PACTON GOLD INC.

(formerly Noka Resources Inc.)

Condensed Interim Financial Statements

For the Three Months Ended February 28, 2018

(Expressed in Canadian Dollars)

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(formerly Noka Resources Inc.)

February 28, 2018

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Condensed Interim Financial Statements

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the 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 of the Company have been prepared by and are the responsibility of the Company's management.

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

April 20, 2018

PACTON GOLD INC.

(formerly Noka Resources Inc.)
Condensed Interim Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	February 28, 2018	November 30, 2017
Assets		
Current		
Cash	$ 195,761	$ 121,526
Receivables	125,585	97,772
Prepaid expenses	1,568	3,716
	322,914	223,014
Deposit (note 14)	25,000	-
Equipment (note 7)	4,099	4,315
Exploration and Evaluation Assets (note 8)	1,836,966	1,609,706
	$ 2,188,979	$ 1,837,035
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	$ 1,527,328	$ 1,217,268
	1,527,328	1,217,268
Shareholders' Equity		
Capital Stock (note 10)	9,941,713	9,215,918
Share-based Payments Reserve (note 10)	459,525	495,161
Deficit	(9,739,587)	(9,091,312)
	661,651	619,767
	$ 2,188,979	$ 1,837,035

Going Concern (note 2)
Subsequent Events (note 14)

Approved on behalf of the Board:

"Richard Kusmirski" ……………………………… Director
Richard Kusmirski

"Dominic Verdejo" ……………………………… Director
Dominic Verdejo

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

PACTON GOLD INC.
(formerly Noka Resources Inc.)
Condensed Interim Statements of Comprehensive Loss
For the Three Months Ended February 28,
(Unaudited - Expressed in Canadian Dollars)

		2018		2017
Expenses				
Amortization (note 7)	$	216	$	270
Consulting fees (note 11)		340,483		2,000
Management fees (note 11)		-		7,500
Office and miscellaneous		4,850		89
Professional fees (note 11)		31,521		7,685
Rent (note 11)		9,000		-
Shareholder communications and investor relations		2,905		562
Transfer agent and filing fees		15,720		16,723
		(404,695)		(34,829)
Other Items				
Impairment of exploration and evaluation assets (note 8)		(243,000)		-
Part XII.6 tax (note 9)		(580)		-
Net Loss and Comprehensive Loss for the Period	$	(684,275)	$	(34,829)
Basic and Diluted Loss Per Share	$	(0.01)	$	(0.00)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted		56,140,185		38,718,063

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

PACTON GOLD INC.
(formerly Noka Resources Inc.)
Condensed Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Capital Stock								
	Number of Shares		Capital Stock		Share-based Payments Reserve		Deficit		Total
Balance, November 30, 2016	**35,411,321**	**$**	**7,381,812**	**$**	**411,207**	**$**	**(7,562,535)**	**$**	**230,484**
Private placements	4,100,000		205,000		-		-		205,000
Share issue costs	-		(2,375)		-		-		(2,375)
Shares issued for exploration and evaluation assets	1,300,000		117,000		-		-		117,000
Expiry of stock options	-		-		(88)		88		-
Net loss and comprehensive loss for period	-		-		-		(34,829)		(34,829)
Balance, February 28, 2017	**40,811,321**		**7,701,437**		**411,119**		**(7,597,276)**		**515,280**
Private placements	7,228,571		506,000		-		-		506,000
Share issue costs	28,000		(18,060)		-		-		(18,060)
Shares issued for exploration and evaluation assets	5,150,000		663,500		-		-		663,500
Shares issued for settlement of accounts payable and accrued liabilities	392,857		35,357		-		-		35,357
Exercise of stock options	1,108,000		108,550		-		-		108,550
Fair value of exercised stock option	-		75,589		(75,589)		-		-
Exercise of warrants	599,920		123,350		-		-		123,350
Fair value of exercised warrants	-		20,195		(20,195)		-		-
Share-based payments (note 10)	-		-		300,629		-		300,629
Expiry and cancellation of stock options	-		-		(120,803)		120,803		-
Net loss and comprehensive loss for the period	-		-		-		(1,614,839)		(1,614,839)
Balance, November 30, 2017	**55,318,669**		**9,215,918**		**495,161**		**(9,091,312)**		**619,767**
Shares issued for exploration and evaluation assets	1,300,000		390,000		-		-		390,000
Exercise of stock options	369,000		34,650		-		-		34,650
Fair value of exercised stock options	-		22,412		(22,412)		-		-
Exercise of warrants	1,162,574		265,509		-		-		265,509
Fair value of exercised warrants	-		13,224		(13,224)		-		-
Net loss and comprehensive loss for period	-		-		-		(648,275)		(648,275)
Balance, February 28, 2018	**58,150,243**	**$**	**9,941,713**	**$**	**459,525**	**$**	**(9,739,587)**	**$**	**661,651**

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

PACTON GOLD INC.
(formerly Noka Resources Inc.)
Condensed Interim Statements of Cash Flows
For the Three Months Ended February 28,
(Unaudited - Expressed in Canadian Dollars)

	2017	2016
Operating Activities		
Net loss	$ (648,275)	$ (34,829)
Items not involving cash		
Amortization	216	270
Impairment of exploration and evaluation assets	243,000	-
Changes in non-cash working capital		
Receivables	(27,813)	12
Prepaid expenses	(22,852)	562
Accounts payable and accrued liabilities	310,060	28,844
Cash Used in Operating Activities	(145,664)	(5,141)
Investing Activity		
Exploration and evaluation assets	(80,260)	(25,260)
Cash Used in Investing Activity	(80,260)	(25,260)
Financing Activity		
Net proceeds from share issuance	300,159	202,625
Cash Provided by Financing Activity	300,159	202,625
Inflow of Cash	74,235	172,224
Cash, Beginning of Period	121,526	20,142
Cash, End of Period	$ 195,761	$ 192,366

Supplemental Disclosure with Respect to Cash Flows (note 12)

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

1. NATURE OF OPERATIONS

Pacton Gold Inc. (the "Company" or "Pacton") was incorporated pursuant to the British Columbia *Business Corporations Act* on December 15, 2010. The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5. The Company operates in Canada and the USA. On July 17, 2012, the Company's stock was listed on the TSX Venture Exchange ("TSX-V") trading under the symbol "NX". On April 27, 2017, the Company changed its name to Pacton Gold Inc. and began trading under the symbol "PAC". The Company's shares also trade on the OTC Exchange in the United States under the symbol "PACXF" and on the Frankfurt Stock Exchange under the symbol "2NKN". The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company is an exploration stage company and is in the process of acquiring and exploring its mineral property interests.

2. GOING CONCERN

These condensed interim financial statements ("financial statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred a loss during the three months ended February 28, 2018 of $648,275 (2016 - $34,829) and as at February 28, 2018 has a deficit of $9,739,587 (November 30, 2017 - $9,091,312), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage, and accordingly, has not yet commenced revenue-producing operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial statements of the Company should be read in conjunction with the Company's 2017 annual financial statements, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

3. BASIS OF PRESENTATION (Continued)

a) Statement of compliance (continued)

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 20, 2018.

b) Basis of measurement

These financial statements have been prepared under the historical cost basis, except for financial instruments classified as available-for-sale ("AFS"), and fair value through profit or loss ("FVTPL"). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 4 to the audited financial statements for the year ended November 30, 2017.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

b) Title to mineral property interests

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

c) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

d) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in note 2.

Key sources of 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 material adjustments to the financial statements.

a) Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at February 28, 2018, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

(Unaudited - Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash is classified as financial assets at FVTPL; receivables as loans and receivables; and accounts payable and accrued liabilities and loans payable as other financial liabilities, which are measured at amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

February 28, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 195,761	$ -	$ -	$ 195,761

November 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$ 121,526	$ -	$ -	$ 121,526

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

b) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of February 28, 2018 equal $1,527,328 (November 30, 2017 - $1,217,268). All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of February 28, 2018. The cash available is not sufficient to meet the Company's financial obligations at period-end.

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

i) Currency risk – The Company has no funds held in a foreign currency, and as a result is not exposed to significant currency risk on its financial instruments at period-end.

ii) Interest rate risk – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.

iii) Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

d) Capital management

The Company considers its capital to be comprised of shareholders' equity.

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. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of capital stock, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended February 28, 2018. The Company is not subject to externally imposed capital requirements.

(Unaudited - Expressed in Canadian Dollars)

7. EQUIPMENT

		Furniture and Equipment
Cost		
Balance, November 30, 2016 and 2017 and February 28, 2018	$	7,717
Accumulated Amortization		
Balance, November 30, 2016	$	2,323
Amortization		1,079
Balance, November 30, 2017		3,402
Amortization		216
Balance, February 28, 2018	$	3,618
Net Book Value, November 30, 2017	$	4,315
Net Book Value, February 28, 2018	$	4,099

8. EXPLORATION AND EVALUATION ASSETS

a) Tully West Gold Property

On January 16, 2017, the Company entered into an option agreement to earn a 100% interest in the Tully West Gold Property, located in Ontario. On January 18, 2018, certain terms were amended. Under the terms of the amended agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 1,300,000 common shares of the Company (issued on January 25, 2017 and valued at $117,000) and pay $25,000 (paid) within five days of approval by the TSX-V, which was received January 25, 2017;
- Issue 1,300,000 common shares of the Company on or before January 25, 2018;
- Pay $80,000 on or before February 15, 2018; and
- Issue 1,300,000 common shares of the Company and pay $110,000 on or before January 25, 2019.

If the Company completes an equity financing for gross proceeds in excess of $1,000,000 (excluding flow-through proceeds), the remaining option payments are due within ten days of closing of the equity financing.

The Company must also incur exploration expenditures as follows:

- $250,000 on or before January 16, 2018 (incurred);
- An additional $500,000 on or before January 25, 2019; and
- An additional $500,000 on or before January 25, 2020.

The vendors retain a 2.5% net smelter return royalty (“NSR”), of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

b) Red Lake Project

On May 10, 2017, the Company entered into an option agreement to earn a 100% interest in 34 mineral claims and 2 mineral patents in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company was required to make cash payments and issue common shares of the Company as follows:

- Issue 1,200,000 common shares of the Company (issued and valued at $168,000) and pay $75,000 (paid) within five days of approval by the TSX-V, which was received on May 19, 2017;
- Issue 1,000,000 common shares of the Company and pay $75,000 on or before May 19, 2018;
- Issue 1,000,000 common shares of the Company and pay $75,000 on or before May 19, 2019; and
- Issue 1,000,000 common shares of the Company and pay $75,000 on or before May 19, 2020.

The vendor retained a NSR varying from 0.25% to 2.25%, of which one-half could be repurchased by the Company, at a rate of $250,000 per 0.25%.

Subsequent to February 28, 2018, the Company provided notice of termination on the option agreement to the vendor. During the three months ended February 28, 2018, the Company recorded an impairment of exploration and evaluation assets of $243,000 as a result of the termination.

On May 23, 2017, the Company entered into an option agreement to earn a 100% interest in 14 mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 300,000 common shares of the Company (issued and valued at $42,000) and pay $16,000 (paid) within five days of approval by the TSX-V, which was received on May 26, 2017;
- Pay $12,000 on or before May 26, 2018;
- Pay $16,000 on or before May 26, 2019; and
- Pay $26,000 on or before May 26, 2020.

The claims are subject to an underlying 2% NSR.

On May 23, 2017, the Company entered into an additional option agreement to earn a 100% interest in 30 additional mineral claims in the Red Lake Mining District, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 2,500,000 common shares of the Company within five days of approval by the TSX-V, which was received on May 26, 2017 (issued and valued at $350,000);
- Pay $100,000 on or before May 26, 2018; and
- Pay $150,000 on or before May 26, 2019.

The vendors retain a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for $1,500,000.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

c) Birch Gold Project

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Birch Gold Property, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 900,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $81,000);
- Pay $75,000 by April 21, 2017 (paid);
- Issue 900,000 common shares of the Company and pay $75,000 on or before March 22, 2018;
- Issue 900,000 common shares of the Company and pay $75,000 on or before March 22, 2019;
- Issue 900,000 common shares of the Company and pay $75,000 on or before March 22, 2020; and
- Issue 900,000 common shares of the Company and pay $75,000 on or before March 22, 2021.

The Company must also incur exploration expenditures as follows:

- $150,000 on or before March 22, 2018;
- An additional $300,000 on or before March 22, 2019;
- An additional $350,000 on or before March 22, 2020; and
- An additional $500,000 on or before March 22, 2021.

The Property is subject to a 2% NSR.

On March 10, 2017, the Company entered into an option agreement to earn a 100% interest in the Uchi Gold Property, located in Ontario. Under the terms of the agreement, the Company must make cash payments and issue common shares of the Company as follows:

- Issue 250,000 common shares of the Company within five days of approval by the TSX-V, which was received on March 22, 2017 (issued and valued at $22,500);
- Pay $15,000 by April 21, 2017 (paid);
- Issue 250,000 common shares of the Company and pay $15,000 on or before March 22, 2018;
- Issue 250,000 common shares of the Company and pay $15,000 on or before March 22, 2019;
- Issue 250,000 common shares of the Company and pay $15,000 on or before March 22, 2020; and
- Issue 250,000 common shares of the Company and pay $15,000 on or before March 22, 2021.

The vendor retains a 2.5% NSR, of which two-fifths (1%) can be repurchased by the Company for an aggregate $1,000,000 within 180 days of a public announcement of a positive feasibility study on the project.

The Company determined it would not make the option payments due March 22, 2018. An impairment charge of $211,820 was recognized in net loss for the year ended November 30, 2017.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

d) Lincoln Property

On April 21, 2016, and as amended June 15, 2016, the Company entered into an option agreement to acquire a 100% interest in the Lincoln Property, a lithium project in Nevada. Consideration for the option is as follows:

- Issue 1,500,000 common shares to the optionor upon acceptance of the transaction by the TSX-V (issued on July 4, 2016 and valued at $195,000); and
- Cash payment of $50,000 within five days of acceptance by the TSX-V (paid).

At November 30, 2016, the Company determined that the value of the Property was impaired. The Property was written down to $100,000. On January 1, 2017, and as amended on July 11, 2017 and March 14, 2018, the Company reached an agreement to sell the Property for $100,000. The purchaser is required to pay the $100,000 by June 30, 2018.

e) Duxbury Property

On June 28, 2016, and as amended March 10, 2017, the Company entered into an option agreement to acquire a 100% interest in the Duxbury Property, a lithium project in Quebec. Consideration for the option was the issuance of 1,000,000 common shares to the optionor within five days of acceptance of the transaction by the TSX-V (issued on July 5, 2016 and valued at $130,000).

The vendor retains a 2% NSR, of which the Company may repurchase one-half (1%) for $1,000,000.

At November 30, 2017, the Company determined it would not continue exploration of the Duxbury Property. An impairment charge of $150,448 was recognized in net loss for the year ended November 30, 2017.

f) Carpenter Lake

On May 28, 2013, the Company entered into an agreement to acquire a 100% interest in 34 mineral claims located in the Athabasca Basin Region of northern Saskatchewan. Consideration for the acquisition was the issuance of 200,000 common shares (issued and valued at $380,000). The Company paid a finder's fee of 10,000 common shares (issued and valued at $19,000).

The property is subject to a 5% NSR. The NSR may be reduced to a minimum of 2% at the option of either the vendors or the Company in exchange for the issuance of 100,000 common shares for each percentage point bought back (the “Royalty Buyback").

Pursuant to an amending agreement dated June 21, 2013, the Company agreed to file a National Instrument 43-101 Report on or before July 1, 2014 as a condition for approval from the TSX-V to exercise the Royalty Buyback. Failure to receive approval gives the vendors of the property the right to purchase the property for the sum of $200,000 commencing July 1, 2014 for a period of 180 days.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

f) Carpenter Lake (continued)

On January 13, 2014, the Company granted an option to Alpha Exploration Inc. (TSX-V: AEX) ("Alpha") to earn a 60% interest in the Company's Clearwater/Carpenter Lake property. Under the terms of the agreement, Alpha must make cash and share payments as follows:

- Cash payment of $12,500 upon approval of the agreement by the TSX-V (received);
- Issuance of 100,000 common shares within 10 days of approval by the TSX-V (received and valued at $59,000);
- Cash payment of $12,500 and issuance of 100,000 common shares on the first anniversary of approval by the TSX-V:
- Cash payment of $12,500 and issuance of 100,000 common shares on the second anniversary of approval by the TSX-V; and
- Cash payment of $12,500 and issuance of 100,000 common shares on the third anniversary of approval by the TSX-V.

Alpha must also incur a total of $1,250,000 in exploration expenditures on the property as follows:

- $250,000 by the first anniversary of approval by the TSX-V;
- A further $250,000 by the second anniversary of approval by the TSX-V; and
- A further $750,000 by the third anniversary of approval by the TSX-V.

On November 6, 2014, Alpha provided the Company with its Notice of Exercise on the option to earn a 60% interest in the Clearwater/Carpenter Lake Property. The Company received the $37,500 in cash payments due from the first through third anniversaries and the 300,000 common shares (valued at $27,000). A joint venture was formed between Alpha (60%) and Pacton (40%) for the further development of the property, with Alpha serving as the operator.

Presently, the property is subject to a NSR of 2%, which is owed to the original vendors (the "Underlying NSR"). The Underlying NSR rate was reduced from 5% to 2% by Pacton through the issuance of 300,000 common shares of the Company on October 27, 2014 (valued at $90,000).

At November 30, 2016, the Company determined that the value of the Property was impaired due to a lack of recent exploration work by Alpha (now ALX). The Property was written down to $226,000, which is based on the Company's estimated percentage of the Property. Management intends to further explore the Property either on its own or in partnership with ALX.

g) Corning Creek

On April 20, 2011, and as amended December 31, 2011, the Company entered into an option agreement to acquire a 100% interest in the mineral claims comprising the Corning Creek Property, except for mineral claim 831925, subject to a 2% NSR. Consideration for the option was as follows:

- Cash payment of $35,000 (paid) within 10 days of the Company's shares being listed on the TSX-V (July 17, 2012); and
- Issuance 20,000 common shares (issued and valued at $40,000).

The Company had the sole and exclusive option to purchase the NSR at a purchase price of $1,000,000 for each percentage point bought back during the five-year period commencing from the date upon which the property is put into commercial production.

8. EXPLORATION AND EVALUATION ASSETS (Continued)

g) Corning Creek (continued)

On June 29, 2011, the Company entered into an option agreement to earn a 100% interest in mineral claim 831925, which forms part of the Corning Creek Property. Consideration for the option was a cash payment of $5,000 (paid) within 10 days of the Company's share being listed on the TSX-V.

The option agreement was subject to a 3% NSR. The Company could acquire the first 2% of the NSR by paying $500,000 for each percentage point bought back. The final 1% could be purchased, for a negotiated amount, after commercial production commences.

During the year ended November 30, 2014, the Corning Creek Property was deemed to be impaired and written down to $1. During the year ended November 30, 2017, the Corning Creek Property was written down to $nil.

(Unaudited - Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (Continued)

	Tully West	Red Lake	Birch	Lincoln	Duxbury	Carpenter Lake	Corning Creek	Total
Balance, November 30, 2016	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 150,448**	**$ 226,000**	**$ 1**	**$ 476,449**
Property Acquisition Costs								
Acquisition and option payments	142,000	651,000	193,500	-	-	-	-	986,500
Claim costs	313	-	-	-	-	-	-	313
Total Acquisition Costs	142,313	651,000	193,500	-	-	-	-	986,813
Property Exploration Costs								
Assays	15,285	-	-					15,285
Camp and other	-	-	3,000	-	-	-	-	3,000
Drilling	241,807	-	-	-	-	-	-	241,807
Geological	106,488	126,813	15,320	-	-	-	-	248,621
Total Exploration Costs	363,580	126,813	18,320	-	-	-	-	508,713
Impairment	-	-	(211,820)	-	(150,448)	-	(1)	(362,269)
Balance, November 30, 2017	**505,893**	**777,813**	**-**	**100,000**	**-**	**226,000**	**-**	**1,609,706**
Property Acquisition Costs								
Acquisition and option payments	470,000	-	-	-	-	-	-	470,000
Claim costs	260	-	-	-	-	-	-	260
Total Acquisition Costs	470,260	-	-	-	-	-	-	470,260
Impairment	-	(243,000)	-	-	-	-	-	(243,000)
Balance, February 28, 2018	**$ 976,153**	**$ 534,813**	**$ -**	**$ 100,000**	**$ -**	**$ 226,000**	**$ -**	**$ 1,836,966**

9. FLOW-THROUGH SHARES

During the three months ended February 28, 2018, the Company incurred $580 (2017 - $nil) for Part XII.6 tax and other provincial taxes in relation to its December 2016 flow-through share financing.

At February 28, 2018, the Company had no remaining commitment to incur exploration expenditures in relation to its December 29, 2016 flow-through share financing.

10. CAPITAL STOCK

a) Authorized

Unlimited number of common voting shares without par value

b) Issued

During the three months ended February 28, 2018

On January 25, 2018, the Company issued 1,300,000 common shares valued at $390,000 for the Tully West Project (note 8(a)).

The Company received $34,650 on the exercise of 369,000 stock options. The Company transferred $22,412, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.27 when the stock options were exercised.

The Company received $252,000 on the exercise of 1,050,000 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $13,509 on the exercise of 112,574 agent warrants. The Company transferred $13,224, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

During the year ended November 30, 2017

On December 29, 2016, the Company closed a private placement and issued 4,100,000 flow-through common shares at a price of $0.05 per share for gross proceeds of $205,000. The Company paid cash share issue costs of $2,375.

On January 25, 2017, the Company issued 1,300,000 common shares valued at $117,000 for the Tully West Project (note 8(a)).

On March 23, 2017, the Company issued 392,857 common shares valued at $35,357 of the Company to companies controlled by a current and a former officer of the Company to settle accounts payable of $27,500. The Company recorded a loss on settlement of accounts payable of $7,857.

On March 23, 2017, the Company issued 1,150,000 common shares valued at $103,500 for the Birch Gold Project (note 8(c)).

On April 18, 2017, the Company closed a private placement and issued 7,228,571 common shares at a price of $0.07 per share for gross proceeds of $506,000. The Company issued 28,000 common shares, paid cash share issue costs of $3,290 and paid $14,770 in cash as finder's fees.

On May 23, 2017 and May 29, 2017, the Company issued 4,000,000 common shares valued at $560,000 for the Red Lake Project (note 8(b)).

(Unaudited - Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

b) Issued (continued)

The Company received $108,550 on the exercise of 1,108,000 stock options. The Company transferred $75,589, the value of the stock options, from the share-based payment reserve to capital stock upon exercise of the options. The average share price was $0.12 when the stock options were exercised.

The Company received $102,720 on the exercise of 428,000 warrants. There was no value of the warrants transferred from the share-based payment reserve to capital stock upon exercise of the warrants.

The Company received $20,630 on the exercise of 171,920 agent warrants. The Company transferred $20,195, the value of the agent warrants, from the share-based payment reserve to capital stock upon exercise of the agent warrants.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Three Months Ended February 28, 2018		**Year Ended November 30, 2017**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	5,411,333	$ 0.24	5,839,333	$ 0.24
Exercised	(1,050,000)	$ 0.24	(428,000)	$ 0.24
Outstanding, end of period	4,361,333	$ 0.24	5,411,333	$ 0.24

The following warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2018**
May 26, 2018	0.24	$ 0.24	4,361,333

d) Agent warrants

Agent warrant transactions and the number of warrants outstanding are summarized as follows:

	Three Months Ended February 28, 2018		**Year Ended November 30, 2017**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period	221,227	$ 0.12	393,147	$ 0.12
Exercised	(112,574)	$ 0.12	(171,920)	$ 0.12
Outstanding, end of period	108,653	$ 0.12	221,227	$ 0.12

(Unaudited - Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

d) Agent warrants (continued)

The following agent warrants were outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**February 28, 2018**
May 26, 2018	0.24	$ 0.12	108,653

e) Stock options

The Company has a stock option plan to grant incentive stock options to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless otherwise specified by the Board of Directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Three Months Ended February 28, 2018		**Year Ended November 30, 2017**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	5,377,000	$ 0.11	3,539,000	$ 0.10
Granted	-	-	4,700,000	$ 0.12
Exercised	(369,000)	$ 0.09	(1,108,000)	$ 0.10
Expired	-	-	(954,000)	$ 0.12
Cancelled	-	-	(800,000)	$ 0.13
Outstanding, end of period	5,008,000	$ 0.11	5,377,000	$ 0.11

(Unaudited - Expressed in Canadian Dollars)

10. CAPITAL STOCK (Continued)

e) Stock options (continued)

The following stock options were outstanding and exercisable at February 28, 2018:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding	Exercisable
March 15, 2018*	0.04	$ 0.085	550,000	550,000
May 29, 2018	0.25	$ 0.13	1,600,000	1,600,000
September 7, 2018	0.52	$ 0.10	1,558,000	1,558,000
November 9, 2018	0.70	$ 0.075	700,000	700,000
November 15, 2018	0.71	$ 0.22	200,000	200,000
July 27, 2019	1.41	$ 0.09	250,000	250,000
November 15, 2019	1.71	$ 0.22	50,000	50,000
November 15, 2020	2.72	$ 0.22	100,000	100,000
	0.75	$ 0.11	5,008,000	5,008,000

* Exercised subsequent to February 28, 2018

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. There were no share-based payments recognized during the three months ended February 28, 2018 and 2017.

The fair value of each stock option granted was calculated using the following weighted average assumptions:

	Three Months Ended February 28, 2018	**Year Ended November 30, 2017**
Expected life (years)	N/A	1.11
Risk-free interest rate	N/A	0.93%
Annualized volatility	N/A	132%
Dividend yield	N/A	N/A
Stock price at grant date	N/A	$ 0.12
Exercise price	N/A	$ 0.12
Weighted average grant date fair value	N/A	$ 0.06

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

During the year ended November 30, 2017, the Company transferred $120,891 from the share-based payments reserve to deficit upon the expiry of 954,000 and cancellation of 800,000 stock options granted to consultants.

(Unaudited - Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the statements of comprehensive loss:

	Three Months Ended February 28, 2018	Three Months Ended February 28, 2017
Short-term compensation (professional fees and consulting fees)	$ 42,500	$ 15,000

During the three months ended February 28, 2018, short-term compensation to related parties consisted of $20,000 (2017 - $7,500 in management fees) in consulting fees and $22,500 (2017 - $7,500) in professional fees.

Transactions with related parties are included in the amounts shown on the condensed interim statements of comprehensive loss as follows:

	Three Months Ended February 28, 2018	Three Months Ended February 28, 2017
Related company with a common officer (rent)	$ 9,000	$ -

As at February 28, 2018, the Company has outstanding amounts payable to current and former officers and directors of the Company of $106,000 (November 30, 2017 - $61,375) for outstanding fees and expenses. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

As at February 28, 2018, the Company had payables of $nil (November 30, 2017 - $9,585) related to shared administrative expenses with a company related by common officers and directors.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	February 28, 2018	February 28, 2017
Income tax paid	$ -	$ -
Interest paid	$ -	$ -
Exploration and evaluation expenditures in accounts payable (opening)	$ 393,730	$ 15,608
Exploration and evaluation expenditures in accounts payable (closing)	$ 393,730	$ 15,608
Fair value of shares issued for exploration and evaluation assets	$ 390,000	$ 117,000
Fair value of stock options exercised	$ 22,412	$ -
Fair value of agent warrants exercised	$ 13,224	$ -

(Unaudited - Expressed in Canadian Dollars)

13. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's reportable segments are summarized as follows:

Geographical segment

Non-current assets	Canada	USA	Total
February 28, 2018	$ 1,766,065	$ 100,000	$ 1,866,065
November 30, 2017	$ 1,514,021	$ 100,000	$ 1,614,021

14. SUBSEQUENT EVENTS

a) On March 28, 2018, the Company acquired 100% of the issued and outstanding shares of CTTR Gold Pty. Ltd. ("CTTR"), an Australian proprietary limited company. CTTR holds applications to nine tenement licenses for a mineral property group in the Pilbara Region of Western Australia.

Under the terms of the share purchase agreement, the Company can acquire 100% of the issued and outstanding shares of CTTR by:

- Paying a $25,000 non-refundable deposit (paid prior to February 28, 2018);
- Paying $75,000 and issuing 916,666 common shares of the Company and 458,333 share purchase warrants, each warrant exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price of $0.45, upon acceptance of the transaction by the TSX-V (issued on March 29, 2018); and
- Paying $50,000 and issuing 416,666 common shares of the Company and 208,333 share purchase warrants, each warrant exercisable into one additional common share of the Company for a period of 18 months from the date of issue at a price to be determined at the date of grant, upon the grant of at least six exploration licenses.

A finder's fee of 156,250 common shares of the Company was paid in respect of the transaction.

b) On March 21, 2018, the Company settled accounts payable of $550,000 by issuing 1,833,333 common shares of the Company.

c) On April 5, 2018, the Company entered into a letter of intent ("LOI") whereby the Company can earn up to an 80% interest in Arrow (Pilbara) Pty. Ltd. ("Arrow Pilbara"), an Australian proprietary limited exploration company. Arrow Pilbara holds two granted tenement licenses and two applications for licenses in the Pilbara Region of Western Australia.

Under the terms of the LOI, which will be formalized by a definitive agreement, the Company can earn a 51% ownership interest in Arrow Pilbara by paying a total of $500,000 and issuing common shares valued at $250,000. The Company has the option to earn a further 29% ownership interest in Arrow Pilbara by issuing common shares valued at $250,000 and incurring $500,000 in exploration expenditures on the Property within one year of all exploration licenses being granted.

A finder's fee will be payable in respect of the transaction pursuant to the policies of the TSX-V.

d) Subsequent to February 28, 2018, the Company received $46,750 on the exercise of 550,000 stock options and $60,000 on the exercise of 250,000 warrants.