Sulliden Mining Capital Inc.

(An Exploration Stage Mining Company)

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended

October 31, 2017 and 2016

(expressed in Canadian dollars)

SULLIDEN MINING CAPITAL INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at	Notes		October 31, 2017		July 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents		$	254,940	$	1,023,175
Investments, at fair market value through profit and loss	5		17,830,485		14,693,725
Loans receivable	6		334,088		314,075
Amounts receivable and other			141,773		156,043
Prepaid expenses			7,077		12,119
Total current assets			18,568,363		16,199,137
Non-current assets					
Investment in associate	7		4,253,018		4,777,972
Exploration and evaluation assets	8		141,145		960,739
Assets held for sale	8		906,773		-
TOTAL ASSETS		$	23,869,299	$	21,937,848
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities		$	604,640	$	1,524,865
Total current liabilities			604,640		1,524,865
SHAREHOLDERS' EQUITY					
Share capital			27,362,833		27,362,833
Share purchase warrant reserve	9		783,195		783,195
Share-based payment reserve	10		485,337		468,006
Accumulated other comprehensive loss			(76,869)		(131,799)
Accumulated deficit			(5,289,837)		(8,069,252)
Total shareholders' equity			23,264,659		20,412,983
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	23,869,299	$	21,937,848

Commitments and contingencies (Note 18)
Subsequent events (Note 20)

Approved by the Board of Directors:

Signed "Pierre Pettigrew", Director

Signed "Justin Reid", Director

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

SULLIDEN MINING CAPITAL INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Income/(Loss)

(Expressed in Canadian dollars)

	Note	For the three months ended October 31, 2017	2016
Expenses			
Share-based payments	10	$ 104,979	$ 132,808
Professional, consulting and management fees	11	696,298	595,749
General and administrative expenses	12	135,776	183,873
		937,053	912,430
Other (income)/expenses			
Interest income		(9,539)	(14,483)
Loan arrangement fees earned	6	-	(5,000)
Foreign exchange gain		(26,841)	(4,768)
Loss from investment in associate	7	52,079	119,078
Realized gain on sale of investments	5, 7	(205,892)	(952,880)
Unrealized (gain)/loss on investments	5	(3,526,275)	2,461,695
Net income/(loss) for the period		2,779,415	(2,516,072)
Other comprehensive income/(loss):			
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation - associate	7	54,930	(43,577)
Net comprehensive income/(loss) for the period		$ 2,834,345	$ (2,559,649)
Net income/(loss) per share			
Basic and diluted		$ 0.07	$ (0.07)
Weighted average common shares outstanding			
Basic		41,462,851	36,862,851
Diluted		41,556,748	37,057,400

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

SULLIDEN MINING CAPITAL INC.
Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Note	For the three months ended October 31, 2017	2016
CASH FLOWS FROM:			
Operating activities			
Net income/(loss) for the period		$ 2,779,415	$ (2,516,072)
Items not involving cash			
Share-based payments	10	104,979	132,808
Loss from investment in associate	7	52,079	119,078
Realized gain on sale of investments	5, 7	(205,892)	(952,880)
Unrealized (gain)/loss on investment	5	(3,526,275)	2,461,695
Interest and arrangement fees earned		(9,488)	(19,177)
Foreign exchange gain		(274)	(6,107)
		(805,456)	(780,655)
Net change in non-cash working capital items:			
Amounts receivable and prepaid expenses		19,312	141,749
Accounts payable and accrued liabilities		(1,003,879)	(58,008)
		(984,567)	83,741
Cash flows used in operating activities		(1,790,023)	(696,914)
Financing activities			
Cash flows from financing activities		-	-
Investing activities			
Purchase of investments		(1,063,885)	(2,101,455)
Proceeds from sale of investments	5	2,176,845	2,075,380
Loans issued	6	-	(200,000)
Loans repayment		-	506,000
Interest and arrangement fees received		-	73,122
Expenditures on exploration and evaluation assets	8	(87,179)	(151,008)
Change in exploration and evaluation payables		(3,993)	35,190
Cash flows from investing activities		1,021,788	237,229
Net change in cash and cash equivalents		(768,235)	(459,685)
Cash and cash equivalents, beginning of the period		1,023,175	1,317,302
Cash and cash equivalents, end of the period		$ 254,940	$ 857,617
CASH AND CASH EQUIVALENTS CONSIST OF:			
Cash		$ 254,940	$ 807,617
Cash equivalents		-	50,000
		$ 254,940	$ 857,617

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

SULLIDEN MINING CAPITAL INC.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Note	Number of Shares		Share Capital		Share purchase warrant reserve		Share-based payment reserve		Accumulated other comprehensive (loss)/income		Deficit		Total Shareholders' equity
Balance as at July 31, 2017		41,462,851	$	27,362,833	$	783,195	$	468,006	$	(131,799)	$	(8,069,252)	$	20,412,983
Share-based compensation	10	-		-		-		17,331		-		-		17,331
Other comprehensive income - associate	7	-		-		-		-		54,930		-		54,930
Net income for the period		-		-		-		-		-		2,779,415		2,779,415
Balance as at October 31, 2017		**41,462,851**	**$**	**27,362,833**	**$**	**783,195**	**$**	**485,337**	**$**	**(76,869)**	**$**	**(5,289,837)**	**$**	**23,264,659**
Balance as at July 31, 2016		36,862,851	$	26,540,163	$	468,081	$	570,408	$	47,615	$	(3,142,963)	$	24,483,304
Share-based compensation		-		-		-		104,284		-		-		104,284
Other comprehensive loss - associate	7	-		-		-		-		(43,577)		-		(43,577)
Net loss for the period		-		-		-		-		-		(2,516,072)		(2,516,072)
Balance as at October 31, 2016		**36,862,851**	**$**	**26,540,163**	**$**	**468,081**	**$**	**674,692**	**$**	**4,038**	**$**	**(5,659,035)**	**$**	**22,027,939**

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

1. NATURE OF OPERATIONS

Sulliden Mining Capital Inc. ("SMC" or the "Company") was incorporated under the *Business Corporations Act* (Ontario) on June 10, 2014 and was a wholly-owned subsidiary of Sulliden Gold Corporation Ltd. ("Sulliden"). Pursuant to an arrangement between Rio Alto Mining Limited and Sulliden, whereby Rio Alto acquired the shares of Sulliden, shareholders of Sulliden received 0.10 of a common share of the Company. The Company assumed Sulliden's interests in the East Sullivan property in Quebec and was capitalized with $24.76 million in cash.

The head office of the Company is located at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5 and the registered office of the Company is located at the same address. The Company's shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "SMC".

In May 2016, Sulliden Moçambique, Lda, was incorporated in Mozambique, and became a 100% owned subsidiary of the Company. There is currently no activity in this subsidiary. The registered office of this subsidiary is located at Rua Damião de Góis, Numero 371, Maputo Cidade, Moçambique.

In June 2016, a numbered company, 2507868 Ontario Inc. ("2507868"), was incorporated under the *Business Corporations Act* (Ontario) and became a 100% owned subsidiary of the Company. This subsidiary's registered office is located at 65 Queen Street West, Suite 800, Toronto, Ontario, M5H 2M5. Activity with respect to this subsidiary relates to the Troilus project.

The Company owns a 98% interest in the issued and outstanding shares of Daos International Ltd. ("Daos"), a Mauritius company. See Note 4.

2. BASIS OF PRESENTATION

The condensed interim financial statements of the Company have been prepared by management in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*, effective for the Company's reporting for the period ended October 31, 2017. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended July 31, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

The accounting policies as set out below were consistently applied to all the periods presented unless otherwise noted.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on December 13, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies as set out in Note 3 of the Company's annual financial statements for the year ended July 31, 2017 have been consistently applied to all the periods presented unless otherwise noted.

New and future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after August 1, 2017 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The Company is considering the potential impact of the adoption of IFRS 9.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") addresses how and when entities recognize revenue, as well as requires more detailed and relevant disclosures. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue - Barter Transactions Involving Advertising Services. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. The Company intends to adopt the new Standard on its effective date and is currently considering the potential impact on its financial reporting.

IFRS 16, *Leases* ('IFRS 16") replaces IAS 17, *Leases* ("IAS 17"). The new model requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a 'right-of-use asset' with exceptions for certain short-term leases and leases of low-value assets. In addition, the lease payments are required to be presented on the statement of cash flow within operating and financing activities for the interest and principal portions, respectively. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, Revenue from Contracts with Customers, is also applied. The Company is evaluating the impact of the adoption of IFRS 16 and at this time the Company does not anticipate a material impact to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in these condensed interim financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets held for sale - The Company entered into an agreement with Pitchblack Resources Ltd. ("Pitchblack") to sell its interest in 2507868 which holds the Troilus option. The Company will receive 60,000,000 shares of Pitchblack as consideration. Subsequent to the end of the quarter, 2507868 completed a bought deal private placement offering selling 14,030,000 subscription receipts (Note 18). Each subscription receipt entitles the holder to receive one common share of the 2507868 and one common share purchase warrant upon satisfaction of the escrow release conditions. Pitchblack will consolidate their shares on a 4 to 1 basis concurrently with the completion of this transaction. Upon completion of the transaction, 2507868's shares and warrants issued upon the conversion of the subscription receipts will be exchanged for Pitchblack common shares and warrants, on a post consolidation basis. It is expected that the Company's interest in Pitchblack after the completion of the transaction will be approximately 36%. As the Company will no longer have control over the Troilus option, the Troilus assets have been treated as assets held for sale on the condensed interim consolidated statement of financial position. Estimates are made, assumptions are used and management judgement is exercised in this assessment. These are subject to various risks and uncertainties which may ultimately have an effect on the treatment of these assets.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- Valuation of exploration and evaluation assets - The Company carries its mineral properties at cost less any impairment losses. The Company capitalizes exploration and evaluation costs, which are related to specific projects, until the commercial feasibility of the project is determinable or the project is determined to be impaired. Costs are charged to operations when a property is abandoned or when impairment in value has been determined. The Company reviews the carrying values of mining properties and related expenditures whenever indicators of impairment exist or changes in circumstances indicate that their carrying values may not be recoverable. In undertaking this review, management is required to make significant estimates which are subject to various risks and uncertainties. Estimates may include, but are not limited to estimates of future metal prices, capital and operating costs, the quantities of mineral reserves to be mined and expected recoveries of minerals contained in ore, the ability to convert resources into economically mineable reserves, discount rates and; in the case of fair value less costs of disposal, the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs of disposal the properties 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 mineral properties and exploration and evaluation assets.

- 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 relevant tax planning opportunities that are within the Company's control, are feasible and 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.

- 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 non-vested 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 behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(Expressed in Canadian dollars unless otherwise noted)

5. INVESTMENTS

As at October 31, 2017, the Company carried investments in certain public resource and other sector companies. These securities are classified as fair value through profit or loss ("FVTPL"). As at October 31, 2017, these securities have an estimated fair value of $17,830,485 (July 31, 2017: $14,693,725) (see Note 14).

Public Issuer	Note	Security description	Cost	Estimated Fair value
Current assets				
Aberdeen International Inc.*	i	3,951,000 common shares	607,550	691,425
		4,790,000 warrants	221,436	190,163
Trigon Metals Inc. (formerly Kombat Copper Inc.)*	ii	1,186,356 common shares	503,698	498,270
		795,833 warrants	216,090	164,199
Euro Sun Mining (formerly Carpathian Gold Inc.)*	iii	3,932,425 common shares	3,344,051	6,331,205
		1,966,213 warrants	1,655,949	448,886
African Gold Group		11,111,111 common shares	608,365	611,111
	iv.	11,111,111 warrants	391,635	292,222
Black Iron Inc.		13,924,089 common shares	703,204	1,322,788
Emerita Resources Corp.		7,110,000 common shares	466,446	1,066,500
	v.	3,000,000 warrants	49,898	209,551
Fura Gems Inc.		3,500,000 common shares	796,448	2,100,000
QMX Gold Corporation		6,017,000 common shares	672,807	1,323,740
	vi.	577,000 warrants	86,325	94,513
Others			2,373,102	2,485,912
			$ 12,697,004	$ 17,830,485

* Investments in related party entities –see Note 15.

i. As at October 31, 2017, the Company holds 4,790,000 warrants of Aberdeen International Inc. with each warrant entitling the Company to acquire one common share at a price of $0.30 until November 24, 2019. The warrants were revalued at October 31, 2017 at an estimated value of $190,163 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 68.5%; risk-free interest rate of 1.39% and an expected average life of 2.0 years.

ii. As at October 31, 2017, the Company holds 462,500 warrants of Trigon Metals Inc. ("Trigon") with each warrant entitling the Company to acquire one common share at a price of $1.30 until May 17, 2019. The Company also holds 333,333 warrants of Trigon with each warrant entitling the Company to acquire one common share of Trigon at a price of $0.40 per share until June 1, 2020. The warrants were revalued at October 31, 2017 at an estimated combined value of $164,199 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 121% and 143%; risk-free interest rate of 1.39% and 1.45% and an expected average life of 1.5 years and 2.6 years.

iii. As at October 31, 2017, the Company holds 1,966,213 warrants of Euro Sun with each warrant entitling the Company to acquire one common share at a price of $2.18 until May 19, 2018. The warrants were revalued at October 31, 2017 at an estimated value of $448,886 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 83%; risk-free interest rate of 1.12% and an expected average life of 0.6 years.

(Expressed in Canadian dollars unless otherwise noted)

5. INVESTMENTS (continued)

iv. As at October 31, 2017, the Company holds 11,111,111 warrants of African Gold Group where each warrant entitles the Company to acquire one common share of African Gold Group at a price of $0.12 until April 25, 2020. The warrants were revalued at October 31, 2017 at an estimated value of $292,222 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 113%; risk-free interest rate of 1.42% and an expected average life of 2.5 years.

v. As at October 31, 2017, the Company holds 3,000,000 warrants of Emerita Resources Corp. with each warrant entitling the Company to acquire one common share of Emerita Resources Corp. at a price of $0.10, until December 24, 2017 for 2,000,000 warrants and until May 20, 2018 for 1,000,000 warrants. The warrants were revalued at October 31, 2017 at an estimated value of $209,551 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 133 and 197%; risk-free interest rate of 0.91% and 1.12% and an expected average life of 0.2 and 0.5 years.

vi. On October 5, 2017, the Company acquired 1,154,000 units of QMX Gold Corporation (“QMX”). Each unit comprised one common share of QMX and one-half of one common share purchase warrant, where each warrant entitles the Company to acquire one common share of QMX at a price of $0.35 until October 5, 2019. The grant date fair value of the warrants was estimated to be $86,325 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 192%; risk-free interest rate of 1.52% and an expected average life of 2.0 years. The warrants were revalued at October 31, 2017 at an estimated value of $94,513 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 182%; risk-free interest rate of 1.39% and an expected average life of 1.9 years.

For the three months ended October 31, 2017, the Company sold investments for gross proceeds of $1,455,184, incurring commissions of $10,691 and realizing a gain on sale of investments of $178,311. For the three months ended October 31, 2016, the Company sold investments for gross proceeds of $2,091,368, incurring commissions of $15,988 and realizing a gain on sale of investments of $952,880 for the three months ended October 31, 2016. As a result of the fair value adjustment to the investments held by the Company at October 31, 2017, an unrealized gain of $3,526,275 was recognized for the three months ended October 31, 2017, (three months ended October 31, 2016: a loss of $2,461,695).

6. LOANS RECEIVABLE

The Company’s loan receivable balances as at October 31, 2017 and 2016 are made up of the following:

Due from:	October 31, 2017	July 31, 2017
ANM Inc.	$ 334,088	$ 314,075
Balance	$ 334,088	$ 314,075

In July 2017, the Company entered into a convertible note purchase agreement with ANM Inc., purchasing a non-negotiable convertible promissory note for US$250,000 ($323,875). Unless the note is converted, principal and accrued interest will be due to the Company in January 2018. Interest accrues at a rate of 12% per annum. The principal and any accrued interest will convert automatically in the event ANM Inc. consummates an equity financing prior to the maturity date with aggregate proceeds of not less than US$3,000,000. The principal and interest will convert into the number, class and series of securities as those issued by ANM Inc. in their equity financing at a price per share equal to 95% of the price per security for that financing. This note is unsecured. An amount of $9,488 was accrued in interest for the three months ended October 31, 2017, and the Company recognized a foreign exchange gain of $10,526 during the three months ended October 31, 2017.

7. INVESTMENT IN ASSOCIATE

In April 2017, Aguia consolidated its shares on a basis of 5 old shares for 1 new share. As at October 31, 2017, the Company owns 14,266,952 shares of Aguia, representing a 12.17% interest in Aguia. Aguia is incorporated in Australia and listed on both the ASX and TSX-V. Aguia's primary focus is on the exploration and development of large scale phosphate and potash projects in Brazil. During the three months ended October 31, 2017, the Company sold some shares of Aguia for proceeds of $732,353, recognizing a gain on sale of investments of $27,581. The Company also reacquired shares in Aguia during the three months ended October 31, 2017.

On April 7, 2015, the Company's President and CEO, Mr. Justin Reid, was appointed as Executive Chairman of the Board of Aguia. On this date, management re-assessed the level of influence that the Company had with respect to Aguia and determined that the Company had significant influence. The Company continues to have significant influence. On this basis, the investment is considered an associate and is accounted for using the equity method.

Proportionate share of other comprehensive loss		(171,247)
July 31, 2017	$	4,777,972
Acquisition of 473,500 shares at cost		188,845
Sale of 1,664,438 shares at cost		(704,772)
Proportionate share of net loss		(52,079)
Proportionate share of other comprehensive income		43,052
October 31, 2017	$	4,253,018

The Company is not exposed to any additional losses beyond its initial investment amount. No dividends or cash distributions were received by the Company from the associate during the period.

The Company recorded an equity loss of $52,079 for the three months ended October 31, 2017 (October 31, 2016: $119,078) which represents the proportionate share of Aguia's net loss through the three months ended September 30, 2017. Aguia has a June fiscal year end and it is impractical to prepare financial statements to October 31, 2017 as Aguia is a listed entity. It is expected that the difference in reporting dates is immaterial.

The following is a summary of the consolidated financial information of Aguia on a 100% basis as at September 30, 2017, which is the most recent publicly available information for Aguia. These amounts are presented in Canadian dollars.

	Three months ended September 30, 2017	Twelve months ended June 30, 2017
Cash	$ 6,688,602	$ 6,710,192
Total current assets	6,840,913	6,846,063
Total non-current assets	29,769,885	27,212,476
Total current liabilities	3,036,458	2,867,147
Total non-current liabilities	-	-

	Three months ended September 30, 2017	Three months ended September 30, 2016
Net loss	(431,703)	(727,853)
Proportionate share of net loss adjusted for impairment	(52,079)	(119,078)
Other comprehensive (loss)/income	356,873	(256,709)
Proportionate share of other comprehensive (loss)/income	43,052	(42,001)
Total comprehensive loss	(74,829)	(984,562)
Proportionate share of total comprehensive loss	(9,027)	(161,079)

(Expressed in Canadian dollars unless otherwise noted)

8. EXPLORATION AND EVALUATION ASSETS

	East Sullivan project	Troilus project	TOTAL
Balance as at July 31, 2016	$ 140,492	$ 188,898	$ 329,390
Capitalized expenditures for the year	-	501,717	501,717
Property acquisition and maintenance costs	653	128,979	129,632
Balance as at July 31, 2017	$ 141,145	$ 819,594	$ 960,739
Capitalized expenditures for the period	-	86,959	86,959
Property acquisition and maintenance costs	-	220	220
Transfer to assets held for sale		(906,773) -	906,773
Balance as at October 31, 2017	$ 141,145	$ -	$ 141,145

The East Sullivan property consists of 13 staked claim units referred to as the East Sullivan Property near Val D'Or Quebec. All claims are contiguous and 100% owned by the Company. The Company is maintaining these claims in good standing.

On May 2, 2016, the Company, through its subsidiary 2507868 Ontario Inc. ("2507868"), entered into an option agreement with First Quantum Minerals Ltd. ("First Quantum") to acquire the past-producing Troilus Mine, located in the Abitibi mining region of Quebec. Pursuant to the agreement, the Company will hold a two-year option to purchase a 100% interest in the Troilus Mine. To exercise the option, a minimum of $1,000,000 must be spent on engineering and technical studies to evaluate the economic viability of the project. Upon signing, an initial cash payment of $100,000 was made to First Quantum. An additional cash payment of $100,000 was made May 2, 2017 and a final cash payment of $100,000 is due on the date of exercise of the option. Additionally, a variable Net Smelter Royalty of 1.5% or 2.5% depending on the gold price being more or less than US$1,250/ounce during the reference period will be granted to First Quantum. The Company, through 2507868, also entered into an option agreement with 251 Ontario Ltd. ("251") in 2016 whereby 251 would be able to acquire 40% of the Troilus mine.

In June 2017 and amended in September 2017, the Company entered into an agreement with Pitchblack Resources Ltd. ("Pitchblack") to sell the outstanding equity securities of 2507868, which houses the option agreement to acquire the Troilus mine. As consideration, the Company will receive 60,000,000 shares of Pitchblack. Pitchblack also entered into an agreement with the shareholders of 251 to acquire all the outstanding shares of 251 for consideration of 40,000,000 shares of Pitchblack.

On October 31, 2017, the agreement with Pitchblack was further amended such that 2507868, 251 and a subsidiary of Pitchblack will amalgamate. The Company will continue to receive 60,000,000 shares of Pitchblack, and the shareholders of 251 will receive 40,000,000 shares of Pitchblack. Pitchblack will consolidate its shares on a 4 for 1 basis concurrent with this transaction and these share amounts are on a pre-consolidated basis. The agreement is subject to, among other things, receipt of Pitchblack shareholder approval.

On October 31, 2017, the Company announced that 2507868 entered into an agreement with a syndicate of underwriters for a bought deal private placement financing, whereby 12,200,000 subscription receipts would be issued at a price of $1.64 per subscription receipt for aggregate gross proceeds of $20,008,000. Each subscription receipt entitles the holder to receive one common share of 2507868 and one common share purchase warrant to acquire one common share of 2507868 at a price of $2.50 for a period of three years from the date of closing. The financing closed subsequent to the end of the quarter and the gross proceeds were deposited into escrow and will be released upon the completion of Pitchblack's acquisition of 2507868 (Note 18). As a result of the pending sale of 2507868 and its interest in the Troilus project, and the financing agreement which will dilute the Company's interest in the project, leading to a loss of the Company's control over the Troilus option, the Troilus project has been treated as an asset held for sale on the condensed interim consolidated statement of financial position. The carrying value of the Troilus assets is recorded at cost, which is lower than the fair value less cost to sell.

(Expressed in Canadian dollars unless otherwise noted)

9. SHARE PURCHASE WARRANT RESERVE

There was no change in warrants during the three months ended October 31, 2017.

The following table summarizes the warrants outstanding as at October 31, 2017:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Value ($)	Weighted Average Remaining Contractual Life (years)
$ 0.50	November 24, 2019	2,499,979	2,499,979	468,081	2.07
$ 0.35	May 17, 2019	4,600,000	4,600,000	315,114	1.54
		7,099,979	7,099,979	783,195	1.73

10. SHARE-BASED PAYMENT RESERVE

	Share Purchase Options	Restricted Share Units	Total Reserve
Balance as at July 31, 2017	$ 612,163	$ (144,157)	$ 468,006
Share-based payments allocated to:			
Expenses	-	17,331	17,331
Balance as at October 31, 2017	$ 612,163	$ (126,826)	$ 485,337

The share-based payments recorded on the condensed interim consolidated statements of operations and comprehensive loss for the three months ended October 31, 2017 and 2016 are presented in detail below.

Share-based payments	**Three months ended October 31, 2017**	**2016**
Share purchase options	$ -	$ -
Restricted share units	17,331	104,284
Deferred share units	87,648	28,524
	$ 104,979	$ 132,808

The change in share purchase options during the period presented was as follows:

	Number of options	Weighted average exercise price	Value
Balance as at July 31, 2017	2,803,405	$0.35	$ 612,163
Expired	(2,000)	$0.54	-
Balance as at October 31, 2017	2,801,405	$0.35	$ 612,163

(Expressed in Canadian dollars unless otherwise noted)

10. SHARE-BASED PAYMENT RESERVE (continued)

The following table summarizes information on share purchase options outstanding as at October 31, 2017:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted Average Remaining Contractual Life
$0.34	December 14, 2017	164,805	164,805	0.12
$0.36	February 5, 2018	100,000	100,000	0.27
$0.36	February 8, 2018	5,000	5,000	0.27
$0.39	September 12, 2018	235,600	235,600	0.87
$0.46	September 17, 2019	1,001,000	1,001,000	1.88
$0.25	March 30, 2020	50,000	50,000	2.41
$0.24	January 5, 2021	200,000	200,000	3.18
$0.25	February 1, 2021	1,045,000	1,045,000	3.26
	Total	2,801,405	2,801,405	2.25

Restricted Share Unit and Deferred Share Unit Incentive Plans

On September 17, 2014, the Company adopted a Restricted Share Unit ("RSU") Incentive Plan and a Deferred Share Unit ("DSU") Incentive Plan.

On January 5, 2016, the Company granted and issued an aggregate of 500,000 RSUs to an officer of the Company. Each RSU entitles the holder to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. The 500,000 RSUs vest in three equal tranches, on each of January 5, 2017, January 5, 2018 and January 5, 2019. The fair value of these RSUs was determined to be $0.26 per unit on the date of grant.

On January 13, 2016, the Company granted and issued an aggregate of 875,000 RSUs to officers and employees of the Company. Each RSU entitles the holder to receive one common share of the Company to be purchased in the secondary market by an independent trustee upon the vesting of such RSU, subject to acceleration upon a change of control of the Company. The 875,000 RSUs vest in three equal tranches, on each of February 1, 2016, February 1, 2017 and February 1, 2018. The fair value of these RSUs was determined to be $0.23 per unit on the date of grant.

The Company granted DSUs to the Company's independent directors. Each DSU entitles the holder to receive a cash payment equal to the market price of one common share of the Company upon ceasing to hold office. 600,000 DSUs that are currently issued are fully vested and 300,000 DSUs that are currently issued vest based on the pro-rata number of days each independent director remains a director of the Company until March 30, 2018, except in the event of an earlier change of control, in which case, the DSUs will vest fully upon such change of control.

As at October 31, 2017, 856,267 DSUs related to current directors have vested and entitle the holders, upon ceasing to hold office, to receive a cash payment of $282,568 equal to an average market price of $0.33 for each DSU. This amount is recorded as a liability on the condensed interim consolidated statements of financial position.

(Expressed in Canadian dollars unless otherwise noted)

10. SHARE-BASED PAYMENT RESERVE (continued)

Details of RSUs and DSUs granted and outstanding are summarized in the table below and reflect the number of RSUs and DSUs that may vest based on conditions existing as at October 31, 2017:

	RSU		DSU		
	Non-vested	**Vested**	**Non-vested**	**Forfeited**	**Vested**
Balance as at July 31, 2017	625,000	3,750,000	102,554	218,002	829,444
Activity during the period:					
RSUs vesting from previous grant	-	-	-	-	-
DSUs vesting from previous grant	-	-	(26,823)	-	26,823
Balance as at October 31, 2017	625,000	3,750,000	75,731	218,002	856,267

Upon vesting, the Company is obligated to deliver to the holders of the RSUs 166,667 common shares of the Company on each of January 5, 2018 and January 5, 2019; and 291,667 common shares of the Company on February 1, 2018.

For the three months ended October 31, 2017, share-based compensation expense of $17,331 was recognized for the RSUs (October 31, 2016: $104,284) and $87,648 was recognized for the DSU incentive plan (October 31, 2016: $28,524).

11. PROFESSIONAL, CONSULTING AND MANAGEMENT FEES

	Three months ended October 31, 2017	2016
Salaries and benefits	$ 347,819	$ 335,561
Directors fees	25,000	18,750
Consulting fees	121,026	129,271
Legal, audit and professional fees	202,453	112,167
	$ 696,298	$ 595,749

12. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended October 31, 2017	2016
General and office	$ 58,366	$ 84,101
Shareholder communication	53,191	62,400
Travel and accommodation	24,219	37,372
	$ 135,776	$ 183,873

(Expressed in Canadian dollars unless otherwise noted)

13. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of share capital, warrants and share purchase options. The Company manages its capital structure and makes adjustments based on the funds available to support the acquisition, exploration and development of its mineral properties. The board of directors has not established quantitative return on capital criteria for management and relies on the expertise of management and the board of directors to sustain future development of the business.

The management and board of directors of the Company review its capital management approach on an ongoing basis and believe it reflects a reasonable approach given the relative size of the Company's assets. The Company and its subsidiaries are not subject to externally imposed capital requirements.

14. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities at October 31, 2017 were as follows:

	Assets at fair value through profit or loss	Loans and receivables	Other financial liabilities	Total
As at October 31, 2017				
Cash	$ 254,940	$	$ -	$ 254,940
Investments	17,830,485	-	-	17,830,485
Loan receivable	-	334,088	-	334,088
Amounts receivable and other	-	141,773	-	141,773
Accounts payable and accrued liabilities	-	-	604,640	604,640

Fair value hierarchy

The three levels of the fair value hierarchy with respect to required disclosures about the inputs to fair value measurements are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and,
- Level 3 – Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy as at October 31, 2017.

	Level 1	Level 2	Level 3	TOTAL
As at October 31, 2017				
Cash	$ -	$ 254,940	$ -	$ 254,940
Investments	15,088,166	2,742,319	-	17,830,485

The carrying value of cash and cash equivalents, loan receivable, amounts receivable and other, and accounts payable and accrued liabilities reflected in the condensed interim statement of financial position approximate fair value because of the relatively short-term maturities.

14. FINANCIAL INSTRUMENTS (continued)

Interest rate risk

Loans receivable bear interest at fixed rates. All other financial assets are non-interest bearing. A 1% increase in interest rates, based on the balance of cash, cash equivalents and fixed income investments at October 31, 2017, would result in an increase in annual interest income of approximately $2,500. All liabilities as at October 31, 2017 are non-interest bearing.

Foreign currency risk

The Company operates in Canada and its functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has acquired some investments, including its investment in an associate, which are denominated in foreign currency. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents, loans receivable and amounts receivable. The Company has no significant concentration of credit risk arising from operations.

Cash and cash equivalents of cash and GICs are held in financial institutions from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist primarily of goods and services tax and harmonized sales tax due from the Federal Government of Canada.

Liquidity risk

As at October 31, 2017, the Company had net working capital of $17,963,723, which included cash and cash equivalents of $254,940, investments of $17,830,485, loan receivable of $334,088 and amounts receivable and prepaid expenses of $148,850 offset by current liabilities of $604,640. The Company expects to rely on its existing net working capital to finance its ongoing planned activities.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities including governmental reserves and stability of exchange rates can all cause significant fluctuations in commodities prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

Securities price risk

The Company carries investments in certain public securities for which price fluctuations can affect the Company's earnings. The Company classifies these investments as fair value through profit and loss where price volatility is reflected in earnings.

(Expressed in Canadian dollars unless otherwise noted)

15. RELATED PARTY DISCLOSURES

The Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

Related party balances

The Company shares office space, resources and certain services with other corporations. The costs associated with these services, including the provision of office equipment and supplies, and certain other services, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly flat fee. For the three months ended October 31, 2017, the Company was charged $75,000 for these services (three months ended October 31, 2016: $90,000). As well, the Company was charged an additional $34,462 by 2227929 Ontario Inc. for other services (three months ended October 31, 2016: $16,532).

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel were as follows:

	Three months ended October 31, 2017	Three months ended October 31, 2016
Management salaries and fees	$ 319,071	$ 319,071
Directors fees	25,000	18,750
Share-based payments	101,688	57,983
	$ 445,759	$ 395,804

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. The remuneration of directors and key executives is determined by the Board of Directors of the Company having regard to the performance of individuals and market trends.

As at October 31, 2017, the Company holds investments in certain public resource and other sector companies that are related party entities, related by virtue of the relationship with common directors and officers.

Public Issuer		Security description	Cost	Estimated Fair value
Aberdeen International Inc.	i	3,951,000 common shares and 4,790,000 warrants	828,986	881,588
Trigon Metals Inc. (formerly Kombat Copper Inc.)	ii	1,186,356 common shares and 795,833 warrants	719,788	662,469
Euro Sun Mining (formerly Carpathian Gold Inc.)	iii	3,932,425 common shares, 1,966,213 warrants	5,000,000	6,780,091
			$ 6,548,774	$ 8,324,148

i. The Company's executive chairman, Stan Bharti, serves as director of this company and interim CEO.
ii. The Company's CEO, Justin Reid, serves as chairman of the board of this company.
iii. The Company's executive director and senior vice president, Peter Tagliamonte, serves as director of this company; the Company's executive chairman, Stan Bharti, serves as director of this company. The Company's CEO, Justin Reid, serves as director of this company.

Public Issuer	Security description	Cost	Carrying value
Aguia Resources Ltd.	14,266,952 common shares	$ 6,036,766	$ 4,253,018

The Company's investment in associate, Aguia, is a related party by virtue of common directors, Mr. Justin Reid, Mr. Paul Pint and Ms. Diane Lai.

(Expressed in Canadian dollars unless otherwise noted)

16. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $1,314,000 (as at July 31, 2017 - $1,314,000) and additional contingent payments of approximately $8,120,000 (as at July 31, 2017 - $8,120,000) upon the occurrence of a change of control. As the likelihood of a change of control is not determinable, the contingent payments have not been reflected in these condensed interim financial statements.

The Company is currently involved in a litigation proceeding with APIO Africa Ltd. ("APIO") whereby APIO is challenging the Company's actions with respect to the transfer of the DAOS shares. APIO is seeking monetary compensation. A reliable estimate of the amount of the claim cannot be made at this time given the early stages of the claim. The probability of the outcome is also uncertain. The Company is vigilantly defending its actions with respect to these claims.

17. INCOME TAX

a) Provision for income taxes

Major items causing the Company's income tax rate to differ from the federal statutory rate of 26.5% (2016: 26.5%) were as follows:

	For the three months ended October 31, 2017	2016
Income/(loss) before income taxes	$ 2,779,415	$ (2,598,197)
Statutory rate	26.50%	26.50%
Expected income tax expense/(recovery)	736,545	(688,522)
Adjustments to expected income tax recovery:		
Share-based payments	27,819	35,194
Non-deductible expenses	745	558,147
Benefit of tax losses not recognized	(765,109)	95,181
Deferred income tax	$ -	$ -

b) Deferred income tax balances

Deferred income tax assets have not been recognized in respect of the following temporary differences:

	For the three months ended October 31, 2017	2016
Deferred income tax assets and (liabilities):		
Capital and non-capital tax losses carried forward	1,778,982	1,307,009
Share issue costs	93	146
Investments	(595,797)	(170,200)
Others	1,681,257	1,444,910
Net deferred income tax assets and (liabilities)	2,864,535	2,581,865
Unrecognized deferred tax assets	(2,864,535)	(2,581,865)
Deferred income tax asset (liability)	$ -	$ -

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

c) The Company has approximately $6,700,000 of non-capital losses in Canada as at October 31, 2017 which under certain circumstances can be used to reduce the taxable income of future years.

18. SUBSEQUENT EVENTS

In November 2017, the Company's subsidiary, 2507868, completed a bought deal private placement offering selling an aggregate of 14,030,000 subscription receipts at a price of $1.64 per subscription receipt for aggregate gross proceeds of $23,009,200. Each subscription receipt entitles the holder to receive one common share of the 2507868 and one common share purchase warrant upon satisfaction of the escrow release conditions. Each warrant shall entitle the holder to acquire one common share of 2507868, subject to standard adjustment provisions, at a price of $2.50 per share for a period of 36 months from the date of closing. The gross proceeds are held in escrow pending the satisfaction of certain escrow release conditions, including the completion of the amalgamation of the 2507868, 251 and a subsidiary of Pitchblack, and the ultimate acquisition of the Troilus project by Pitchblack. Pitchblack will consolidate their shares on a 4 to 1 basis concurrently with the completion of this transaction. The deadline for the satisfaction of the escrow release conditions is January 31, 2018. Upon release of the subscription receipts from escrow, the funds will be released to Pitchblack, and 2507868's shares and warrants issued upon the conversion of the subscription receipts will be exchanged for Pitchblack common shares and warrants, on a post consolidation basis.

Subsequent to the end of the quarter, the Company sold investments generating $839,626 in net proceeds.