TERRAX MINERALS INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

APRIL 30, 2018

(Unaudited)

(Expressed in Canadian Dollars)

NOTICE TO READER

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the 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 condensed interim financial statements by an entity's auditor.

TERRAX MINERALS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)

	Notes		April 30, 2018		January 31, 2018
ASSETS					(Audited)
Current assets					
Cash and cash equivalents	4	$	2,521,015	$	1,072,646
Receivables	5		147,006		116,425
Prepaids and deposits			103,207		85,950
			2,771,228		**1,275,021**
Non-current assets					
Equipment	6		122,746		138,546
Security deposits	7		140,000		140,000
Exploration and evaluation assets	8		25,526,970		23,644,415
TOTAL ASSETS		**$**	**28,560,944**	**$**	**25,197,982**
LIABILITIES					
Current liabilities					
Trade payables and accrued liabilities	9, 10	$	579,006	$	803,504
Deferred premium on flow-through shares	11,14		657,143		-
TOTAL LIABILITIES			**1,236,149**		**803,504**
SHAREHOLDERS' EQUITY					
Share capital	11		35,359,894		32,010,874
Share-based payment reserve	11, 12		3,733,926		3,738,352
Deficit			(11,769,025)		(11,354,748)
TOTAL SHAREHOLDERS' EQUITY			**27,324,795**		**24,394,478**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**28,560,944**	**$**	**25,197,982**

Nature and continuance of operations (Note 1)
Commitments (Notes 8, 14 and 16)
Subsequent event (Note 17)

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

TERRAX MINERALS INC.
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)
Three Months Ended

	Notes	April 30, 2018	April 30, 2017
EXPENSES			
Amortization	6	$ 15,800	$ 8,489
Consulting	10	108,430	100,759
Directors' fees	10	7,500	-
Office, rent and miscellaneous	10	32,010	59,537
Professional fees		18,213	24,930
Share-based payments	10, 11	57,423	271,204
Transfer agent, filing fees and shareholder communications		146,292	117,628
Travel and related costs		28,609	16,888
		(414,277)	(599,435)
OTHER ITEM			
Interest income		-	20,425
NET AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (414,277)	$ (579,010)
Loss per share - basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		109,796,207	102,095,374

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

TERRAX MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

		Share capital				
	Notes	Number of shares	Amount	Share-based payment reserve	Deficit	Total
Balance at January 31, 2017		**101,079,644**	**$ 28,903,345**	**$ 3,213,807**	**$ (9,113,600)**	**$ 23,003,552**
Comprehensive loss:						
Loss for the period		-	-	-	(579,010)	(579,010)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued on exercise of options	11	50,000	19,000	-	-	19,000
Shares issued on exercise of warrants	11	1,200,000	653,000	-	-	653,000
Reallocation of share-based payment reserves	11	-	6,084	(6,084)	-	-
Share-based payments	11	-	-	271,204	-	271,204
Balance at April 30, 2017		**102,329,644**	**$ 29,581,429**	**$ 3,478,927**	**$ (9,692,610)**	**$ 23,367,746**
Balance at January 31, 2018		**107,343,162**	**$ 32,010,874**	**$ 3,738,352**	**$ (11,354,748)**	**$ 24,394,478**
Comprehensive loss:						
Loss for the period		-	-	-	(414,277)	(414,277)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for private placement	11	8,419,643	4,025,000	-	-	4,025,000
Share issuance costs	11	-	(423,811)	71,953	-	(351,858)
Flow-through share premium	2,11	-	(657,143)	-	-	(657,143)
Shares issued on exercise of options	11	790,000	227,000	-	-	227,000
Shares issued on exercise of finders warrants	11	110,430	44,172	-	-	44,172
Reallocation of share-based payment reserves	11	-	133,802	(133,802)	-	-
Share-based payments	11	-	-	57,423	-	57,423
Balance at April 30, 2018		**116,663,235**	**$ 35,359,894**	**$ 3,733,926**	**$ (11,769,025)**	**$ 27,324,795**

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

TERRAX MINERALS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)
Three Months Ended

	April 30, 2018	Aril 30, 2017
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net loss	$ (414,277)	$ (579,010)
Items not involving cash		
Amortization	15,800	8,489
Share-based payments	57,423	271,204
Changes in non-cash working capital items:		
Receivables	(30,581)	(168,949)
Prepaids and deposits	(17,257)	(92,985)
Trade payables and accrued liabilities	67,460	(13,593)
Net cash used in operating activities	(321,432)	(574,844)
INVESTING ACTIVITIES		
Equipment	-	(57,945)
Expenditures on exploration and evaluation assets	(2,174,513)	(3,465,621)
Net cash used in investing activities	(2,174,513)	(3,523,566)
FINANCING ACTIVITIES		
Issuance of common shares	4,296,172	672,000
Share issuance costs	(351,858)	-
Net cash provided by financing activities	3,944,314	672,000
Change in cash and cash equivalents	1,448,369	(3,426,410)
Cash and cash equivalents, beginning of period	1,072,646	8,209,840
Cash and cash equivalents, end of period	$ 2,521,015	$ 4,783,430

Supplemental cash flow information (Note 15)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

TerraX Minerals Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on August 1, 2007 and its principal activity is the exploration and development of mineral properties in Canada. The Company trades on the TSX Venture Exchange ("TSX-V").

The head office of the Company is located at 1605-777 Dunsmuir Street, Vancouver, British Columbia, Canada, V7Y 1K4. The registered address and records office of the Company is located at 400-725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

These unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at April 30, 2018, the Company has not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management believes that the Company has sufficient funds to finance operating costs over the next nine months.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

These financial statements were authorized for issue on June 28, 2018 by the directors of the Company.

Statement of compliance to International Financial Reporting Standards ("IFRS")
These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee.

These unaudited condensed interim financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended January 31, 2018.

Basis of presentation
These unaudited condensed interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars, the Company's functional currency, unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Significant estimates and assumptions
The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include stock-based awards and payments assumptions, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets and provisions for restoration and environmental obligations.

Significant judgments
The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses; and
- the impairment of exploration and evaluation assets.

Exploration and evaluation expenditures
Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Farm outs
The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm out arrangements but reallocates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained and any consideration received directly from the farmee is credited against costs previously capitalized.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Equipment
Equipment is stated at cost, less accumulated amortization. Amortization expense is calculated using the straight-line method, applying an annual rate of 30%.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Share-based payments
Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Loss per share
Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments
The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Financial instruments (cont'd)
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets
The carrying amount of the Company's long-lived assets (which includes equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow-through shares:

The Company renounces qualifying Canadian exploration expenditures to certain share subscribers who subscribe for flow-through shares in accordance with the Income Tax Act (Canada). Under these provisions, the Company is required to incur and renounce qualifying expenditures on a timely basis for the respective flow-through subscriptions and, accordingly, it is not entitled to the related tax deductions and tax credits for such expenditures.

Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability ("deferred premium on flow through shares"). As the qualifying expenditures are incurred, a deferred tax liability is recognized and the deferred premium will be reversed provided that the Company has renounced, or there is reasonable expectation that the Company will renounce, the tax benefits associated with the related expenditures. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability.

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

(Expressed in Canadian dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (cont'd)

Restoration and environmental obligations (cont'd)

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at April 30, 2018, the Company has no known material restoration and environmental obligations.

3. ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

Certain other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

	April 30, 2018	**January 31, 2018**
Cash at bank	$ 2,521,015	$ 567,172
Term deposits	-	505,474
	$ 2,521,015	$ 1,072,646

At April 30, 2018, the Company has variable rate investments of $Nil (January 31, 2018 - $505,474). The term deposits allow for early redemption after the first 30 days of investment and mature on various dates.

(Expressed in Canadian dollars - Unaudited)

5. RECEIVABLES

Receivables consist of the following:

		April 30, 2018		January 31, 2018
GST receivable	$	144,886	$	114,305
Interest receivable		2,120		2,120
	$	147,006	$	116,425

6. EQUIPMENT

Cost		
Balance, January 31, 2018 and April 30, 2018	$	223,298
Accumulated amortization		
Balance, January 31, 2018	$	84,752
Amortization		15,800
Balance, April 30, 2018		100,552
Net book value, January 31 2018	$	138,546
Net book value, April 30, 2018	$	122,746

7. SECURITY DEPOSITS

To April 30, 2018, security deposits of $140,000 (January 31, 2018 - $140,000) were deposited with the Minister of Aboriginal Affairs and Northern Development Canada for land use permits issued by the Mackenzie Valley Land and Water Board (“MVLWB”) for the Company’s exploration properties in the Northwest Territories. The deposits will be refunded once the land use permit ends and a final report describing land use activities during the respective term of the permits and subsequent reclamation activities have been submitted to the MVLWB.

8. EXPLORATION AND EVALUATION ASSETS

Yellowknife City Gold Project, Northwest Territories

The Yellowknife City Gold Project (“YCG”) is comprised of the Northbelt, Southbelt and Eastbelt properties in the Northwest Territories as well as additional claims and property interests that have been acquired and incorporated into the Northbelt and Southbelt properties as described in more detail below.

On May 12, 2015, the Company entered into an agreement to grant an option to Osisko Gold Royalties Ltd. (formerly Virginia Mines Inc.) (“Osisko”) to purchase a 1.0% net smelter royalty (“NSR”) on the YCG. To purchase this option, Osisko paid the Company $1,000,000 (received), which was applied as a reduction to the carrying value of the YCG. The option also entitles Osisko to purchase a 1.0% NSR on production from the properties that comprise the YCG by payment of an additional $2,000,000 within 3 months following commencement of production.

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yellowknife City Gold Project, Northwest Territories (cont'd)

Northbelt Property

On February 11, 2013, the Company acquired a 100% interest in certain mineral leases collectively known as the Northbelt Property located in the Northwest Territories. As consideration, the Company paid $211,000.

During the year ended January 31, 2014, the Company acquired a 100% interest in additional mineral claims for consideration of $10,000, which have been incorporated into the Northbelt Property and paid annual lease payments of $17,374.

During the year ended January 31, 2015, the Company acquired a 100% interest in additional mineral claims for consideration of $13,926, which have been incorporated into the Northbelt Property. The Company also acquired a 100% interest in additional mineral claims for consideration by way of issuance of 75,000 common shares (issued, with a fair value of $56,250), which have also been incorporated into the Northbelt Property. The vendor will retain a 1% NSR, of which 0.5% can be purchased by the Company at any time for $1,000,000.

During the year ended January 31, 2016, the Company acquired a 100% interest in an additional mineral claim by way of issuance of 20,000 common shares (issued, with a fair value of $5,500), which have also been incorporated into the Northbelt Property.

To April 30, 2018, the Company has incurred expenditures totalling $19,763,111 (January 31, 2018 - $18,004,839) on the Northbelt Property.

Walsh Lake Property

On October 28, 2013, as amended on October 21, 2015, the Company entered into an option agreement to acquire a 100% interest in the Walsh Lake Property, which is contiguous with and immediately east of the Northbelt Property, for the following consideration:

- $5,000 (paid) and the issuance of 30,000 common shares (issued, with a fair value of $13,500) upon execution of the agreement;
- $10,000 (paid) and the issuance of 40,000 common shares (issued, with a fair value of $16,200) and incurring $25,000 in exploration work by October 28, 2014 (completed);
- $20,000 (paid), the issuance of 50,000 common shares (issued, with a fair value of $17,250) by October 28, 2015;
- $25,000 (paid), the issuance of 70,000 common shares (issued, with a fair value of $47,600) (Note 11) and incurring a cumulative total of $230,000 in exploration work by October 28, 2016 (completed); and
- $30,000 (paid), the issuance of 70,000 common shares (issued, with a fair value of $47,600) (Note 11) and incurring a cumulative total of $400,000 in exploration work by October 28, 2017 (completed).

The vendor will retain a 2% NSR, of which 1.5% can be purchased by the Company for $2,000,000.

To April 30, 2018, the Company has incurred expenditures totalling $2,447,538 (January 31, 2018 - $2,447,538) on the Walsh Lake Property.

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Yellowknife City Gold Project, Northwest Territories (cont'd)

Southbelt Property

During September 2015, the Company staked certain claims south of the City of Yellowknife known as the Southbelt Property that have been incorporated into the YCG. Claim staking costs of $3,191 were included in acquisition cost during the year ended January 31, 2016.

During the year ended January 31, 2016, the Company acquired a 100% interest in additional mineral claims by way of issuance of 30,000 common shares (issued, with a fair value of $8,250). These claims have been incorporated into the Southbelt Property. The vendors will each retain a 1.5% NSR on their respective claims, of which 1.0% can be purchased from each vendor by the Company at any time for $1,000,000.

During the year ended January 31, 2018, the Company incurred additional staking costs of $534.

To April 30, 2018, the Company has incurred exploration and evaluation expenditures totalling $559,124 (January 31, 2018 - $544,832) on the Southbelt Property.

Eastbelt Property

On February 1, 2017, the Company announced that it had staked certain claims east of the City of Yellowknife known as the Eastbelt Property that have been incorporated into the YCG.

On September 15, 2017, the Company acquired contiguous claims which have been incorporated into the Eastbelt Property. The claims are subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000. On completion of the acquisition, the Company is also obligated to pay an annual advance royalty of $6,000 until the commencement of production. As consideration, the Company paid $10,000 and issued 50,000 common shares at a fair value of $25,500 (Note 11). The Company is obligated to pay a further $20,000 and issue 50,000 common shares on or before November 1, 2018 and pay an additional $20,000 and issue another 50,000 common shares on or before November 1, 2019.

On November 17, 2017 the Company acquired an additional contiguous claim that has been incorporated into the Eastbelt Property. As consideration, the Company paid $5,000 and issued 40,000 common shares at a fair value of $20,000 (Note 11). The Company also incurred additional acquisition costs of $17,166.

To April 30, 2018, the Company has incurred expenditures totalling $1,075,322 (January 31, 2018 - $1,045,832) on the Eastbelt Property.

Guyta-Bell Property

On March 7, 2018 TerraX announced that it had expanded its land position at the YCG project through the staking of an additional 337.5 square kilometers immediately to the north of its current properties. These additional 47 claims have been named the Guyta-Bell property and have been incorporated into the YCG.

During the three months ended April 30, 2018 the Company incurred acquisition costs of $80,501 for staking of the Guyta-Bell claims.

(Expressed in Canadian dollars - Unaudited)

8. EXPLORATION AND EVALUATION ASSETS (cont'd)

Stewart Property, Newfoundland

The Company entered into an option agreement to acquire a 100% interest in the Stewart Property located in the Burin Peninsula of Newfoundland. The Company has completed its commitments and acquired the 100% interest.

The Stewart Property is subject to a 2% NSR. The Company has the right, at any time, to purchase 1% of the 2% NSR for $1,000,000.

To April 30, 2018, the Company has incurred expenditures totalling $1,601,374 (January 31, 2018 - $1,601,374) on the Stewart Property.

The following are details of the Company's exploration and evaluation assets:

	Northbelt	Walsh Lake	Southbelt	Eastbelt	Guyta-Bell	Stewart	Total
Balance, January 31, 2017	$ 10,844,582	$ 2,447,538	$ 168,356	$ 77,365	$ -	$ 1,520,674	$ 15,058,515
Acquisition costs	82,036	-	534	77,666	-	-	160,236
Exploration costs							
Assays and drilling	3,834,525	-	169,017	182,320	-	-	4,185,862
Community	170,668	-	-	1,500	-	-	172,168
Consulting (Note 10)	2,061,748	-	100,768	422,691	-	-	2,585,207
Environmental	90,783	-	10,390	-	-	-	101,173
Field expenses	920,497	-	12,496	192,182	-	80,700	1,205,875
Geophysical	-	-	122,897	262,108	-	-	385,005
	7,078,221	-	415,568	1,060,801	-	80,700	8,635,290
Recoveries	-	-	(39,626)	(170,000)	-	-	(209,626)
Balance, January 31, 2018	18,004,839	2,447,538	544,832	1,045,832	-	1,601,374	23,644,415
Acquisition costs	84,938	-	1,800	5,395	80,501	-	172,634
Exploration costs							
Assays and drilling	1,168,647	-	-	9,968	-	-	1,178,615
Community	87,703	-	-	500	-	-	88,203
Consulting (Note 10)	310,706	-	-	6,825	-	-	317,531
Environmental	2,297	-	12,492	-	-	-	14,789
Field expenses	97,365	-	-	3,240	-	-	100,605
Geophysical	6,616	-	-	3,562	-	-	10,178
	1,673,334	-	12,492	24,095	-	-	1,709,921
Recoveries	-	-	-	-	-	-	-
Balance, April 30, 2018	$ 19,763,111	$ 2,447,538	$ 559,124	$ 1,075,322	$ 80,501	$ 1,601,374	$ 25,526,970

(Expressed in Canadian dollars - Unaudited)

9. TRADE PAYABLES AND ACCRUED LIABILITIES

Trade payables and accrued liabilities consist of the following:

	April 30, 2018	January 31, 2018
Trade payables	$ 269,116	$ 571,979
Due to related parties (Note 10)	294,890	206,525
Accrued liabilities	15,000	25,000
	$ 579,006	$ 803,504

10. RELATED PARTY TRANSACTIONS

Related party balances
As at April 30, 2018, $294,890 (January 31, 2018 - $206,525) was due to directors of the Company or to companies controlled by directors of the Company and recorded in trade payables and accrued liabilities. These amounts are unsecured, non-interest bearing with no fixed terms of repayment.

Related party transactions
The Company's related parties include key management. Key management includes executive directors and non-executive directors. The remuneration to key management of the Company as defined above was as follows:

	Three Months Ended	
	April 30, 2018	April 30, 2017
Rent and administrative services	$ -	2,700
Consulting fees	74,725	83,420
Directors' fees	7,500	-
Geological consulting – exploration and evaluation assets (Note 8)	383,600	529,993
Professional fees	15,000	15,000
Share-based payments	40,138	135,602
	$ 520,963	$ 766,715

11. SHARE CAPITAL

Authorized share capital

Unlimited number of voting common shares without par value.

Issued share capital

Fiscal 2019

a) On April 12, 2018, the Company completed a private placement of 4,312,500 units ("Units") at a price of $0.40 per unit and 4,107,143 flow-through units ("FT Units") at a price of $0.56 per flow-through unit, for aggregate gross proceeds of $4,025,000. Each Unit is comprised of one common share and one half of one transferable non-flow-through common share purchase warrant (each whole such common share purchase warrant, a "Warrant"). Each FT Unit is comprised of one flow-through common share and one half of one Warrant (issued on a non-flow-through basis). Each Warrant is exercisable into one additional non-flow-through common share of the Company for a period of three years from closing, subject to an exercise acceleration trigger, at an exercise price of $0.60 per share. There was a flow-through share premium with respect to this placement of $0.16 per share, or $657,143. Share issuance costs of $351,858 in cash were incurred with respect to this placement along with the issuance of 420,982 finder's warrants exercisable at $0.40 per common share for a period of 24 months from closing. The total fair value of these finder's warrants of $71,953 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.88% and an expected volatility of 63%.

b) During the three months ended April 30, 2018, the Company received net proceeds of $44,172 from the exercise of 110,430 warrants. The value of these warrants of $25,205 was reclassified from share-based payment reserve to share capital.

c) During the three months ended April 30, 2018, the Company received net proceeds of $227,000 from the exercise of 790,000 stock options at an average price of $0.29 per share. The value of these options of $108,597 was reclassified from share-based payment reserve to share capital.

Fiscal 2018

a) During the year ended January 31, 2018, the Company received net proceeds of $314,700 from the exercise of 1,152,000 stock options at an average price of $0.29 per share. The value of these options of $179,111 was reclassified from share-based payment reserve to share capital.

b) During the year ended January 31, 2018, the Company received net proceeds of $2,563,759 from the exercise of 5,021,518 warrants. The value of certain warrants of $4,459 was reclassified from share-based payment reserve to share capital.

c) During the year ended January 31, 2018, the Company issued 90,000 common shares with a value of $45,500 towards consideration for the acquisition of exploration and evaluation assets (Note 8).

(Expressed in Canadian dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

Stock options

The Board of Directors of the Company has adopted a stock option plan which permits the Company to grant to directors, officers and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and be exercisable for a period of up to five years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant or individual conducting investor relations activities will not exceed 2% of the issued and outstanding common shares.

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance as at January 31, 2017	6,921,000	$ 0.45
Granted	3,095,000	0.29
Exercised	(1,152,000)	0.27
Expired	(69,000)	0.29
Balance as at January 31, 2018	8,795,000	0.42
Exercised	(790,000)	0.29
Balance as at April 30, 2018	8,005,000	$ 0.43

As April 30, 2018, the weighted average remaining life of options outstanding was 1.39 years.

2019

The Company recorded $57,423 in share-based compensation expense for stock options which vested during the three months ended April 30, 2018, but were granted in previous periods.

2018

On May 16, 2017, the Company granted 1,250,000 stock options to directors of the Company that can be exercised at $0.62 per share until May 16, 2020. These options vest as to 25% immediately and 75% over an eighteen-month period following date of grant. The total fair value of $312,933 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 0.72% and an expected volatility of 60.10%. The vesting of granted stock options resulted in a share-based compensation expense of $251,270 being recorded during the year ended January 31, 2018.

On June 28, 2017, the Company granted 250,000 stock options to a consultant to the Company that can be exercised at $0.49 per share until June 28, 2020. These options vest as to 12.5% immediately and 12.5% over a twenty-four-month period following date of grant. The total fair value of $51,700 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.12% and an expected volatility of 60.12%. The vesting of granted stock options resulted in a share-based compensation expense of $36,950 being recorded during the year ended January 31, 2018.

(Expressed in Canadian dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

Stock options (cont'd)

2018 (cont'd)

On September 8, 2017, the Company granted 1,595,000 stock options to directors, officers and consultants of the Company that can be exercised at $0.61 per share until September 8, 2020. These options vest as to 25% immediately and 75% over an eighteen-month period following date of grant. The total fair value of $288,233 was estimated using the Black-Scholes Option Pricing Model assuming an expected life of 3 years, expected dividend yield of 0%, a risk-free interest rate of 1.58% and an expected volatility of 59.54%. The vesting of granted stock options resulted in a share-based compensation expense of $197,367 being recorded during the year ended January 31, 2018.

The Company recorded a further $222,528 in share-based compensation expense for stock options which vested during the year ended January 31, 2018.

The following incentive stock options were outstanding and exercisable at April 30, 2018:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
1,360,000	1,360,000	$ 0.17	June 28, 2018
1,050,000	1,050,000	$ 0.35	March 14, 2019
500,000	500,000	$ 0.61	May 5, 2019
2,000,000	2,000,000	$ 0.83	August 26, 2019
1,250,000	1,159,941	$ 0.62	May 17, 2020
250,000	209,917	$ 0.49	June 20, 2020
1,595,000	1,291,552	$ 0.61	September 8, 2020
8,005,000	7,571,410		

Warrants

The Company measures warrants issued with common shares in unit private placements using the residual method. During the three months ended April 30, 2018 and the year ended January 31, 2018, the issue price of units was not higher than the market price of the Company's shares at the time of issuance. Accordingly, no value was allocated to such warrants.

Warrant transactions are summarized as follows:

	Number of warrants	Weighted average exercise price
Balance as at January 31, 2017	10,168,641	$ 0.50
Exercised	(5,021,518)	0.51
Expired	(29,220)	0.50
Balance as at January 31, 2018	5,117,903	0.49
Issued	4,630,804	0.58
Exercised	(110,430)	0.40
Expired	(30,000)	0.40
Balance as at April 30, 2018	9,608,277	$ 0.52

(Expressed in Canadian dollars - Unaudited)

11. SHARE CAPITAL (cont'd)

Warrants (cont'd)

The following warrants were outstanding and exercisable at April 30, 2018:

Number	Exercise Price	Expiry Date
297,360	$ 0.55	June 5, 2018*
475,660	$ 0.55	June 18, 2018*
11,400	$ 0.40	May 6, 2018*
26,250	$ 0.42	July 29, 2018
84,050	$ 0.55	June 24, 2018*
1,436,500	$ 0.50	May 6, 2019
1,379,778	$ 0.50	May 12, 2019
4,209,822	$ 0.60	April 12, 2021
420,982	$ 0.40	April 12, 2021
1,266,475	$ 0.42	August 19, 2018
9,608,277		

*expired subsequent to April 30, 2018.

As at April 30, 2018, the weighted average remaining life of warrants outstanding was 0.65 years.

12. SHARE-BASED PAYMENT RESERVE

The share-based payment reserve records items recognized as share-based payments until such time that the stock options and finder's warrants are issued, granted and exercised, at which time the corresponding amount will be transferred to share capital.

13. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

(Expressed in Canadian dollars - Unaudited)

13. FINANCIAL RISK AND CAPITAL MANAGEMENT (cont'd)

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is, therefore, assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company operates in Canada and is, therefore, not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has positive cash balances at April 30, 2018 and no-interest bearing debt, therefore, interest rate risk is nominal.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statements of financial position are as follows:

	April 30, 2018	January 31, 2018
Loans and receivables:		
Cash and cash equivalents	$ 2,521,015	$ 1,072,646
Security deposits	140,000	140,000
	$ 2,661,015	$ 1,212,646

Financial liabilities included in the statements of financial position are as follows:

	April 30, 2018	January 31, 2018
Non-derivative financial liabilities:		
Trade payables	$ 269,116	$ 571,979
Due to related parties (Note 10)	294,890	206,525
	$ 564,006	$ 778,504

Fair value

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

(Expressed in Canadian dollars - Unaudited)

14. DEFERRED PREMIUM ON FLOW-THROUGH SHARES

	April 30, 2018	January 31, 2018
Balance, beginning of period	$ -	$ -
Deferred premium on flow-through shares issued	657,143	-
Recognition of deferred premium on flow-through shares	-	-
Balance, end of period	$ 657,143	$ -

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended January 31, 2017, the Company received $8,599,200 from the issue of flow-through shares and has incurred and renounced expenditures of $8,599,200 of which $4,291,660 was incurred during the year ended January 31, 2017 and the remaining $4,307,540 was incurred during the year ended January 31, 2018. These expenditures will not be available to the Company for future deduction from taxable income.

During the three months ended April 30, 2018, the Company received $2,300,000 from the issuance of flow-through shares at a premium to the market price of the Company's shares and recognized a deferred premium on flow-through shares of $657,143. These expenditures will not be available to the Company for future deduction from taxable income.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at April 30, 2018, the Company has qualifying expenditure commitments of $2,300,000 regarding flow-through share proceeds from flow-through shares issued during the three months ended April 30, 2018. These funds must be spent on eligible exploration expenditures prior to December 31, 2019.

15. SUPPLEMENTAL CASH FLOW INFORMATION

During the three months ended April 30, 2018 and 2017, the Company incurred the following non-cash transactions that are not reflected in the statements of cash flows:

	Three Months Ended	
	April 30, 2018	April 30, 2017
Exploration expenditures included in trade payables and accrued liabilities	$ 447,234	$ 360,396
Fair value of finder's warrants	$ 71,953	$ -
Fair value of share-based payments reallocated to share capital	$ 133,802	$ 6,084

(Expressed in Canadian dollars - Unaudited)

16. COMMITMENT

Effective February 1, 2017, the Company entered into a lease agreement for the rental of office premises. The future lease payment schedule is as follows:

2019	$	37,800
2020		52,080
2021		53,760
2022		55,440
	$	199,080

17. SUBSEQUENT EVENTS

Subsequent to April 30, 2018, the Company:

a) Granted 1,250,000 stock options to the newly appointed CEO and President of the Company, exercisable at $0.41 per share, for a period of three years. The options vest over an 18 month period and are subject to TSX-V approval.
b) Issued 1,360,000 common shares for proceeds totaling $231,200 in conjunction with the exercise of stock options.