents related to operating, financing and investing activities		
Shares issued for the acquisition of mining properties	**-**	10,000
Shares issued expense included in accounts payable and accrued liabilities	**77**	6,455
Warrants issued included in shares issued expense	**-**	89,971
Depreciation of property, plant and equipment transferred to deferred exploration costs	**598**	2,279
Deferred exploration costs included in accounts payable and accrued liabilities	**91,654**	23,543
Share-based payments-employees charged to deferred exploration costs	**27,206**	17,252
Tax credits	**-**	33,531

10. Financial Instruments

Objectives and policies in managing financial risks

The Company is exposed to various financial risks resulting from its operations and financing activities. The directors and officers of the Company manage those risks.

The Company does not enter into speculative derivative financial instruments.

Financial risks

The following paragraphs describe the main financial risks to which the Company is exposed and its risk management policies.

Interest risk

As at March 31, 2018, the Company is not exposed to interest rate risk since they are all short-term items.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations, and while it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the period, the Company has financed its exploration expense commitments, its working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

Credit risk analysis

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below:

	March 31, 2018	December 31, 2017
	$	$
Cash and cash equivalents	**12,965,906**	15,706,671

10. Financial Instruments (continued)

Credit risk analysis (continued)

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for cash and cash equivalents and cash reserved for exploration is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities are classified under Level 1.

The carrying amount of cash and cash equivalents, accounts payables and accrued liabilities approximate fair value based on the close date.

11. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

– Two years following the flow-through placements;
– One year after the Company has renounced the tax deductions relating to the exploration work.

If the Company does not incur eligible exploration expenditures it will be required to indemnify the holders of such shares against all taxes and other expenses incurred as a result of the Company not incurring the required exploration expenses .

During the period ended March 31, 2018, the Company received any amount ($7,777,500 as at December 31, 2016) from flow-through financings for which the Company will renounce tax deductions. The unspent balance of $ 1,788,600 has been presented as “Cash and cash equivalents”.

The Company renounced tax deductions related to these flow-through financings and a liability related to flow-through shares totaling $2,466,700 was recorded at the time of issuance. Management is required to incur eligible exploration expenditures before December 31, 2018. The unamortized portion of the flow-through share liability is $704,600 ($1,700,938 as at December 31, 2017).

11. Contingencies and commitments (continued)

Leases

The Company rents its offices under a lease expiring in March 2021. The lease covering a Company's vehicle expires in October 2020.

The future minimum operating lease payments are as follows:

	Minimum lease payments due:		
	Within 1 year	**1 to 5 years**	**Total**
	$	$	$
March 31, 2018	**39,496**	77,536	117,032
December 31, 2017	**39,496**	87,410	126,906

Lease fees recognized as an expense during the reporting period amount to $9,874 ($42,988 as at December 31, 2017). This amount consists of minimum lease payments.

12. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	Three-month periods ended	
	March 31, 2018	March 31, 2017
	$	$
Short-term employee benefits		
Salaries and fees including bonuses and benefits	**136,227**	147,085
Social security costs and contributions to the pension plan	**27,292**	30,286
Total short-term employee benefits	**163,519**	177,371
Share-based payments-employees	**103,952**	62,107
Total remuneration	**267,471**	239,478

During the periods ended in 2018 and 2017, key management personnel did not exercised any share options granted through the share-based payment plans.

13. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

13. Capital disclosures (continued)

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, in regards of external rules, to any requirements regarding its capital, except in case that the Company completes a flow-through financing for which the cash must be reserved for exploration. As at March 31, 2018, the Company has $1,908,843 cash reserved for exploration ($4,327,388 as at December 31, 2017).

As at March 31, 2018, shareholders' equity was $26,064,290 ($25,684,615 as at December 31, 2017).

14. Subsequent events

On April 25, 2018, the Company issued 200,000 common shares at a price of $0.13, totalling $26,000 following exercise of warrants whose fair value of the common share was $0.165 at the time of exercice.