



Condensed Consolidated Interim Financial Statements

For the Nine Months Ended March 31, 2018 and 2017

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

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

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

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

| | Note | March 31, 2018 | June 30, 2017 |
|-----------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash | | \$ 2,697,563 | \$ 208,273 |
| Prepaid expenses | | 224,817 | 47,391 |
| Receivables | | 29,259 | 4,661 |
| Total current assets | | 2,951,639 | 260,325 |
| Non-current assets | | | |
| Advance | | 29,093 | 25,313 |
| Exploration and evaluation assets | 5 | 2,957,736 | 2,093,567 |
| Property, plant and equipment | 6 | 364,223 | 363,108 |
| Total assets | | \$ 6,302,691 | \$ 2,742,313 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | | |
|---|----|---------------------|---------------------|
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | \$ 200,610 | \$ 130,879 |
| Due to related parties | 7 | 107,843 | 207,246 |
| Total liabilities | | 308,453 | 338,125 |
| Shareholders' equity | | | |
| Share capital | 10 | 11,360,066 | 6,971,714 |
| Share subscriptions received in advance | | - | 24,000 |
| Equity reserves | 10 | 1,666,140 | 1,423,849 |
| Deficit | | (7,031,968) | (6,015,375) |
| Total shareholders' equity | | 5,994,238 | 2,404,188 |
| Total liabilities and shareholders' equity | | \$ 6,302,691 | \$ 2,742,313 |

Nature and continuance of operations and going concern (Note 1)
Commitment (Note 8)

Authorized and approved by the Board of Directors on May 29, 2018

"Peter Berdusco"

Director

"Scott Davis"

Director

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

| | | Three months ended March 31, | | Nine months ended March 31, | |
|---|------|---|--------------------|--|---------------------|
| | Note | 2018 | 2017 | 2018 | 2017 |
| OPERATING EXPENSES | | | | | |
| Accounting and audit | 7 | \$ 8,250 | \$ 10,204 | \$ 88,540 | \$ 28,944 |
| Consulting | | 68,750 | 42,300 | 224,692 | 72,300 |
| Filing and regulatory fees | | 5,791 | 2,625 | 6,541 | 2,481 |
| Legal fees (recovery) | | 10,651 | (6,166) | 27,633 | 11,078 |
| Management fees | 7 | 30,000 | 24,000 | 90,000 | 66,000 |
| Marketing | | 60,993 | 12,250 | 175,278 | 12,250 |
| Office and administration (recovery) | 7 | 46,982 | (2,157) | 84,240 | 1,060 |
| Project evaluation costs | | - | - | - | 86,432 |
| Rent | 7 | 6,000 | 1,950 | 14,000 | 3,900 |
| Share based payments | 10 | 238,203 | - | 238,203 | - |
| Transfer agent | | - | 4,168 | 23,089 | 7,175 |
| | | (475,620) | (89,174) | (972,216) | (291,620) |
| Foreign exchange loss | | (7,495) | - | (44,377) | - |
| Recovery of flow-through provision | | - | - | - | 84,351 |
| Gain on extinguishment of accounts payable | | - | 86 | - | 5,567 |
| Loss and comprehensive loss for the period | | \$ (483,115) | \$ (89,088) | \$ (1,016,593) | \$ (201,702) |
| Basic and diluted loss per share | | \$ (0.01) | \$ (0.00) | \$ (0.03) | \$ (0.01) |
| Weighted average number of common shares outstanding | | 43,535,394 | 18,387,386 | 37,675,990 | 14,145,184 |

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

| | Nine months ended March 31, | |
|---|------------------------------------|-------------------|
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period | \$ (1,016,593) | \$ (201,702) |
| Items not involving cash: | | |
| Share based payments | 238,203 | - |
| Foreign exchange | (3,780) | - |
| Recovery of flow-through provision | - | (84,351) |
| Gain on extinguishment of accounts payable | - | (5,567) |
| Changes in non-cash working capital: | | |
| Receivables | (24,598) | (4,262) |
| Prepaid expenses | (177,426) | (53,183) |
| Due to related parties | (99,403) | 50,912 |
| Accounts payable and accrued liabilities | (52,943) | 186,336 |
| Net cash used in operating activities | <u>(1,136,540)</u> | <u>(111,817)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash acquired upon acquisition of Romanex | - | 65 |
| Transaction costs for Romanex | - | (57,075) |
| Cash advances paid to Romanex | - | (324,249) |
| Exploration and evaluation assets | (905,155) | (361,741) |
| Purchase of property, plant and equipment | (50,230) | (46,533) |
| Artisanal mining royalty | 174,793 | - |
| Cost recoveries | 54,488 | - |
| Net cash used in investing activities | <u>(726,104)</u> | <u>(789,533)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | 3,800,000 | 1,312,705 |
| Share issuance costs | (35,877) | (60,029) |
| Proceeds from exercise of warrants | 604,317 | - |
| Proceeds from loans payable | 40,000 | 340,000 |
| Repayment of loans payable | (56,506) | (110,000) |
| Net cash provided by financing activities | <u>4,351,934</u> | <u>1,482,676</u> |
| Change in cash | 2,489,290 | 581,326 |
| Cash, beginning of period | 208,273 | 5,625 |
| Cash, end of period | \$ 2,697,563 | \$ 586,951 |

Supplemental disclosure with respect to cash flows (Note 13)

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

GUYANA GOLDSTRIKE INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
UNAUDITED – PREPARED BY MANAGEMENT
(Expressed in Canadian Dollars)

| | Number of Shares | Share Capital | Share Subscriptions Receivable | Share Subscriptions Received in Advance | Equity Reserves | Deficit | Total |
|--|---------------------|----------------------|--------------------------------------|--|---------------------|-----------------------|---------------------|
| Balance – June 30, 2016 | 6,561,034 | \$ 3,826,505 | \$ - | \$ 31,000 | \$ 549,684 | \$ (4,897,286) | \$ (490,097) |
| Shares issued for private placements | 17,262,801 | 2,195,926 | (150,000) | (31,000) | - | - | 2,014,926 |
| Share issuance costs | - | (104,647) | - | - | 44,618 | - | (60,029) |
| Shares issued for share purchase agreement | 5,223,437 | 1,305,860 | - | - | 105,390 | - | 1,411,250 |
| Loss for the period | - | - | - | - | - | (201,702) | (201,702) |
| Balance – March 31, 2017 | 29,047,272 | \$ 7,223,644 | \$ (150,000) | \$ - | \$ 699,692 | \$ (5,098,988) | \$ 2,674,348 |
| Balance – June 30, 2017 | 29,047,272 | \$ 6,971,714 | \$ - | \$ 24,000 | \$ 1,423,849 | \$ (6,015,375) | \$ 2,404,188 |
| Exercise of warrants | 8,377,566 | 628,317 | - | (24,000) | - | - | 604,317 |
| Shares issued for private placements | 14,983,334 | 3,800,000 | - | - | - | - | 3,800,000 |
| Share issuance costs | - | (39,965) | - | - | 4,088 | - | (35,877) |
| Share based payments | - | - | - | - | 238,203 | - | 238,203 |
| Loss for the period | - | - | - | - | - | (1,016,593) | (1,016,593) |
| Balance – March 31, 2018 | 52,408,172 | \$ 11,360,066 | \$ - | \$ - | \$ 1,666,140 | \$ (7,031,968) | \$ 5,994,238 |

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

GUYANA GOLDSTRIKE INC.
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited – Prepared by Management
Nine months ended March 31, 2018 and 2017
(Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Guyana Goldstrike Inc. (the “Company”) is an exploration company focused on acquiring, exploring and developing mineral resource properties.

The Company was incorporated on September 21, 2006 under the Laws of British Columbia. The Company’s head office address is Suite 510 – 580 Hornby Street, Vancouver, British Columbia V6C 3B6 and registered office address is 2200 – 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange under the symbol “GYA”.

The Company’s condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise stated, which is the functional currency.

In March, 2017, the Company entered into an agreement to acquire Romanex Guyana Exploration Ltd. (“Romanex”) (the “Transaction”). Romanex is a privately held mineral exploration company incorporated under the laws of the Republic of Guyana. Romanex holds a one hundred percent interest in the Marudi mining license located in Guyana.

Going concern of operations

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going-concern depends on its ability to raise adequate financing and to develop profitable operations.

Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. The Company has financed its activities through the issuance of equity securities and debt financing. The Company expects to use similar financing techniques in the future and is pursuing such additional sources of financing as estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. To date, the Company has not earned any revenues. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The significant accounting policies applied in these condensed consolidated interim financial statements are based on the IFRS issued and effective as of March 31, 2018.

GUYANA GOLDSTRIKE INC.
Notes to the Condensed Consolidated Interim Financial Statements
Unaudited – Prepared by Management
For the nine months ended March 31, 2018 and 2017
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2. BASIS OF PREPARATION (cont'd)

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The principal subsidiaries of the Company as of March 31, 2018 are as follows:

| Name of subsidiary | Principal activity | Place of Incorporation | Ownership Interest March 31, 2018 | Ownership Interest June 30, 2017 |
|---|------------------------------|-------------------------------|--|---|
| Romanex Guyana Exploration Ltd. ("Romanex") | Mineral property exploration | Guyana | 100% | 100% |

Critical Judgments and Sources of Estimation Uncertainty

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

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Notes to the Condensed Consolidated Interim Financial Statements
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2. BASIS OF PREPARATION (cont'd)

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy, which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Classification of investments requires judgment on whether the Company controls, has joint control or significant influence over the strategic financial and operating decisions relating to the activity of the investee. In assessing the level of control or influence that the Company has over an investment, management considers ownership percentages, board representation as well as other relevant provisions in shareholder agreements. If an investor holds 20% or more of the voting power of the investee, it is presumed that the investor has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the investor holds less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. The Company has classified its investments in Romanex as a subsidiary based on management's judgment that the Company has control, based on its power over Romanex, has exposure or rights to the variable returns from its involvement with Romanex and the ability to use its power over Romanex to affect the amount of its returns.
- (iv) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.
- (v) The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits. The acquisition of Romanex was determined to constitute an acquisition of assets (Note 4).

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

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2. BASIS OF PREPARATION (cont'd)

- (ii) The assessment of any impairment of evaluation and exploration assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets.
- (iii) The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of the subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's net loss and share-based payment reserve.

3. SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at June 30, 2017. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2017.

New accounting standards and interpretations not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its condensed consolidated interim financial statements.

Effective (proposed) for annual periods beginning on or after January 1, 2018:

IFRS 9, Financial Instruments – Classification and Measurement. IFRS 9 is a new standard on financial instruments that will replace IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 addresses classification and measurement of financial assets and financial liabilities as well as de-recognition of financial instruments. IFRS 9 has two measurement categories for financial assets: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS 15, Revenue from Contracts with Customers: IFRS 15 is a new standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It provides a single model in order to depict the transfer of promised goods or services to customers. 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 Service.

Effective (proposed) for annual periods beginning on or after January 1, 2019:

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

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4. PURCHASE OF MINERAL PROPERTIES

Marudi Gold Project, Guyana

On March 9, 2017 (the “Closing Date”), the Company completed the acquisition of Romanex (Note 5).

The acquisition of Romanex was treated as an asset acquisition. The fair value of the assets acquired and liabilities assumed as at date of acquisition were as follows:

| Consideration | |
|--|---------------------|
| Value of 4,781,250 common shares issued | \$ 956,250 |
| Value of 442,187 common shares issued for finder’s fee | 88,437 |
| Fair value of 468,750 warrants | 83,178 |
| Transaction costs | 57,076 |
| Total consideration value: | \$ 1,184,941 |
| Net assets acquired | |
| Cash | \$ 272 |
| Prepays | 877 |
| Prepayment for equipment | 128,260 |
| Property, plant and equipment | 126,684 |
| Exploration and evaluation assets | 1,747,095 |
| Accounts payable | (818,247) |
| Net assets acquired: | \$ 1,184,941 |

In addition, the Company agreed to make the following cash payments totaling USD \$875,000 (which are to be applied to the amounts owing to companies owned by the vendor of Romanex):

- a) USD \$125,000 on or before the date which is ten days following the Closing Date (paid);
- b) USD \$100,000 reimbursement of expenses on or before the date which is ten days following the Closing Date (paid);
- c) USD \$100,000 on or before the one year anniversary of completion of the payment in (a) (paid subsequently);
- d) USD \$250,000 on or before the two year anniversary of completion of the payment in (a); and
- e) USD \$300,000 on or before the three year anniversary of completion of the payment (a).

Excess of payments over the amounts payable at the time will be recorded as acquisition costs as they are paid.

The Company is subject to pay Finders’ shares of 653,437 common shares of the Company as follows:

- a) 442,187 Finders’ shares on or before the date which are ten business days following the Closing Date (issued);
- b) 32,500 Finders’ shares on or before the date which are ten business days following the date in (c) above (issued subsequently);
- c) 81,250 Finders’ shares on or before the date which are ten business days following the date in (d) above; and
- d) 97,500 Finders’ shares on or before the date which are ten business days following the date in (e) above.

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4. PURCHASE OF MINERAL PROPERTIES (cont'd)

The fair value of the warrants issued was determined using the Black-Scholes pricing model:

| | |
|---------------------------------|---------|
| Risk-free interest rate | 0.82% |
| Expected life of option | 2 years |
| Expected dividend yield | 0% |
| Expected stock price volatility | 223.70% |

5. EXPLORATION AND EVALUATION ASSETS

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such assets may be subject to prior agreements or transfers and title may be affected by undetected defects.

| | Marudi |
|---|---------------------|
| | Gold Project |
| Balance - June 30, 2016 | \$ - |
| Acquisition costs | |
| Exploration and evaluation assets acquired (Note 4) | 1,747,095 |
| | 1,747,095 |
| Exploration expenditures | |
| Assays, staking & mapping | 1,063 |
| Camp and field costs | 92,339 |
| Consulting and technical fees | 2,133 |
| Depreciation | 16,857 |
| Environmental engineering | 50,651 |
| License fee | 71,293 |
| Maintenance | 29,030 |
| Management fees | 41,121 |
| Office and miscellaneous | 17,616 |
| Salaries | 116,396 |
| Travel and accommodation | 44,864 |
| | 483,363 |
| Artisanal mining royalty* | (136,891) |
| Balance - June 30, 2017 | \$ 2,093,567 |

*Under a cooperative agreement between Romanex and artisanal miners, the artisanal miners pay Romanex an in-kind royalty equal to 10% of all gold produced.

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5. EXPLORATION AND EVALUATION ASSETS (cont'd)

| | Marudi |
|---------------------------------|---------------------|
| | Gold Project |
| Balance - June 30, 2017 | \$ 2,093,567 |
| Exploration expenditures | |
| Assays, staking & mapping | 2,125 |
| Camp and field costs | 177,722 |
| Consulting and technical fees | 133,726 |
| Depreciation | 49,115 |
| Environmental engineering | 157,658 |
| Geology | 160,653 |
| Maintenance | 44,414 |
| Office and miscellaneous | 40,570 |
| Salaries | 226,241 |
| Travel and accommodation | 99,246 |
| Trenching and sampling | 1,980 |
| | 1,093,450 |
| Artisanal mining royalty* | (174,793) |
| Cost recoveries | (54,488) |
| Balance– March 31, 2018 | \$ 2,957,736 |

*Under a cooperative agreement between Romanex and artisanal miners, the artisanal miners pay Romanex an in-kind royalty equal to 10% of all gold produced.

Marudi Gold Project, Guyana

During the year ended June 30, 2017, the Company entered into a definitive purchase agreement (the “Definitive Agreement”), pursuant to which the Company has acquired the right to earn in all of the outstanding share capital of Romanex, an arm’s length party (the “Transaction”). Romanex is a privately held mineral exploration company incorporated under the laws of the Republic of Guyana. Romanex holds a one hundred percent interest in the Marudi Mining License (the “Property”) located in Guyana. In consideration for the outstanding share capital of Romanex, the Company agreed to complete cash payments totaling US\$875,000 over a period of three years (Note 4). The share certificates in Romanex are in escrow and have not been transferred to the Company as at March 31, 2018. The share certificates will be released when the US\$300,000 payment in Note 4 is completed. The Definitive Agreement granted the Company the full right, power and authority to determine the manner of operations of Romanex and the exploration of the Marudi property including the right and power to nominate directors and officers of Romanex and remove any minerals from the Marudi property as may be permitted pursuant to the mining license. Accordingly, the Company has control over Romanex pursuant to the definition of control under IFRS 10 Consolidated Financial Statements.

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6. PROPERTY PLANT AND EQUIPMENT

| | Field Equipment | Motor Vehicles | Office Furniture and Equipment | Total |
|-----------------------------|--------------------|-------------------|--------------------------------------|-------------------|
| Cost | | | | |
| Balance as at June 30, 2016 | \$ - | \$ - | \$ - | \$ - |
| Assets acquired (Note 4) | 18,395 | 102,602 | 5,687 | 126,684 |
| Additions for the year | 229,711 | 19,251 | 4,319 | 253,281 |
| Balance at June 30, 2017 | 248,106 | 121,853 | 10,006 | 379,965 |
| Additions for the period | 19,523 | 28,758 | 1,948 | 50,229 |
| Balance at March 31, 2018 | \$ 267,629 | \$ 150,611 | \$ 11,954 | \$ 430,194 |
| Amortization | | | | |
| Balance at June 30, 2016 | \$ - | \$ - | \$ - | \$ - |
| Amortization for the year | 5,255 | 10,959 | 643 | 16,857 |
| Balance at June 30, 2017 | 5,255 | 10,959 | 643 | 16,857 |
| Amortization for the period | 26,838 | 20,480 | 1,796 | 49,114 |
| Balance at March 31, 2018 | \$ 32,093 | \$ 31,439 | \$ 2,439 | \$ 65,971 |
| Carrying amounts | | | | |
| Balance at June 30, 2017 | \$ 242,851 | \$ 110,894 | \$ 9,363 | \$ 363,108 |
| Balance at March 31, 2018 | \$ 235,536 | \$ 119,172 | \$ 9,515 | \$ 364,223 |

7. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2018, the Company incurred the following charges with related parties that include officers, directors, key management or companies with common directors of the Company as follows:

- Incurred management fees of \$90,000 (2017 - \$66,000) and corporate administrative fees of \$22,500 (2017 - \$Nil) to a company controlled by a director and officer of the Company.
- Incurred accounting fees of \$45,000 (2017 - \$25,000) and rent of \$14,000 (2017 - \$3,900) to a firm where a director and officer of the Company is a partner.

At March 31, 2018, the Company owed \$13,125 (June 30, 2017 - \$Nil) to a company controlled by a director and officer of the Company for management fees and corporate administrative fees; \$7,350 (June 30, 2017 - \$Nil) to a firm where a director and officer of the Company is a partner for rent and accounting fees; and \$87,368 (June 30, 2017 - \$207,246) to a company owned by the operations manager of the Company's subsidiary for management fees and expenses. During the period ended March 31, 2018, loans of \$40,000 (June 30, 2017 - \$177,875) were received by related party (Note 9) and repaid during the period. The loans were non-interest bearing, unsecured and payable on demand. During the year ended June 30, 2017, a company controlled by a related party assigned \$284,975 of debt to various third parties and the loans payable were settled in the private placements (Note 10).

8. COMMITMENT

On October 1, 2016 and prior to the acquisition outlined in Note 4, Romanex, entered into a management services agreement (the "Agreement") with a company owned by an officer of Romanex for the provision of management services at a fee of US\$8,500 per month. The Agreement expired on June 30, 2017 and is subject to negotiations between the Company and this company.

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9. LOANS PAYABLE

During the year ended June 30, 2015, the Company received a loan from a company controlled by a former director of the Company for \$9,422. The loan was non-interest bearing, unsecured, and had no specific terms of repayment. During the year ended June 30, 2017, the loan was settled by way of share subscriptions in two private placements (Note 10).

During the year ended June 30, 2015, the Company received a loan from a third party for \$7,000. During the year ended June 30, 2017 the Company received loans for \$65,967 and during the period ended March 31, 2018, the Company received and repaid loans for \$16,506 from the same third party. The loans are non-interest bearing, unsecured, and had no specific terms of repayment. During the year ended June 30, 2017, \$72,967 of the loans were settled by way of share subscriptions in two private placements (Note 10).

During the year ended June 30, 2017, the Company received loans from a third party for \$25,500. The loans were non-interest bearing, unsecured, and had no specific terms of repayment. During the year ended June 30, 2017, the loans were settled by way of share subscriptions in a private placement (Note 10).

During the period ended March 31, 2018, the Company received and repaid loans from a company controlled by a director and officer of the company for \$40,000 (June 30, 2017 - \$212,875). The loans were non-interest bearing, unsecured and had no specific terms or repayment. During the year ended June 30, 2017, \$35,000 was repaid and \$177,875 was assigned to a third party and settled by way of share subscriptions in a private placement (Note 10).

During the year ended June 30, 2017, the Company received loans from a third party for \$60,000. The loans were non-interest bearing, unsecured, and had no specific terms of repayment. During the year ended June 30, 2017, the loan was settled by way of share subscriptions in a private placement (Note 10).

During the year ended June 30, 2017, the Company received a loan from a director of the Company for \$75,000. The loan was non-interest bearing, unsecured, and had no specific terms of repayment. During the year ended June 30, 2017, the loan was repaid in full.

10. SHARE CAPITAL

Authorized: Unlimited common shares without par value

During the period ended March 31, 2018 the Company:

- a) Issued 8,377,566 common shares on the exercise of warrants for proceeds of \$628,317.
- b) Completed a non-brokered private placement of 1,083,334 units (each, a “Unit”), at a price of \$0.30 per Unit, for total consideration of \$325,000. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable to acquire one additional common share of the Company at a price of \$0.40 per share for a period of two years. The Company paid \$13,503 of cash share issuance costs and issued 19,000 finder’s warrants on the same terms with a fair value of \$4,088 in relation to the private placement.
- c) Completed a non-brokered private placement of 13,900,000 units (each, a “Unit”), at a price of \$0.25 per Unit, for total consideration of \$3,475,000. Each Unit consists of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable to acquire one additional common share of the Company at a price of \$0.35 per share for a period of two years. The Company paid \$22,374 of cash share issuance costs.

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10. SHARE CAPITAL (cont'd)

During the year ended June 30, 2017 the Company:

- a) Completed a non-brokered private placement of 8,885,235 units (each, a “Unit”), at a price of \$0.20 per Unit, for total consideration of \$1,777,047. In exchange for the units, the Company settled \$25,422 in accounts payable, \$329,342 in loans payable and received \$1,422,283 in cash. Each Unit consists of one common share of the Company, and one-half of one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable to acquire one additional common share of the Company at a price of \$0.30 per share for a period of two years. The Company issued 203,600 finder’s warrants with a fair value of \$35,125 and paid \$52,720 of share issuance costs in relation to the private placement. The weighted average fair value of each finder’s warrant granted in the private placement was \$0.17, calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions: risk-free interest rate of 0.82%; expected life of finder’s warrant of two years; expected dividend yield of 0%; and expected stock price volatility of 224%.
- b) Completed a non-brokered private placement of 8,377,566 units (each, a “Unit”), at a price of \$0.05 per Unit, for total consideration of \$418,878. In exchange for the units, the Company settled \$341,878 in accounts payable, \$11,000 in loans payable, \$31,000 in shares subscribed and received \$35,000 in cash. Each Unit consists of one common share of the Company and one common share purchase warrant (each, a “Warrant”). Each Warrant is exercisable to acquire one additional common share of the Company at a price of \$0.075 per share for a period of twelve months. The Company paid \$7,559 of share issuance costs in relation to the private placement.
- c) Issued 5,223,437 common shares valued at \$1,044,687 in relation to a share purchase agreement (Note 4).

Share purchase options

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option shall not be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years and vest as determined by the board of directors.

A summary of the Company’s outstanding share purchase options as at March 31, 2018 and the changes during the period are presented below:

| | Number of Options | Weighted Average Exercise Price |
|------------------------------|------------------------------|--|
| Balance - June 30, 2016 | 48,000 | \$ 1.00 |
| Granted | 2,700,000 | 0.25 |
| Expired | (48,000) | 1.00 |
| Balance - June 30, 2017 | 2,700,000 | \$ 0.25 |
| Granted | 1,000,000 | 0.25 |
| Balance – March 31, 2018 | 3,700,000 | \$ 0.25 |
| Exercisable – March 31, 2018 | 3,575,000 | \$ 0.25 |

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10. SHARE CAPITAL (cont'd)

Additional information regarding stock options outstanding as at March 31, 2018 is as follows:

| Number of Options | Exercise Price (\$) | Expiry Date |
|-------------------|---------------------|------------------|
| 2,700,000 | 0.25 | April 24, 2022 |
| 1,000,000 | 0.25 | January 12, 2023 |
| 3,700,000 | | |

The weighted average fair value of each stock option granted during the period ended March 31, 2018 was \$0.27 (year ended June 30, 2017 - \$0.28), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

| | Period ended March 31, 2018 | Year ended June 30, 2017 |
|---------------------------------|--------------------------------|-----------------------------|
| Risk-free interest rate | 1.97% | 1.03% |
| Expected life of option | 5 years | 5 years |
| Expected dividend yield | 0% | 0% |
| Expected stock price volatility | 193.09% | 209.05% |

Share-based payments

Total share-based payments recognized for stock options granted during the period ended March 31, 2018 was \$238,203 (2017 - \$nil).

Share purchase warrants

A summary of the Company's outstanding share purchase warrants as at March 31, 2018 and the changes during the period are presented below:

| | Number of Warrants | Weighted Average Exercise Price |
|------------------------------|--------------------|---------------------------------|
| Balance – June 30, 2016 | - | \$ - |
| Granted | 13,492,534 | 0.16 |
| Outstanding – June 30, 2017 | 13,492,534 | \$ 0.16 |
| Exercised | (8,377,566) | 0.075 |
| Granted | 14,460,668 | 0.35 |
| Outstanding – March 31, 2018 | 19,575,636 | \$ 0.34 |

The weighted average remaining life of the warrants outstanding at March 31, 2018 was 1.65 years (2017 – 1.00 years).

| Number of Warrants | Exercise Price (\$) | Expiry Date |
|--------------------|---------------------|-------------------|
| 4,646,218 | 0.30 | March 9, 2019 |
| 468,750 | 0.20 | March 9, 2019 |
| 348,334 | 0.40 | December 8, 2019 |
| 212,334 | 0.40 | January 15, 2020 |
| 13,900,000 | 0.35 | February 26, 2020 |
| 19,575,636 | | |

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10. SHARE CAPITAL (cont'd)

The weighted average fair value of the finder's warrants granted during the period ended March 31, 2018 was \$0.22 (2017 - \$0.17), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

| | Period ended March 31, 2018 | Period ended March 31, 2017 |
|---------------------------------|--------------------------------|--------------------------------|
| Risk-free interest rate | 1.56% | 0.82% |
| Expected life of warrant | 2 years | 2 years |
| Expected dividend yield | 0% | 0% |
| Expected stock price volatility | 173.92% | 223.70% |

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

a) Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in shareholders' equity (deficiency) as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at March 31, 2018, the Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the period.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2018, the Company had cash balances of \$2,697,563 (June 30, 2017 - \$208,273) and current liabilities of \$308,453 (June 30, 2017 - \$338,125). The Company is considered to be in the exploration and evaluation stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration and evaluation programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions, is available on demand for the Company's programs, and is not invested in any asset-backed commercial paper.

c) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, other assets and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and other assets with high-credit quality financial institutions. The majority of the Company's cash is held with major Canadian based financial institutions. Receivables are comprised of goods and services tax from the Canadian government.

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11. FINANCIAL RISK MANAGEMENT (cont'd)

d) Currency risk

The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in United States dollars (“US\$”) and Guyanese dollars (“GYD\$”). The Company does not use derivatives or other techniques to manage foreign currency risk.

e) Interest rate risk

The Company has cash balances. The Company’s current policy is to invest excess cash in investment-grade short-term certificates of deposit issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its banks. The Company does not hold any financial liabilities with variable interest rates.

f) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The ability of the Company to explore its exploration and evaluation assets and future profitability of the Company are directly related to the market price of commodities. The Company monitors commodity prices to determine appropriate actions to be undertaken.)

g) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy 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 fair value of cash is measured based on level 1 inputs of the fair value hierarchy.

The estimated fair value of the Company’s financial instruments is equal to their carrying values due to the short-term nature of these instruments.

12. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition and exploration of exploration and evaluation assets in Guyana. All capital assets and exploration and evaluation assets are located in Guyana.

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13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the period ended March 31, 2018 were as follows:

- a) Included in exploration and evaluation assets is a balance of \$49,115 of depreciation.
- b) Received a loan of \$16,506, which was paid on behalf of the Company directly to Romanex.
- c) Issued 19,000 finder's warrants valued at \$4,088 related to a private placement.
- d) Included in exploration and evaluation assets is a balance of \$139,180 accounts payable.

The significant non-cash transactions for the period ended March 31, 2017 were as follows:

- a) 1,858,820 shares issued for settlement of loans payable of \$338,764.
- b) 6,945,470 shares issued for settlement of accounts payable and due to related parties of \$363,457.
- c) Received loans of \$99,342 which were paid on behalf of the Company directly in support of the Romanex Transaction (Note 4).
- d) \$142,000 of cost recoveries are included in receivables.