VAL-D'OR MINING CORPORATION

Condensed Interim Financial Statements
Three and six months ended June 30, 2018 and 2017

(Expressed in Canadian Dollars)

(UNAUDITED)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

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

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

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	Notes		As at June 30, 2018		As at December 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents	5	$	**1,032,045**	$	1,355,967
Sales taxes recoverable			**32,371**		14,145
Prepaid expenses and deposits			**17,177**		5,194
			1,081,593		1,375,306
Non-current assets					
Exploration and evaluation assets	6		**78,454**		42,229
TOTAL ASSETS		$	**1,160,047**	$	1,417,535
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	7	**$**	**59,484**	**$**	79,017
Due to related party	7		**-**		30,000
Total liabilities			**59,484**		109,017
EQUITY					
Share capital	7		**3,589,458**		3,499,139
Contributed surplus			**414,298**		158,071
Warrants			**609,030**		609,030
Deficit			**(3,512,223)**		(2,957,722)
Total equity			**1,100,563**		1,308,518
TOTAL LIABILITIES AND EQUITY		$	**1,160,047**	$	1,417,535

Going Concern (Note 2)

On behalf of the Board of Directors,

"Glenn J. Mullan"	*"Dr. C. Jens Zinke"*
(signed Glenn J. Mullan)	(signed C. Jens Zinke)
Director	Director

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

VAL-D'OR MINING CORPORATION
Condensed Interim Statements of Net loss and Comprehensive loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	**2018**	2017
Operating expenses				
Consultant fees	$ **43,793**	$ 1,562	$ **84,463**	$ 1,785
Salaries and other employee benefits	**36,219**	-	**53,546**	-
Office expenses and other	**35,287**	2,364	**57,210**	3,487
Exploration and evaluation expenses	**20,690**	-	**19,595**	-
Legal fees	**11,695**	26,637	**25,672**	26,937
Audit and accounting fees	**8,569**	9,012	**27,037**	18,025
Travel and entertainment	**7,660**	2,553	**13,456**	4,204
Regulatory and transfer agent fees	**3,983**	4,853	**15,322**	16,335
Share-based payments	**-**	-	**256,925**	-
Operating loss	**167,896**	46,981	**553,226**	70,773
Other expenses (income)				
Interest income	**(10)**	-	**(38)**	-
Interest expense	**(731)**	120	**-**	238
Foreign exchange gain	**1,313**	-	**1,313**	-
	572	120	**1,275**	238
Net income (loss) and total comprehensive income (loss) for the period	$ **168,468**	47,101	$ **554,501**	$ 71,011
Basic and diluted net loss per common share	$ **(0.005)**	$ (0.003)	$ **(0.017)**	$ (0.004)
Weighted average number of common shares outstanding	**33,533,002**	18,350,655	**33,344,210**	15,937,004

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital			Contributed Surplus		Warrants		Deficit		Total
	Number									
Balance on January 1, 2018	33,150,655	$	3,499,139	$	158,071	$	609,030	$	(2,957,722)	$	1,308,518
Issuance of shares on exercise of stock options	15,000		1,673		(698)		-		-		975
Issuance of shares on settlement of debt	857,142		90,000		-		-		-		90,000
Share issue expenses	-		(1,354)		-		-		-		(1,354)
Share-based payments	-		-		256,925		-		-		256,925
Net loss and comprehensive loss	-		-		-		-		(554,501)		(554,501)
Balance on June 30, 2018	34,022,797	$	3,589,458	$	414,298	$	609,030	$	(3,512,223)	$	1,100,563

	Share capital			Contributed Surplus		Warrants		Deficit		Total
	Number									
Balance on January 1, 2017	12,881,994	$	2,557,466	$	158,071		4,877	$	(2,689,098)	$	31,316
Issuance of units under a private placement	4,353,461		174,138		-		108,837		-		282,975
Issuance of units as part of a finder's fee payment	225,200		9,008		-		5,630		-		14,638
Costs realted to the issuance of common shares and warrant	-		(16,876)		-		-		-		(16,876)
Exercise of warrants	890,000		106,800		-		-		-		106,800
Expired warrants	-		4,877		-		(4,877)		-		-
Net loss and comprehensive loss	-		-		-		-		(71,011)		(71,011)
Balance on June 30, 2017	18,350,655	$	2,835,413	$	158,071	$	114,467	$	(2,760,109)	$	347,842

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

VAL-D'OR MINING CORPORATION

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Six months ended June 30, 2018	2017
OPERATING ACTIVITIES		
Net loss	$ **(554,501)**	$ (71,011)
Adjustments:		
Share-based payment	**256,925**	-
Tax credits accounted in exploration expenses	**(3,275)**	-
	(300,851)	(71,011)
Change in non-cash working capital items		
Sales taxes recoverable	**(18,226)**	(2,307)
Prepaid expenses and deposits	**(11,983)**	-
Accounts payable and accrued liabilities	**40,467**	15,683
	10,258	13,376
Cashflows used by operating activities	**(290,593)**	(57,635)
INVESTING ACTIVITIES		
Additions to exploration and evaluation assets	**(38,766)**	(12,007)
Tax credits received	**5,816**	-
Cashflows from investing activities	**(32,950)**	(12,007)
FINANCING ACTIVITIES		
Issuance of shares on exercise of stock options	**975**	-
Share issue expenses	**(1,354)**	-
Issuance of units under a private placement	**-**	282,975
Issuance of shares from exercise of warrants	**-**	106,800
Cost related to the issuance of units	**-**	(2,238)
Cashflows from financing activities	**(379)**	387,537
Increase (decrease) in cash	**(323,922)**	317,895
Cash and cash equivalents, beginning of period	**1,355,967**	11,846
Cash and cash equivalents, end of period	$ **1,032,045**	$ 329,741

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

1) STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Val-D'Or Mining Corporation (the "Company"), incorporated on February 18, 2010 under the Business Corporations Act of British Columbia (the "Company") is involved in the process of exploring, evaluating and promoting its mineral properties and other projects. The head office of the Company is located at 152 Chemin de la Mine École, Val d'Or, Québec, J9P 0B9. The Company's registered and records office is located at #530 - 355 Burrard Street, Vancouver, B.C. V6C 2G8. The Company also has exploration offices located at 2864 Chemin Sullivan, Val-D'Or, Quebec, J9P 0B9.

The Company's shares, which are listed on the TSX Venture Exchange, are trading under the symbol MZZ.

As at June 30, 2018, Golden Valley Mines Ltd. ("Golden Valley"), a significant shareholder, held a 26.51% interest in the Company.

2) GOING CONCERN

These condensed interim financial statements have been prepared in accordance with International Financing Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), under International Accounting Standard ("IAS") 34 -Interim Financial Reporting and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. These interim financial statements were prepared using the same accounting policies, methods of computation and basis of presentation as outlined in Note 3 - Significant Accounting Policies, as described in the Company's annual audited financial statements for the year ended December 31, 2017, except for the changes in accounting policies resulting from the adoption of IFRS 9 Financial Instruments ("IFRS 9") and IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15") as described below. Interim financial statements do not include all the notes required in annual financial statements and, accordingly, should be read in conjunction with the annual financial statements for the year ended December 31, 2017.

The Company's ability to continue as a going concern depends upon its ability to obtain necessary financing to fund its prospection operations, its projects and continued support of suppliers and creditors. The Company's ability to raise enough financing to meet these objectives cannot be determined at this time. The Company's business involves a high degree of risk and there is no assurance that the Company will be successful in discovering economically recoverable deposits on its mineral properties. Furthermore, the Company has not yet generated any income or cash flows from its operations and there is no assurance that the business will be profitable in the future. As at June 30, 2018, the Company has a cumulated deficit of $3,512,223 ($2,957,722 as at December 31, 2017). These material uncertainties cast significant doubts regarding the Company's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the financial statements and the classification used in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3) SIGNIFICANT ACCOUNTING POLICIES

New accounting standards

IFRS 9 -Financial Instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial instruments, a single, forward-looking "expected credit loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted.

As a result of the adoption of IFRS 9, the Company has changed its accounting policy for financial instruments retrospectively, for ones that were recognized at the date of application, which was January 1, 2018. The change did not impact the carrying value of any financial instruments on this date.

Financial instruments

a) Classification

In implementing IFRS 9, the Company updated the financial instruments classification within its accounting policy. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets/Liabilities	Original classification under IAS 39	New classification under IFRS 9
Cash and cash equivalents	Loans and receivables at amortized costs	Financial asset at amortized costs
Sales taxes recoverable	Loans and receivables at amortized costs	Financial asset at amortized costs
Due from related parties	Loans and receivables at amortized costs	Financial asset at amortized costs
Accounts payable and accrued liabilities	Other financial liabilities at amortized costs	Financial liabilitites at amortized costs

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as fair value through profit and loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at fair value through other comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

b) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of net income (loss) in the period in which they arise. Where Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

c) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes in the statements of net income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3) SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRS 2, Share-based Payment

In 2016, the IASB issued the final amendments to IFRS 2 Share-based Payment ("IFRS 2") in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate diversity in practice in three main areas: the effects of vesting conditions on the measurement of cash-settled share-based payments; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The amendments are to be applied prospectively. However, retrospective application is permitted if elected for all three amendments and other criteria are met. The Company assessed the impact of adoption of IFRS 2 on its interim condensed financial statements and determined that no significant changes were expected.

IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, which is effective for fiscal years beginning on or after January 1, 2018 and is to be applied retrospectively. Early adoption is permitted. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. As of January 1, 2018, the Company has adopted IFRS 15 and has concluded that, based on its current operations, the adoption of IFRS 15 had no significant impact on the Company's financial statements.

Standard issued but not yet effective

IFRS 16 - Leases

In January 2016, the IASB published IFRS 16 –Leases, which will replace IAS 17 –Leases. This IFRS eliminates the classification as an operating lease and requires lessees to recognise a right-of-use asset and a lease liability for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. The Company is currently in the process of assessing the impact of IFRS 16 on its financial statements.

(Expressed in Canadian dollars unless otherwise noted)

4) JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the condensed interim financial statements and accompanying notes. Management believes that the estimates used in the preparation of the condensed interim financial statements are reasonable; however, actual results may differ materially from these estimates. The areas involving significant judgments, estimates and assumptions have been detailed in note 5 to the Company's annual audited financial statements for the year ended December 31, 2017.

5) CASH AND CASH EQUIVALENT

		As at June 30, 2018		As at December 31, 2017
Cash	$	**1,002,045**	$	1,355,967
Demand deposit [(1)]		**30,000**		-
	$	**1,032,045**	$	1,355,967

The deposit is due on demand and bears interest at 0.90% per annum and maturing on February 5, 2019.

(Expressed in Canadian dollars unless otherwise noted)

6) EXPLORATION AND EVALUATION ASSETS

The following table presents a summary of exploration and evaluation assets by property:

Property		Balance as at January 1, 2018	Additions		Impairment	Other		Balance as at June 30, 2018
Abitibi Greenstone Belt Prospect (Québec and Ontario)	$	24,766	37,993	$	-	-	$	62,759
Chibougamau-Chapais Prospect (Québec)		17,463	300		-	(2,124)		15,639
Boston Bulldog Prospect (Ontario)		-	56		-	-		56
Shoot-Out Prospect (Québec)		-	-		-	-		-
	$	42,229	38,349	$	-	(2,124)	$	78,454

Property		Balance as at January 1, 2017	Additions		Impairment	Other		Balance as at December 31, 2017
Abitibi Greenstone Belt Prospect (Québec and Ontario)	$	-	24,766	$	-	-	$	24,766
Chibougamau-Chapais Prospect (Québec)		10,205	7,258		-	-		17,463
Boston Bulldog Prospect (Ontario)		42,124	2,862		(44,986)	-		-
Shoot-Out Prospect (Québec)		7,680	-		(7,680)	-		-
	$	60,009	34,886	$	(52,666)	-	$	42,229

(Expressed in Canadian dollars unless otherwise noted)

6) EXPLORATION AND EVALUATION ASSETS (continued)

The following table presents the additions to exploration and evaluation assets by property:

Additions	Abitibi Greenstone Belt Prospect	Chibougamau-Chapais Prospect	Boston Bulldog Prospect	For the six months ended June 30, 2018
Acquisition and claim maintenance	$ 12,282	$ 250	$ -	$ **12,532**
Technical and field staff	56	-	-	**56**
Geology	17,021	167	56	**17,244**
Geophysics	5,585	-	-	**5,585**
Sampling and testing	-	-	-	**-**
Maps and publication	2,880	-	-	**2,880**
General expenses	469	-	-	**469**
Government assistance	-	(2,541)	-	**(2,541)**
	$ 38,293	$ (2,124)	$ 56	$ **36,225**

Additions	Abitibi Greenstone Belt Prospect	Chibougamau-Chapais Prospect	Boston Bulldog Prospect	For the year ended December 31, 2017
Acquisition and claim maintenance	$ 1,086	$ 50	$ 2,193	$ 3,329
Technical and field staff	-	1,234	-	1,234
Geology	25,475	4,899	669	31,043
Sampling and testing	275	348	-	623
General expenses	-	727	-	727
Government assistance	(2,070)	-	-	(2,070)
	$ 24,766	$ 7,258	$ 2,862	$ 34,886

6) EXPLORATION AND EVALUATION ASSETS (continued)

Abitibi Greenstone Belt Prospect - Quebec and Ontario

On April 18, 2017, the Company signed a Mining Option Agreement ("Option") with Golden Valley to acquire a 100% interest in 61 grassroots properties in the Abitibi Greenstone Belt Prospect consisting of 484 mining claims. Pursuant to the terms of the Option, the Company must incur $4,000,000 of expenditures with respect to exploration and other mining operations on the properties before December 31, 2021 (with $500,000 to be incurred on or before December 31, 2018, $750,000 to be incurred on or before the December 31, 2019, $1,000,000 to be incurred on or before December 31, 2020, and $1,750,000 to be incurred on or before December 31, 2021).

As consideration for the Option, the Company will issue 16,666,668 common shares to Golden Valley at a deemed price of $0.12 per share for an aggregate deemed value of $2,000,000 (issuable as to 4,166,667 common shares on or before each of December 31, 2018, 2019, 2020 and 2021). In addition, the Company has granted Golden Valley a royalty equal to 1.25% of the net smelter returns ("NSRs") from the 61 properties on the terms set out in the option agreement of which 1% may be bought back by the Company by paying Golden Valley $5,000,000, at the Company option, in cash or shares at a deemed price per share equal to the market price of the Company's shares at the time of such election.

If the Company has issued the common shares and incurred the expenditures provided for in the option agreement, it may exercise the option on or before December 31, 2021.

Boston Bulldog Prospect - Kirkland Lake, Ontario

The Boston Bulldog Prospect is comprised of one mineral claim located in Kirkland Lake, Ontario, which Val-d'Or Mining was granted an option to acquire a 100% interest.

On February 16, 2015, the Company entered into a Mining Option Agreement, amended on March 6, 2015 and March 24, 2017, pursuant to which it has been granted by 2973090 Canada Inc., a Canadian private company wholly-owned and controlled by the president and director of the Company, an option to acquire a 100% interest in the mineral claims comprising the Boston Bulldog Prospect, subject to a 3% NSR royalty. In consideration of the grant of the option, the Company paid 2973090 Canada Inc. a sum of $5,000 in cash to cover the cost of staking the property and issued 300,000 common shares (issued in April 2015). To maintain and exercise the option, the Company must keep the property in good standing and incur minimum mining operations expenditures of $50,000 by April 7, 2019. In accordance with the terms of the option, the Company has the right to reduce the royalty from 3% to 2% of the NSR by paying 2973090 Canada Inc. $1,000,000 at any time on or before February 16, 2022.

6) EXPLORATION AND EVALUATION ASSETS (continued)

Boston Bulldog Prospect - Kirkland Lake, Ontario (continued)

In December 2016, the 3 mining claims expired and the Company attempted to re-stake the claims but was met with competition as they were staked by another party. However, the Company was of the opinion that the other party did not follow proper staking procedures on one of the claims. Consequently, the Company re-staked and submitted a claim dispute with the Ministry of Northern Development and Mines ("MNDM"). In September 2017, the Company decided to impair its Boston Bulldog Prospect. However, in November 2017, the Company received confirmation that the dispute filed was allowed and therefore had full title restored. Management believes that no reversal of impairment was required.

Shoot-Out Prospect - Northern Quebec

The Shoot-Out Prospect is the combination of two properties, Shoot-Out East and Shoot-Out West, and consists of 154 claims located in the Raglan Belt of northern Quebec. The Company has a 100% ownership interest in this property that is subject to a 3% NSR in favor of the original vendors, one of which is a director and officer of the Company. This prospect was impaired in the year ended December 31, 2017. The Company is not planning any work in the near future.

Marymac Prospect - Labrador Trough, Quebec

The Marymac Prospect located in the Labrador Trough of Quebec, consists of 22 Map Designated Units (each an "MDU"). The Company holds a 100% interest in the Marymac Prospect that is subject to a 2% net smelter royalty ("NSR") interest in favour of Capex Group Inc. (formerly 862539 Alberta Ltd.), which was granted pursuant to an agreement dated March 1, 2001. This prospect was impaired in the year ended December 31, 2016.

Fortin Prospect - Abitibi, Quebec

The Fortin Prospect is located in the central part of Ducros Township, approximatively 80 kilometres northeast of the City of Val-d'Or, Quebec, and consists of 5 contiguous mining claims. The Company holds a 100% interest in this property that is subject to a 1.5% NSR in favour of the original vendors. The Company retains the right to buyback the NSR at anytime; 0.5% buyback for $500,000 and 1% buyback for $1,000,000. This prospect was impaired in the year ended December 31, 2013.

7) EQUITY

a) Share Capital

Authorized

Unlimited number of voting common shares without par value.

(Expressed in Canadian dollars unless otherwise noted)

7) EQUITY (continued)

Issue share capital

The change in issued share capital for the period was as follows:

	2018			2017		
	Number of shares		Stated Value	Number of shares		Stated Value
Balance on January 1,	**33,150,655**	**$**	**3,499,139**	12,881,994	$	2,557,466
Issuance of units under a private placement	**-**		**-**	4,353,461		174,138
Issuance of units as part of a finder's fee payment	**-**		**-**	225,200		9,008
Costs related to the issuance of common shares and warrants	**-**		**(1,354)**	-		(16,876)
Exercise of stock options	**15,000**		**1,673**	-		-
Settlement of debt	**857,142**		**90,000**	-		-
Exercise of warrants	**-**		**-**	890,000		106,800
Expired warrants	**-**		**-**	-		4,877
Balance on June 30,	**34,022,797**	**$**	**3,589,458**	18,350,655	$	2,835,413

2018 transactions on share capital

Settlement of debt

On October 1, 2010, the Company entered into a Management and Administrative Services Agreement (the "Management Agreement") with Golden Valley, pursuant to which Golden Valley will provide certain administrative, management and financial services such as office space, administrative support, including the use of Golden Valley's in house legal counsel for day to day general enquiries, services of a consultant and investors relations services to the Company in consideration of $96,000 per year from each company, payable on a monthly basis, plus applicable taxes. However, Golden Valley suspended the management fees to Val-d'Or Mining in 2012 to enable the Company to conserve cash for operations. On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which the Company agreed to terminate the Management Agreement, in exchange of a settlement fee of $60,000 payable by the Company as consideration for its failure to pay the management fees since the date of suspensions of the respective Management Agreement.

7) EQUITY (continued)

Settlement of debt (continued)

On April 6, 2018, the Company announced that, subject to acceptance by the TSX Venture Exchange ("Exchange") and with the intent of preserving its cash resources for operations, it proposed issuing approximately 857,142 common shares at a deemed per share price of $0.105 in settlement of an aggregate of $90,000 in accrued debt owing to the Company. Of the debt to Golden Valley, $30,000 is an outstanding loan and $60,000 relates to consideration payable under the terms of a termination agreement entered into effective January 1, 2018. On April 30, 2018, the Exchange accepted the shares for debt submission.

Incentive stock option

On March 15, 2018, a total of 15,000 stock options were exercised at a price of $0.065 per share for total proceeds of $1,673.

2017 transactions on share capital

On February 3, 2017, a total of 890,000 warrants were exercised at a price of $0.12 per share for total proceeds of $106,800.

On March 30, 2017, the Company closed a non-brokered private placement pursuant to which it has issued 4,353,461 units at a price of $0.065 per unit for gross proceeds of $282,975. Each unit consists of one common share in the capital of the Company and one non-transferable share purchase warrant, entitling the purchase of one common share at a per share price of $0.085 until March 30, 2019. The fair value of the 4,353,461 warrants was estimated at $0.025 using the Black-Scholes valuation model with the following assumptions: an expected volatility of 127.7%, a risk-free interest rate of 0.79%, an expected unit life of 2 years, no expected dividend yield and a share price at date of grant of $0.08. As a result, the warrants were valued at $108,837 and recorded as an increase of issuance costs, deducted from share capital, and recorded as an increase of Warrants in the statement of changes in equity.

In connection with the financing, the Company issued an aggregate 225,200 common shares at a deemed per share price of $0.04 for $9,008 representing 8% of the purchase proceeds received from subscribers introduced to the Company by the finders and issued 225,200 non-transferable finders warrants entitling the purchase of an aggregate 225,200 common shares of the Company at a per share price of $0.085 until March 30, 2019, representing 8% of the number of units placed with the assistance of the finders. When granted, the fair value of the 225,200 non-transferable finders warrants of $5,630, issued as compensation warrants to settle finder's fees, was established based on the value of the service received and recorded as an increase of issuance costs, deducted from share capital, and as an increase of Warrants in the statement of changes in equity. The Company also incurred regulatory fees in relation with the private placement of $2,238.

(Expressed in Canadian dollars unless otherwise noted)

8) WARRANTS

The following table shows the changes in warrants:

	June 30, 2018			December 31, 2017		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Outstanding, beginning of period	**13,358,661**	**$**	**0.12**	1,291,250	$	0.12
Issued	-		-	13,358,661		0.12
Exercised	-		-	(890,000)		0.12
Expired warrants	-		-	(401,250)		0.12
Outstanding, end of period	**13,358,661**	**$**	**0.12**	13,358,661	$	0.12

The number of outstanding warrants that could be exercised for an equal number of common shares is as follows:

	June 30, 2018			December 31, 2017		
	Number of warrants outstanding		Exercise Price	Number of warrants outstanding		Exercise Price
March 30, 2019	**4,578,661**	**$**	**0.085**	4,578,661	$	0.085
November 30, 2020	**1,380,000**		**0.100**	1,380,000		0.100
November 30, 2020	**7,400,000**		**0.150**	7,400,000		0.150
	13,358,661	**$**	**0.120**	13,358,661	$	0.120

9) SHARE-BASED PAYMENTS

Stock option plan

The Company has adopted an incentive stock option plan pursuant to which directors, officers, employees and consultants are eligible to receive incentive stock options. Under the terms of this plan, the aggregate number of shares issuable upon the exercise of all options granted thereunder may not exceed 10% of the Company's common shares issued and outstanding at the time of grant. The exercise price of each option is fixed by the Board of Directors, but shall not be less than the closing price of the Company's share on the trading day immediately prior to the date of grant less any discount permitted by the Exchange; if no sales were reported, it shall be the sales closing price on the last trading day immediately prior to the date of grant on which sales were reported. The vesting period of the options shall be determined by the Board of Directors, in accordance with the rules and regulations of the TSX Venture Exchange. All share-based payments will be settled in equity. The Company has no legal constructive obligation to repurchase or settle the options in cash.

(Expressed in Canadian dollars unless otherwise noted)

9) SHARE-BASED PAYMENTS (continued)

A summary of changes in the number of incentive stock options for the six months ended June 30, 2018 and 2017 is presented as follows:

	June 30, 2018			December 31, 2017		
	Number of Options		**Weighted average exercise price**	Number of Options		Weighted average exercise price
Outstanding, beginning of period	**565,000**	**$**	**0.070**	565,000	$	0.07
Granted	**2,600,000**		**0.105**			
Exercised	**(15,000)**		**0.065**			
Forfeited	**(30,000)**		**0.070**	-		-
Outstanding, end of period	**3,120,000**	**$**	**0.100**	565,000	$	0.07

The fair value of the 2,600,000 stock options granted at $0.105 per share has been estimated on the date of issue, using the Black-Scholes option-pricing model with the following assumptions: share price at date of grant: $0.11; expected dividend yield: nil; expected volatility:166.95%; risk-free interest rate: 2.03%; expected life: 5 years and exercise price at the date of grant: $0.105 per share.

The expected volatility used above in the assumptions was determined by reference to historical data of the Company's shares over the expected average life of the stock options. No special features inherent to the stock options granted were incorporated into measurement of fair value.

The number of outstanding stock options that could be exercised for an equal number of common shares is as follow:

Expiry date	Number of Options		Exercise price
April 3, 2019	45,000	$	0.065
November 20, 2019	50,699		0.080
May 16, 2021	424,301		0.065
February 5, 2023	2,600,000		0.105
	3,120,000	$	0.100

(Expressed in Canadian dollars unless otherwise noted)

9) SHARE-BASED PAYMENTS (continued)

Restricted Share Unit Plan

At the annual general and special meeting of shareholders held on June 27, 2016, the shareholders approved the adoption and implementation of a Restricted Share Unit Plan (the "RSU Plan"). The RSU Plan will be adopted and implemented by the Company's Board upon receipt of acceptance by the TSX Venture Exchange. The RSU Plan provides that restricted share units ("Share Units") may be granted by the Company's Compensation and Corporate Governance Committee (the "Committee") to executive officers, directors, employees and consultants (each a "Participant") as a bonus or similar payment in respect of services rendered or otherwise as compensation, including as an incentive for future performance. At the time Share Units are granted to a Participant, the Committee will determine any time-based or other conditions as to the vesting of the Share Units and the expiry date (the "Expiry Date") for such Share Units. The Expiry Date of a Share Unit will be decided at the grant date. The aggregate number of common shares issuable pursuant to Share Units granted under the RSU Plan will not, at any given time, exceed 1,288,199 common shares. The Company's RSU Plan was approved by the TSX Venture Exchange.

No restricted shares units were issued for the three and six months ended June 30, 2018.

10) LOSS PER SHARE

Loss per share has been calculated using the weighted average number of common shares outstanding for the three and six months ended June 30, 2018 and 2017 as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	**2017**	**2018**	**2017**
Net loss for the period	$ **168,468**	$ 47,101	$ **554,501**	$ 71,011
Weighted average number of common shares - Basic	**33,533,002**	18,350,655	**33,344,210**	15,937,004
Dilutive effect of stock options	**-**	-	**-**	-
Weighted average number of common shares - Diluted	**33,533,002**	18,350,655	**33,344,210**	15,937,004
Basic loss per share	$ **0.005**	$ 0.003	$ **0.017**	$ 0.004
Diluted loss per share	$ **0.005**	$ 0.003	$ **0.017**	$ 0.004

For the three and six months ended June 30, 2018, potential dilutive common shares from incentive stock options have not been included in the earnings (loss) per share calculation as they would result in a reduction of the loss per share.

(Expressed in Canadian dollars unless otherwise noted)

11) ADDITIONAL CASH FLOW INFORMATION

The following significant non-cash transactions have been excluded from the Statements of Cash Flows:

	Six months ended June 30,	
	2018	**2017**
Tax credits deducted from exploration and evaluation assets	**2,541**	-
Accounts payable and accrued liabilities included in exploration and evaluation assets	**1,784**	10,999
Common shares issued in settlement of debt	**90,000**	
Issuance of units as part of a finder's fee payment	**-**	14,638

12) RELATED PARTY TRANSACTIONS

a) Transactions with a shareholder

On January 1, 2018, the Company entered into a Termination Agreement with Golden Valley under which Golden Valley agrees to terminate the Management Agreement in exchange of a settlement fee of $60,000. As described in note 7, this amount, including the promissory note of $30,000, has been settled through the issuance of common shares.

For the three months ended June 30, 2018, Golden Valley recharged some expenses to the Company for a total amount of $30,839; $8,193 was capitalized as exploration and evaluation assets and $22,796 was recorded in the statement of loss and comprehensive loss (for the three-month period ended June 30, 2017 – $2,499; $714 was capitalized as exploration and evaluation assets and $1,785 was recorded in the statement of loss and comprehensive loss).

For the three and six months ended June 30, 2018, the Company incurred consultant fees of $3,000 and $3,000 respectively from Golden Valley relating to the services of the Company's CFO. As at June 30, 2018, $10,485 is due to Golden Valley. This amount is included in accounts payable and other liabilities.

As at December 31, 2017, the Company had a balance payable of $74,761 to Golden Valley included in accounts payable and accrued liabilities. In addition, the Company owes an amount of $30,000, due on demand and bearing no interest.

b) Transactions with key management

Key management personnel of the Company are the members of the Board of Directors, as well as the President, the Vice-President Exploration ("VP Exploration"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO").

12) RELATED PARTY TRANSACTIONS (continued)

b) Transactions with key management (continued)

For the three and six months ended June 30, 2018, the Company incurred fees of $7,500 and $15,000 with the former CFO of the Company. These fees are recorded under audit and accounting fees in the interim condensed statement of loss and comprehensive loss. As at June 30, 2018, no amount is due to the former CFO.

For the three and six months ended June 30, 2018, the Company incurred fees of $24,000 and $48,000 with the COO (for the three and six months ended June 30, 2017 - $nil). These fees are recorded under consulting fees in the interim condensed statement of loss and comprehensive loss. As at June 30, 2018, $8,000 was accrued. This amount is included in accounts payable and other liabilities.

For the six months ended June 30, 2018, the Company granted stock options to key management personnel to purchase an aggregate 2,000,000 common shares of the Company. The Company recorded a stock-based compensation of $197,635 as part of this transaction.

c) Transactions with related parties

For the three and six months ended June 30, 2018, the Company incurred fees of $10,500 and $17,000, respectively (for the three and six months ended June 30, 2017 – $nil) with an individual related to the President as part of a consulting agreement for corporate finance and advisory services. These fees are recorded under consulting fees in the interim condensed statement of loss and comprehensive loss. As at June 30, 2018, $4,024 is due to that individual. This amount is included in accounts payable and other liabilities.

For the three and six months ended June 30, 2018, the Company incurred rent of $5,715 and $10,073 (for the three and six months ended June 30, 2017 – $nil) with a company controlled by the president. These fees are recorded under office expenses and other in the interim condensed statement of loss and comprehensive loss. As at June 30, 2018, $2,507 is due to that company. This amount is included in accounts payable and other liabilities.

13) COMMITMENTS

The Company entered into a consulting agreement, expiring February 5, 2020, which will call for total payments of $83,500. The minimum payments for the next years are $38,000 in 2018, $42,000 in 2019 and $3,500 in 2020.

The Company has entered into a long-term agreement for the lease of an equipment expiring on July 25, 2022, which will call for total lease payments of $11,768. The minimum lease payments for the next years are $2,077 in 2018, $2,769 in 2019, 2020 and 2021 and $1,384 in 2021.

(Expressed in Canadian dollars unless otherwise noted)

13) COMMITMENTS (continued)

Minimum annual payments relating to the above commitments are as follows:

2018	$	112,655
2019		44,769
2020		6,269
2021		2,769
2022		1,384
	$	167,846

The Company has the following commitments in connection with mining option agreements:

Abitibi Greenstone Belt		Exploration work	Issuance of shares
2018	$	459,097	4,166,667
2019		750,000	4,166,667
2020		1,000,000	4,166,667
2021		1,750,000	4,166,667
	$	3,959,097	16,666,668

Boston Bulldog		Exploration work	Issuance of shares
2019	$	49,275	-

The Company has also entered into a consulting agreement with the VP Exploration for a total annual payment of $66,950. This consulting agreement contains change of control provisions. If a change of control would occur, the total amount payable in respect of severance, would amount to $200,000 if the consulting agreement is terminated by the Company and $100,000 if the consulting agreement is terminated by the VP Exploration within six months from the date of change of control.