(An Exploration Stage Company)

Condensed Interim Financial Statements

March 31, 2018 and 2017

(Unaudited – Expressed in Canadian Dollars)

NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE 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 condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Pacific Ridge Exploration Ltd. (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 the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

(Unaudited - Expressed in Canadian dollars)

	Note	**March 31, 2018**	December 31, 2017
Assets		**$**	$
Current			
Cash		**495,812**	598,401
Other receivables		**2,381**	2,334
Marketable securities and warrants	3	**59,170**	36,830
Prepaid		**5,522**	5,522
		562,885	643,087
Resource Properties	4	**518,909**	518,909
Reclamation bond		**11,470**	12,152
		1,093,264	1,174,148
Liabilities			
Current			
Trade payable and accrued liabilities		**8,363**	36,705
Shareholders' equity			
Share capital	5	**43,575,559**	43,575,559
Contributed surplus		**3,258,256**	3,248,228
Acumulated other comprehensive income (loss)		**11,000**	(5,500)
Deficit		**(45,759,914)**	(45,680,844)
		1,084,901	1,137,443
		1,093,264	1,174,148

Nature of operations 1

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

Approved and authorized for issue on behalf of the Board of Directors on April 19, 2018

/s/ "Gerald G. Carlson"	*/s/ "Blaine Monaghan"*
Director	Director

Condensed Interim Statements of (Loss) Income and Comprehensive (Loss) Income

(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended March 31 2018	2017
		$	$
Administration expenses			
Professional and consulting		**12,506**	6,738
Management and administrative		**18,315**	24,958
Office operations and facilities		**14,818**	13,126
Shareholder communications		**5,557**	780
Share-based payments	5(c)	**10,028**	-
Transfer agent and regulatory fees		**7,348**	8,755
		68,572	54,357
Other expenses (income)			
Exploration and evaluation costs	4	**16,851**	144,989
Property option payments	4	**-**	(350,000)
Unrealized gain in fair value of warrants	3	**(5,840)**	-
Foreign exchange (gain) loss		**(513)**	-
		10,498	(205,011)
Net income (loss) for the period		**(79,070)**	150,654
Other comprehensive income:			
Net change in fair value of marketable securities	3	**16,500**	-
Total comprehensive income (loss) for the period		**(62,570)**	150,654
Earnings (loss) per share (basic and diluted)		**(0.00)**	0.00
Weighted average number of shares outstanding basic and diluted		**31,329,009**	31,063,453

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

Pacific Ridge exploration ltd.

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Note	Share capital Amount	Share capital Value	Contributed surplus	Other comprehensive income (loss)	Deficit	Total
		#	$	$	$	$	$
Balance, December 31, 2016		31,029,009	43,554,059	3,228,934	-	(45,691,229)	1,091,764
Shares issued for property		100,000	8,500	-	-	-	8,500
Net income for the period		-	-	-	-	150,654	150,654
Balance, March 31, 2017		31,129,009	43,562,559	3,228,934	-	(45,540,575)	1,250,918
Shares issued for property	4,5	200,000	13,000	-	-	-	13,000
Share based payments		-	-	19,294	-	-	19,294
Unrealized loss in marketable securities	3	-	-	-	(5,500)	-	(5,500)
Net loss for the period		-	-	-	-	(140,269)	(140,269)
Balance, December 31, 2017		31,329,009	43,575,559	3,248,228	(5,500)	(45,680,844)	1,137,443
Share-based payments	5	-	-	10,028	-	-	10,028
Unrealized gain in marketable securities	3	-	-	-	16,500	-	16,500
Net loss loss for the period		-	-	-	-	(79,070)	(79,070)
Balance, March 31, 2018		**31,329,009**	**43,575,559**	**3,258,256**	**11,000**	**(45,759,914)**	**1,084,901**

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

PACIFIC RIDGE exploration ltd.

Condensed Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian dollars)

	Three months ended March 31	
	2018	2017
	$	$
Operating activities		
Income (loss) for the period	**(79,070)**	150,654
Items not affecting cash:		
Unrealized gain in fair value of warrants	**(5,840)**	-
Share-based payments	**10,028**	-
Unrealized foreign exchange variations	**682**	-
Property option payment/recovery	**-**	(350,000)
	(74,200)	(199,346)
Changes in non-cash working capital items:		
Other receivables	**(47)**	(2,827)
Trade payable and accrued liabilities	**(28,342)**	(103,015)
Cash used in operating activities	**(102,589)**	(305,188)
Investing activities		
Resource property acquisition costs	**-**	(10,000)
Proceeds on property option payments	**-**	360,000
Reclamation bond	**-**	(16,918)
Cash provided by investing activities	**-**	333,082
(Decrease) increase in cash	**(102,589)**	27,894
Cash, beginning of the period	**598,401**	694,374
Cash, end of the period	**495,812**	722,268
Supplementary cash flow information:		
Non-cash investing activities		
Shares issued for resource properties	**-**	**-**
Non-cash financing activitires		
Non-cash share issue costs	**-**	**-**

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

1. Nature of operations

Pacific Ridge Exploration Ltd. and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. (the "Company" or "Pacific Ridge") are in the business of acquiring and exploring resource properties in Canada and the United States. Pacific Ridge is incorporated and domiciled in Canada under the *Business Corporations Act* (British Columbia). The address of its registered office is 1710 – 1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2L3.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary capital to finance operations including contributions from future joint venture partners. The carrying value of the Company's mineral properties does not reflect current or future value.

These condensed interim financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharges its liabilities in the normal course of business. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets maybe materially less than the amounts on the statements of financial position. As of March 31, 2018, the Company had a working capital of $554,522 (December 31, 2017 - $606,382). The Company believes that based on its current working capital, it could sustain its operation and maintain its minimum obligations for the next 12 months.

2. Bases of preparation and summary of significant accounting policies

(a) Statement of Compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2017.

The condensed interim financial statements were approved by the Board of Directors on April 19, 2018.

(b) Critical accounting estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2017

2. Bases of preparation and summary of significant accounting policies (continued)

(c) New and revised standards and interpretations

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2017, except for the adoption, on January 1, 2018, of **IFRS 9, *Financial Instruments: Classification and Measurement*** ("IFRS 9"), which has an initial application as at this date.

IFRS 9, *Financial Instruments* (new; to replace IAS 39)

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9 and, therefore, the accounting policy with respect to financial liabilities is unchanged.

The following is the new accounting policy for financial assets under IFRS 9:

Financial assets

The Company will now classify its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as 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 as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

(Unaudited - Expressed in Canadian dollars)

2. Bases of preparation and summary of significant accounting policies (continued)

(c) New and revised standards and interpretations (continued)

IFRS 9, *Financial Instruments* (new; to replace IAS 39) (continued)

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.

The following table shows the classification of the Company's financial assets under IFRS 9:

Financial asset	IFRS 9 Classification
Cash	Amortized cost
Other receivables	Amortized cost
Marketable securities (excluding warrants)	FVTOCI
Warrants	FVTPL
Trade payable and accrued liabilities	Amortized cost

The Company has elected to classify its marketable securities as FVTOCI as they are not considered to be held for trading, and this presentation will prevent the statement of (loss) income from being impacted by value changes of these non-operating assets.

As the accounting reflected by the adoption of IFRS 9 under the above classifications and election is similar to that of IAS 39, there will be no impact on the Company's financial statements and no restating of prior periods will be required.

IFRS 16, *Leases*

This standard specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee 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 Leases. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company has no leases as at March 31, 2018, and therefore the Company believes that IFRS 16 won't have a material effect on the Company's financial statements.

(Unaudited - Expressed in Canadian dollars)

3. Marketable securities

During the year ended December 31, 2017, the Company entered into an agreement with Four Nines Gold Inc. ("**Four Nines**"), formerly Eureka Dome Gold Inc., then a private British Columbia company, to option its Mariposa property (note 4a). As part of this agreement, during 2007 the Company received 300,000 common shares and 150,000 share purchase warrants of Four Nines.

Of the share purchase warrants received, 100,000 are exercisable into one common share of Four Nines at an exercise price of $0.20 per share until August 25, 2018, and at $0.30 per share afterwards and until August 25, 2019. The remaining 50,000 share purchase warrants are exercisable into one common share of Four Nines at an exercise price of $0.20 per share until December 31, 2018, and at $0.30 per share afterwards and until December 31, 2019.

As at March 31, 2018, the fair value of the 300,000 Four Nines common shares was $48,000, with an adjustment of $16,500 recorded to other comprehensive income. The fair value of the Four Nines share purchase warrants was $11,170 with an adjustment of $5,840 recorded to net loss.

The fair value of the shares and warrants is as follows:

	Four Nines Gold Inc.				
	Common shares		Warrants		
	Number	Fair value	Number	Fair value	Total fair value
	#	$	#	$	$
Balance, December 31, 2016 and March 31, 2017	-	-	-	-	-
Additions	300,000	37,000	150,000	9,520	46,520
Adjustment	-	(5,500)	-	(4,190)	36,830
Balance, December 31, 2017	300,000	31,500	150,000	5,330	36,830
Adjustment	-	16,500		5,840	59,170
Balance, March 31, 2018	300,000	48,000	150,000	11,170	59,170

(Unaudited - Expressed in Canadian dollars)

4. Resource properties

The Company has interests in mineral properties in British Columbia and Yukon in Canada and, in the past, in Nevada in the United States. A summary of capitalized acquisition costs is as follows:

	Mariposa	TL Zinc	Poker Brown	Eureka Dome & Moose	RC Property	Bee Property	OGI Zinc	Total
	$	$	$	$	$	$	$	$
Balance, December 31, 2016	496,139	45,000	13,763	11,290	-	-	-	566,192
Option payments in cash	(10,000)	-	-	-	-	-	-	(10,000)
Acquisition through cash	-	-	-	-	-	-	10,000	10,000
Acquisition through marketable securities	-	-	-	-	-	-	8,500	8,500
Balance, March 31, 2017	486,139	45,000	13,763	11,290	-	-	18,500	574,692
Option payments in cash	(10,000)	-	-	-	-	-		(10,000)
Option payments in marketable securities	(46,520)	-	-	-	-	-		(46,520)
Acquisition through cash	-	-	-	-	15,000	5,000	-	20,000
Acquisition through marketable securities	-	-	-	-	13,000	-	-	13,000
Impairment	-	-	(13,763)	-	-	-	(18,500)	(32,263)
Balance, December 31, 2017 and March 31, 2018	**429,619**	**45,000**	**-**	**11,290**	**28,000**	**5,000**	**-**	**518,909**

In addition to capitalized acquisition costs, the Company has incurred the following exploration and evaluation costs:

	Three months ended March 31	
Property	2018	2017
	$	$
Mariposa	-	820
TL Zinc	-	30,379
Poker Brown	-	99,251
Eureka	-	75
General exploration not allocated to a specific property	16,851	14,464
	16,851	144,989

(Unaudited - Expressed in Canadian dollars)

4. Resource properties (continued)

a) Mariposa property, Yukon

The Company acquired a 100% interest in the property in 2014.

In September 2016, the Company optioned its Mariposa property to Four Nines. Pursuant to the terms of the agreement, amended in February 2017, in May 2017, in July 2017, and in January 2018, Four Nines can earn a 51% interest in the property by making cash payments of $190,000 of which $30,000 has been received, issuing 1,200,000 shares, of which 300,000 have been received (note 3), and 150,000 common share purchase warrants (received) valid for two years from their date of issuance, exercisable at $0.20 for the first year and $0.30 for the second year (note 3). Four nines must also complete $2,500,000 in exploration in staged annual increments by December 31, 2022, of which approximately $304,000 was completed as of March 31, 2018. As at March 31, 2018, Four Nines is in compliance with its contractual commitments with the Company.

Four Nines will then have the option to increase its interest to 70% by making additional cash payments of $200,000, issuing an additional 500,000 common shares and completing an additional $2,500,000 in exploration by December 31, 2022. Four Nines was listed on the Canadian Securities Exchange on August 24, 2017 under trading symbol FNAU.

b) TL Zinc property, British Columbia

On August 11, 2016, the Company entered into an option agreement, amended on May 16, 2017, to acquire a 100% interest in the TL Zinc property located 80 km northeast of Vernon, British Columbia, by making cash payments totalling $350,000 ($20,000 paid), issuing 1,500,000 shares (250,000 issued) and completing $3,325,000 in exploration ($249,806 incurred) over five years as outlined below.

Cash payments	Shares to be issued	Cumulative exploration to be incurred	Due date	Comment
$	#	$		
20,000	250,000	-	August 11, 2016	(paid and issued)
30,000	250,000	75,000	August 11, 2018	
50,000	250,000	325,000	August 11, 2019	
75,000	250,000	825,000	August 11, 2020	
75,000	250,000	1,825,000	August 11, 2021	
100,000	250,000	3,325,000	August 11, 2022	

In addition, $500,000 bonus shares will be issuable upon completion of a feasibility study. The vendors will retain a 3% net smelter return ("NSR") that can be bought down to 1.5% for $3,000,000.

During the three months ended March 31, 2018, the Company incurred nil exploration expenses (2017 – $30,379) on TL Zinc.

The proposed 2017 drill program at the TL Zinc property was suspended. Allegations of third party interests in the 16 TL Claims under option to Pacific Ridge have been made and, to allow time to resolve the issue, the optionor and the Company have agreed to extend the option terms by one year. Once the issue is resolved, the Company plans to resume the drill program.

(Unaudited - Expressed in Canadian dollars)

4. Resource properties (continued)

c) Poker Brown, Nevada

In August 2016, the Company entered into an option agreement to earn a 100% interest in the Poker Brown gold-silver property by making US$1,000,000 in cash payments and US$940,000 in advanced royalty payments to the underlying property owner over eight years.

After a review of the results of the 2017 drilling program, the Company decided to terminate its option to earn an interest in the Poker Brown property. As a result, $13,763 impairment was recorded during 2017. During the three months ended March 31, 2018, the Company incurred nil exploration expenses (2017 – $99,251) on Poker Brown.

d) Fyre Lake sulphide property, Yukon

The Company owns a 100% interest in the Fyre Lake property.

On January 18, 2017, the Company closed an option agreement with BMC Minerals (No. 1) Ltd. ("**BMC**") whereby BMC has the right to acquire a 100% interest in Fyre Lake through a two-year purchase option by paying $300,000 in January 2018 (received in December 2017) and $2,420,000 two years after closing.

In addition, if it exercises the option, BMC has agreed to make a bonus payment of $1,000,000 if and when BMC's Kudz Ze Kayah property has reached commercial production for one year.

BMC paid a non-refundable deposit and initial option payment of $375,000 ($25,000 in November 2016 and $350,000 in January 2017), and a second option payment of $300,000 in December 2017.

As there is no carrying value for Fyre Lake on the Company's statement of financial position, these option payments are recorded as other income on the statement of income (loss) and comprehensive income (loss).

e) RC and Bee projects, Yukon

On June 9, 2017, the Company entered into two option agreements to acquire a 100% interest in contiguous groups of mineral claims situated in the Dawson and Mayo Mining Districts, Yukon, known the RC and Bee properties by paying aggregate $400,000 and issuing 2,000,000 common shares as below:

Cash payments	Shares to be issued	Cumulative exploration to be incurred	Due date	Comment
$	#	$		
20,000	200,000	90,000	December 31, 2017	(paid and issued)
20,000	200,000	210,000	December 31, 2018	
40,000	200,000	510,000	December 31, 2019	
60,000	200,000	1,010,000	December 31, 2020	
100,000	500,000	1,750,000	December 31, 2021	
160,000	700,000	2,500,000	December 31, 2022	

In addition, the Company is required to spend $2,500,000 in exploration by December 31, 2022, of which $112,718 was incurred during 2017, exceeding the $90,000 firm commitment to be spent by December 31, 2017.

The properties are subject to a 2% NSR, half of which can be purchased for $2,000,000.

(Unaudited - Expressed in Canadian dollars)

4. Resource properties (continued)

f) OGI Zinc property, Yukon

On February 18, 2017, the Company reached an option agreement to acquire a 100% interest in the OGI Zinc prospect located in Dawson, Yukon. To earn a 100% interest, the Company is required to pay $225,000 ($10,000 paid), issue 1,000,000 common shares (100,000 issued) and complete $2,500,000 ($73,940 incurred to December 31, 2017) in exploration over five years as following:

On December 15, 2017, the Company terminated the agreement for the OGI Zinc property and impaired its $18,500 carrying value. No further exploration costs were incurred.

5. Share capital

a) Common Shares

Authorized - unlimited common shares without par value.

During the three months ended March 31, 2018, the company did not issue any common shares.

During the year ended December 31, 2017, the Company issued 300,000 common shares with a fair value of $21,500 for the acquisition of the OGI Zinc and RC and Bee properties, of which 100,000 were issued during the three months ending March 31, 2017.

Please refer to the condensed interim statements of changes in shareholders' equity.

b) Share Purchase Warrants

A summary of the warrants outstanding is as follows:

March 31, 2018		December 31, 2017	
Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
#	$	#	$
2,815,250	0.14	2,815,250	0.14

As at March 31, 2018, the following warrants were outstanding:

	Expiry date	Exercise price $	Warrants outstanding
Investor warrants	May 3, 2018	0.14	2,716,250
Agent warrants	May 3, 2018	0.14	99,000
			2,815,250

(Unaudited - Expressed in Canadian dollars)

5. Share capital (continued)

c) Stock Options

The Company has a stock option plan in place authorizing the granting of stock options to qualified optionees to purchase a total of up to 10% of the then issued and outstanding common shares of the Company. Stock options generally are granted for a maximum term of five years and expire 90 days following the termination of the optionee's agreement. The exercise price for the options is set at the closing market price of the common shares on the grant date. The vesting periods of options vary with terms determined by the board of directors.

Stock option transactions and the number of stock options outstanding and exercisable are summarized below:

	March 31, 2018		December 31, 2017	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
	#	$	#	$
Balance, beginning of year	2,826,500	0.06	2,791,500	0.10
Granted	200,000	0.06	383,000	0.06
Expired	-	-	(248,000)	0.50
Forfeited	-	-	(100,000)	0.08
Balance, end of period	3,026,500	0.06	2,826,500	0.06
Exercisable, end of period	3,026,500	0.06	2,826,500	0.06

On January 12, 2018, the Company granted 200,000 fully vested stock options to two officers of the Company. These options are exercisable into one common share of the Company at an exercise price of $0.06 per share until January 12, 2023. The fair value of these options, recorded in net loss as share-based compensation expense, was calculated at $10,028.

The 383,000 stock options granted during fiscal year ended December 31, 2017 also vested immediately, with $19,294 share-based compensation expense recorded in the net income (loss).

The Company applies the fair value method of accounting for stock options. Option pricing models require the input of highly subjective assumptions including expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

The fair value of options granted was estimated at the grant date based on the *Black-Scholes* option-pricing model, using the following assumptions:

	Three months ended March 31, 2018	Year ended December 31, 2017
Risk-free interest rate	2.00%	1.28%
Expected share price volatility	121.95%	124.00%
Expected option life in years	5	5
Expected dividend yield	Nil	Nil

(Unaudited - Expressed in Canadian dollars)

5. Share capital (continued)

c) Stock options (continued)

Stock options outstanding and exercisable are as follows:

Expiry date	Exercise price	March 31, 2018	December 31, 2017
	$	$	$
December 24, 2018	0.05	981,500	981,500
February 2, 2020	0.05	834,000	834,000
July 21, 2021	0.08	200,000	200,000
August 12, 2021	0.08	40,000	40,000
November 30, 2021	0.08	388,000	388,000
June 16, 2022	0.06	383,000	383,000
January 12, 2023	0.06	200,000	-
		3,026,500	2,826,500

6. Related parties

Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company has no compensation arrangements with its board of directors other than non-cash stock option grants. The Company has no termination benefits, post-employment benefits and other long-term benefits in place. Key management includes the board of directors and executive officers. Compensation awarded to key management is listed below:

	Three months ended March 31	
	2018	2017
	$	$
Management fees paid to a company controlled by the CEO of the Company	**24,000**	24,000
Management fees paid to a company controlled by the CFO of the Company	**6,200**	4,500
Stock-based compensation recorded for stock options granted to directors and officers of the Company (non-cash expense)	**10,028**	-
	40,228	28,500

7. Financial instruments

With the adoption of IFRS 9, the Company has classified cash, other receivables, and trade payable and accrued liabilities at amortized cost; marketable securities as FVTOCI, and warrants as FVTPL.

7. Financial instruments (continued)

Fair values

As at March 31, 2018, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity. The Company's marketable securities and warrants are measured subsequent to initial recognition at fair value on a recurring basis. These financial instruments are grouped into Level 1 to 3 based on the degree to which the significant inputs used to determine the fair value are observable. Marketable securities are classified within level 1 of the fair value hierarchy as their fair value measurement is derived from quoted prices in active markets for identical assets. Warrants are classified within level 2 of the fair value hierarchy as their fair value measurement is derived from inputs other than quoted prices included within level 1, that are observable either directly or indirectly. No financial instruments were considered level 3, which are fair value measurements derived from valuation techniques that include significant inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited with large, federally insured, commercial financial institutions, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At March 31, 2018, the Company had cash of $495,812 (December 31, 2017- $598,401), and trade payable and accrued liabilities of $8,363 (December 31, 2017 - $36,705).

Currency risk

The Company keeps approximately 9% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by approximately $4,000 and its net loss for the three-month period by approximately $4,000.

Price risk

The Company is exposed to price risk on its marketable securities and warrants due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. At March 31, 2018, the Company held marketable securities and warrants with a fair value of $59,170 (December 31, 2017 - $36,830). These investments are subject to market price fluctuations that can be significant.

8. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at March 31, 2018, all of the Company's non-current assets were held in Canada.