INTERCONTINENTAL GOLD AND METALS LTD.

(FORMERLY GEODEX MINERALS LTD.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED DECEMBER 31, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Intercontinental Gold and Metals Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at December 31, 2017	As at March 31, 2017
ASSETS		
Current assets		
Cash (note 3)	$ **519,735**	$ 7,218
Receivables (note 4)	**493,242**	30,467
Marketable securities (note 5)	**275**	800
Inventory	**2,191**	-
Prepaid expenses and advances	**160,580**	2,680
Total current assets	**1,176,023**	41,165
Non-current assets		
Equipment (note 6)	**276,335**	-
Long-term deposit	**3,764**	-
Goodwill (note 7)	**659,359**	-
Total assets	$ **2,115,481**	$ 41,165
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 and 12)	$ **772,668**	$ 900,805
Loan from related party (note 12)	**78,564**	44,275
Total current liabilities	**851,232**	945,080
Non-current liabilities		
Promissory note (note 9)	**1,552,309**	-
Total liabilities	**2,403,541**	945,080
Shareholders' deficiency		
Share capital (note 10)	**32,720,055**	31,501,743
Reserves (note 11)	**4,437,701**	4,114,529
Accumulated other comprehensive loss	**(2,589)**	-
Deficit	**(37,443,227)**	(36,520,187)
Total shareholders' deficiency	**(288,060)**	(903,915)
Total liabilities and shareholders' deficiency	$ **2,115,481**	$ 41,165

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

Nature of operations and going concern (note 1)
Subsequent events (note 16)

Approved on behalf of the Board:

"Gorden Glenn", Director

"John Anderson", Director

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Revenue	**$ 15,404,317**	$ -	**$ 19,382,840**	$ -
Costs of sale	**15,233,875**	-	**19,156,479**	-
	170,442	-	**226,361**	-
Operating expenses				
Accounting and audit	**6,779**	21,629	**35,109**	33,604
Consulting fees (note 12(b))	**(132,143)**	120,000	**233,892**	180,000
Director fees (note 12(b))	**8,000**	20,000	**23,500**	27,500
Business development	**114,255**	-	**150,726**	-
Shareholder information and investor relations	**63,369**	-	**67,239**	-
Legal (note 12(a))	**-**	4,703	**5,409**	11,917
Office and miscellaneous	**72,319**	2,805	**111,332**	3,097
Salaries and benefits	**65,280**	-	**65,280**	-
Share-based compensation (note 11)	**-**	-	**312,785**	-
Transfer agent and regulatory fees	**1,373**	16,581	**5,968**	22,481
Loss for the year before other items	**(199,232)**	(185,718)	**(1,011,240)**	(278,599)
Unrealized loss on marketable securities (note 5)	**(275)**	(25)	**(525)**	225
Loss on debt settlement (note 10(b)(ii))	**-**		**(38,606)**	-
Foreign exchange	**6,175**	-	**(22,225)**	-
Accretion on bond	**(24,811)**	-	**(24,811)**	-
Interest expenses on bond	**(74,331)**	-	**(74,331)**	-
Interest income	**503**	-	**22,337**	-
Net loss and comprehensive loss for the period	**$ (121,529)**	**$ (185,743)**	**$ (923,040)**	$ (278,374)
Basic and diluted net loss per share	**$ (0.01)**	$ (0.07)	**$ (0.10)**	$ (0.10)
Weighted average number of common shares outstanding (basic and diluted)	**14,703,420**	2,779,827	**9,057,420**	2,779,827

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

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Operating activities		
Net loss for the period	**$ (923,040)**	$ (278,374)
Adjustments for:		
Share-based compensation	**312,785**	-
Unrealized gain on marketable securities	**525**	(225)
Loss on settlement of debt	**38,606**	-
Accretion on the bond	**24,811**	-
Changes in non-cash working capital items:		
Receivable	**(449,804)**	6,346
Prepaid expenses and advances	**(135,010)**	2,290
Inventory	**3,883**	-
Increase in accounts payable and accrued liabilities	**233,642**	264,845
Long term deposit	**(3,764)**	-
Net cash used in operating activities	**(897,366)**	(5,118)
Investing activities		
Cash paid for acquisition of Goldway	**(127,050)**	-
Cash acquired from acquisition of Goldway	**36**	-
Acquisition of equipment	**(267,783)**	-
Net cash used in investing activities	**(394,797)**	-
Financing activities		
Proceeds from promissory note	**1,527,498**	-
Common shares issued for cash	**254,034**	-
Loan from related party	**34,289**	15,000
Net cash provided by financing activities	**1,815,821**	15,000
Impact of foreign exchange on cash balance	**(11,141)**	-
Net change in cash	**512,517**	9,882
Cash, beginning of period	**7,218**	2,239
Cash, end of period	**$ 519,735**	$ 12,121

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

Intercontinental Gold and Metals Ltd.
(Formerly Geodex Minerals Ltd.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
Unaudited

	Share Capital		Reserves				
	Number of shares	Amount	Warrants	Share-based compensation reserve	Accumulated other comprehensive loss	Deficit	Total
Balance, March 31, 2016	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**-**	**$ (36,175,633)**	**$ (559,361)**
Net loss and comprehensive loss for the period			-	-	-	(278,374)	(278,374)
Balance, December 31, 2016	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**$ -**	**$ (36,454,007)**	**$ (837,735)**
Balance, March 31, 2017	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**-**	**$ (36,520,187)**	**$ (903,915)**
Shares and warrants issued in private placement (note 10)	3,063,000	263,535	-	-	-	-	263,535
Share issue costs (note 10)	-	(9,501)	-	-	-	-	(9,501)
Broker warrants issued in private placement (note 11)	-	(10,387)	10,387	-	-	-	-
Shares issued for acquisition of Goldway SRL ("Goldway") (note 7)	5,000,000	550,000	-	-	-	-	550,000
Shares issued for settlement of debt (note 10)	3,860,593	424,665	-	-	-	-	424,665
Stock based compensation	-	-	-	312,785	-	-	312,785
Other comprehensive loss	-	-	-	-	(2,589)	-	(2,589)
Net loss and comprehensive loss for the period	-	-	-	-	-	(923,040)	(923,040)
Balance, December 31, 2017	**14,703,420**	**$ 32,720,055**	**$ 10,387**	**$ 4,427,314**	**$ (2,589)**	**$ (37,443,227)**	**$ (288,060)**

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

1. Nature of operations and going concern

Intercontinental Gold and Metals Ltd. (the "Company" or ICAU), formerly Geodex Minerals Ltd. ("Geodex") was incorporated under the British Columbia Business Corporations Act. The Company's head office is located at 365 Bay Street, Suite 400, Toronto, Ontario, M5H 2V1 and it is listed on the TSX-Venture ("TSXV") and Frankfurt exchanges under the symbol ICAU.

The Company has been in the business of acquiring exploration and evaluation assets and in June 2015, the Company initiated the strategy of becoming an integrated metal trading and resources company. On July 22, 2015, the Company signed a non-binding letter of intent ("LOI") with the shareholders of Goldway S.R.L. ("Goldway"), in order for the Company to acquire 100% of the capital stock of Goldway. On January 22, 2016, the Company revised the terms of the acquisition purchase price.

On August 10, 2017, the Company completed the acquisition (the "Acquisition") of all of the outstanding shares of Goldway in exchange for (i) the issuance by the Company to Goldway's shareholders of a total of 5,000,000 common shares; and (ii) US$100,000, payable in cash, pursuant to a share exchange agreement (the "Share Exchange Agreement") As a result of the Acquisition, Goldway has become a wholly-owned subsidiary of the Company, and will continue to be active in the gold and metals trading business in Bolivia. With the completion of the Acquisition, the Company restructured into a revenue generating, gold and metals trading business.

On November 6, 2017, the Company announced that it changed its name from "Geodex Minerals Ltd." to "Intercontinental Gold and Metals Ltd.". The Company also changed its ticker symbol from "GXM" to "ICAU"(note 16).

On February 9, 2016, the Company completed a share consolidation of its common shares of one (1) post-consolidation common share for every ten (10) pre-consolidation common shares (the "Share Consolidation"). As part of the Share Consolidation, the stock options and warrants were also consolidated and the exercise price adjusted to reflect the consolidation. The Share Consolidation has been reflected retrospectively in these financial statements and all applicable references to the number of shares, warrants and stock options and their strike price and per share information have been restated.

As at December 31, 2017, the Company has a working capital of $324,791 (March 31, 2017 – $903,915) and an accumulated deficit of $37,443,227 (March 31, 2017 – $36,502,187). The Company expects to incur further losses in the development of its business. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of November 29, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended March 31, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

Adoption of accounting policies upon acquisition of Goldway

Foreign currency translation

The individual financial records of each group entity are kept in the currency of the primary economic environment in which the entity operates (its functional currency). The functional currency of ICAU is determined to be Canadian Dollar and the functional currency of Goldway is determined to be US Dollar.

Transactions in currencies other than the Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates on the date of the initial transaction.

Exchange differences are recognized in profit and loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the foreign entities are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising are recognized as a separate component of equity and as a foreign currency translation adjustment in other comprehensive income in the consolidated statements of loss and comprehensive loss.

Inventory

Raw materials represents gold bar purchased from smelters for further processing. Work in process represents gold bar in the refinery processing that has not completed the production processes and is not yet in a saleable form. Finished goods inventory represents gold in saleable form.

Raw materials are valued at the lower of cost and net realizable value. Cost is determined on a weighted average basis and includes all costs incurred in bring each product to its present location and condition. Net realizable value is determined with reference to relevant market price less applicable variable selling expenses.

2. Significant accounting policies (continued)

Equipment

Estimated useful lives of major assets categories:

Office equipment	5 years
Processing equipment	5 years
Refinery machinery	5 years

Equipment is stated at cost, less accumulated amortization and any impairment in value. Cost includes the purchase price (after deducting trade discounts and rebates), any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the estimate of the present value of the costs of dismantling and removing the item and restoring the site. Subsequent costs are included in the assets carrying amount or are 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 de-recognized. The cost of the day-to-day servicing of equipment are recognized in the income statement as incurred.

Goodwill

Under the acquisition method of accounting, the costs of business combinations are allocated to the assets acquired and liabilities assumed based on the estimated fair value at the date of acquisition. The excess of the fair value of consideration paid over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is not amortized; instead it is tested for impairment in the fourth quarter and also when there is an indicator of impairment. At the date of acquisition, goodwill is assigned to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. For the purposes of impairment testing, goodwill is allocated to the Company's operating segments, which are the geographical locations of the Company and corresponds to the level at which goodwill is internally monitored by the Chief Operating Decision Maker ("CODM"), the Chief Executive Officer.

The recoverable amount of an operating segment is the higher of value in use and fair value less cost to sell. A goodwill impairment is recognized for any excess of the carrying amount of the operating segment over its recoverable amount. Goodwill impairment charges are not reversible.

Promissory note

Promissory note is recognized initially at fair value, net of financing costs incurred, and subsequently measured at amortized cost. Any difference between the amounts originally received and the redemption value of the promissory note is recognized in the consolidated statements of loss over the period to maturity using the effective interest method.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Revenue recognition

The Company records revenue when evidence exists that all of the following criteria are met:

- The significant risks and rewards of ownership of the product have been transferred to the buyer;
- Neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, has been retained;
- The amount of revenue can be reliably measured; and
- It is probable that the economic benefits associated with the sale will flow to the Company.

These conditions are generally satisfied when the buyer accepts the product and confirms the sales price and title passes to the buyer.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after April 1, 2017. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IFRS 7: Amended to require additional disclosures on transition from IAS 39 and IFRS 9, effective for annual periods beginning on or after January 1, 2018.

IFRS 9: New standard that replaced IAS 39 for classification and measurement outlines the requirements for the recognition and measurement of financial assets, financial liabilities, and some contracts to buy or sell non-financial items. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15: New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 16: New standard introducing a single accounting model for lessess and for all leases with a term of more than 12 months, unless the underlying asset is of low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

3. Cash

		December 31, 2017		March 31, 2017
Cash	**$**	**505,677**	$	5,752
Cash held in trust account		**14,058**		1,466
	$	**519,735**	$	7,218

(Expressed in Canadian Dollars)

4. Receivable

	December 31, 2017	March 31, 2017
HST receivable	**$ 69,332**	$ 30,467
Other receivable	**423,910**	-
	$ 493,242	$ 30,467

5. Marketable securities

The Company holds 5,000 shares in Cache Exploration Inc. ("Cache") as part of a property option agreement. The shares have been re-valued at December 31, 2017 to their fair market value of $275 (March 31, 2017 – $800).

6. Equipment

Cost	Refinery Machines	Processing Equipment	Office Equipment	Total
Balance, March 31, 2017	$ -	$ -	$ -	$ -
Additions from acquisition of Goldway	-	28,941	12,899	41,840
Additions	227,174	40,609	-	267,783
Foreign exchange	(2,966)	(895)	(162)	(4,023)
Balance, December 31, 2017	$ 224,208	$ 68,655	$ 12,737	$ 305,600

Accumulated depreciation	Refinery Machines	Processing Equipment	Office Equipment	Total
Balance, March 31, 2017	$ -	$ -	$ -	$ -
Additions from acquisition of Goldway	-	13,794	5,156	18,950
Foreign exchange	-	(65)	10,380	10,315
Balance, December 31, 2017	$ -	$ 13,729	$ 15,536	$ 29,265

Carrying value	Refinery Machines	Processing Equipment	Office Equipment	Total
Balance, March 31, 2017	$ -	$ -	$ -	$ -
Balance, December 31, 2017	$ 224,208	$ 54,926	$ (2,799)	$ 276,335

(Expressed in Canadian Dollars)

7. Acquisition of Goldway

On August 9, 2017, the Company completed the Acquisition of all of the outstanding shares of Goldway in exchange for (i) the issuance by the Company to Goldway's shareholders of a total of 5,000,000 common shares; and (ii) US$100,000, payable in cash, pursuant to the Share Exchange Agreement. As a result of the Acquisition, Goldway has become a wholly-owned subsidiary of the Company, and will continue to be active in the gold and metals trading business in Bolivia.

The Acquisition of Goldway was accounted for as a business combination in accordance with IFRS 3, Business Combination and was accounted for using the acquisition method. The Company was identified as the acquirer. Goldway's assets and liabilities were remeasured at their individual fair value estimated as at August 9, 2017 and Goldway's financial results have been consolidated commencing from August 10, 2017.

The following summarizes the consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date. The fair values have been estimated to be approximately equal to the book value of the assets and liabilities. Changes to such estimates could be material.

Purchase price		
Cash	$	127,050
Shares (5 million)		550,000
	$	677,050

Fair value of net assets acquired		
Cash	$	36
Receivable		12,971
Inventory		6,074
Equipment		22,890
Accounts payable and accrued liabilities		(24,280)
	$	17,691
Goodwill	$	659,359

The Company has not yet completed a full valuation of the assets and liabilities as the process of estimating the value of inventory, equipment and certain other assets and liabilities is complex. Accordingly, the fair value of the assets and liabilities could change when the purchase price allocation is completed. Specifically, significant items that may change include inventory, equipment and accounts payable and accrued liabilities.

From the closing date of the Acquisition, revenues of $19,382,840 and net income of $141,970 were generated by Goldway's operations.

(Expressed in Canadian Dollars)

8. Accounts payable and accrued liabilities

		December 31, 2017		March 31, 2017
Accounts payables	**$**	**489,832**	$	581,164
Accrued liabilities		**282,836**		319,641
	$	**772,668**	$	900,805

9. Promissory note

On August 9, 2017, the Company has completed its previously announced non-brokered private placement ("Concurrent Offering") through the issuance of 2,042 units (the "Units") at a price of C$900 per Unit for aggregate gross proceeds of C$1,837,800. Each Unit is comprised of: (i) one promissory note in the principal amount of C$1,000 subject to a coupon interest rate of 10% per annum; (ii) 1,500 common shares; and (iii) 1,500 common share purchase warrants. The Company incurred cash commission of $56,268 for the Concurrent Offering and issued 96,480 broker warrants. $9,797 of the cash commission was allocated to the share capital and the remaining $46,471 was allocated to the promissory note. Of the 2,042 Units issued, 75 Units in the amount of $75,000 were issued in settlement of $67,500 debt, of which 45 Units in the amount of $45,000 were issued in settlement of debt with a company controlled by the Chief Executive Officer ("CEO"), Gord Glenn.

The Company used the residual method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,527,498 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $243,647 was attributed to the shares, $10,387 was allocated to the broker warrants and $nil was allocated to the warrants.

10. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value and unlimited number of Class A preference shares without par value.

(Expressed in Canadian Dollars)

10. Share capital (continued)

b) Common shares issued

As at December 31, 2017, the Company had 14,703,420 common shares outstanding with a book value of $32,720,055.

	Number of common shares	Amount
Balance, March 31, 2016 and December 31, 2016	2,779,827	$ 31,501,743
Balance, March 31, 2017	2,779,827	$ 31,501,743
Shares issued in private placement (note 9)	3,063,000	263,535
Transaction costs (note 9)	-	(9,501)
Broker warrants (i)	-	(10,387)
Shares issued for the Acquisition of Goldway (note 7)	5,000,000	550,000
Shares issued for debt settlement (ii)	3,860,593	424,665
Balance, December 31, 2017	14,703,420	$ 32,720,055

(i) The fair value of the 96,480 broker warrants was estimated at $10,387 using the Black-Scholes valuation model using the following assumptions: exercise price of $0.10, risk-free rate of $1.46%, volatility of 203.12%, dividend yield of 0% and time to expiry of 5 years.

(ii) On August 9, 2017, the Company has also issued an aggregate of 3,860,593 common shares in settlement of an aggregate of $386,059 of outstanding indebtedness at a price of $0.11 per common share with arm's length and non-arm's length parties (the "Debt Settlement"). Of this amount, $264,641 of the indebtedness relating to the provision of management and director consulting services and fees for an aggregate of 2,646,411 common shares, were issued to Mr. Gorden Glenn, through a company owned and controlled by him, and Mr. Chris Irwin, directors and officers of the Company. A loss of $38,606 was recorded in the unaudited condensed interim consolidated statements of loss and comprehensive loss for the three and six months ended September 30, 2017.

11. Stock options and warrants

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price, minimum price or a discounted price, of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years and vesting is determined by the Board of Directors.

(Expressed in Canadian Dollars)

11. Stock options and warrants (continued)

Stock options (continued)

	Number of options	Weighted average exercise price
Balance, March 31, 2016 and December 31, 2016	169,000	$ 1.11
Options cancelled	(117,000)	1.11
Balance, March 31, 2017	52,000	1.10
Options cancelled	(40,000)	1.10
Options granted	2,420,000	0.11
Balance, December 31, 2017	2,432,000	$ 0.11

The following table reflects the stock options issued and outstanding and exercisable as of December 31, 2017:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 11, 2018	1.20	0.03	6,000	6,000
January 16, 2019	1.00	1.04	6,000	6,000
August 10, 2022	0.11	4.61	1,830,000	1,830,000
August 10, 2019	0.11	1.61	590,000	590,000
		3.86	2,432,000	2,432,000

During the nine months ended December 31, 2017, the Company granted 2,420,000 stock options with a fair value, using the Black-Scholes Option Pricing Model, of $312,785. Share-based compensation expense for the nine months ended December 31, 2017 was $312,785 which was offset to the share-based compensation reserve.

The following weighted average assumptions were used to value the stock options granted during the nine months ended December 31, 2017:

Risk-free interest rate	1.21% to1.39%
Expected life of options	2 to 5 years
Annualized volatility	173% to 179%
Dividend yield	0.00%

(Expressed in Canadian Dollars)

11. Stock options and warrants (continued)

Warrants

Warrants transactions were as follows:

	Number of warrants		Weighted average exercise price
Balance, March 31, 2016	365,000	$	0.24
Expired	(30,000)		0.70
Balance, December 31, 2016 and March 31, 2017	335,000	$	0.20
Expired	(335,000)		0.20
Issued	3,036,000		0.10
Balance, December 31, 2017	3,036,000	$	0.10

As at December 31, 2017, the Company had outstanding share purchase warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	3,036,000	4.61

Broker warrants

Broker warrants transactions were as follows:

	Number of warrants		Weighted average exercise price
Balance, March 31, 2017	-	$	-
Issued	96,480		0.10
Balance, December 31, 2017	96,480	$	0.10

As at December 31, 2017, the Company had outstanding share purchase warrants, enabling the holders to acquire common shares as follows:

Expiry date	Exercise price ($)	Number of warrants outstanding	Weighted average remaining life (years)
August 8, 2022	0.10	96,480	4.61

(Expressed in Canadian Dollars)

12. Related party transactions

(a) The Company entered into the following transactions with related parties recorded as legal fees and share issue costs:

	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Irwin Lowy LLP (i)	**$ -**	$ -	**$ -**	$ 11,917

(i) A director of the Company is a partner at Irwin Lowy LLP, a law firm, and these fees related to professional services provided by the firm. As at December 31, 2017, the Company owed $16,017 (March 31, 2017 - $26,883) to this firm and this amount was included in accounts payable and accrued liabilities. The amount is unsecured, non-interest bearing with no fixed terms of repayment.

(b) Compensation of key management personnel of the Company:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the Board of Directors, corporate officers, including the Chief Executive Officer and Interim Chief Financial Officer, as well as the Vice President of Exploration and the Country Manager.

	Three months ended December 31, 2017	Three months ended December 31, 2016	Nine months ended December 31, 2017	Nine months ended December 31, 2016
Consulting fees	**$ 76,233**	$ 60,000	**$ 183,917**	$ 120,000
Director's fees	**8,000**	12,500	**23,500**	20,000
Share-based compensation	**246,124**	-	**246,124**	-
	$ 330,357	$ 72,500	**$ 453,541**	$ 140,000

As at December 31, 2017, accounts payable and accrued liabilities included $613,603 (March 31, 2017 - $848,861) owing to former directors, former officers and a company controlled by the Chief Executive Officer. As at December 31, 2017, a loan for $78,564 (March 31, 2017 - $44,275) was owed to the Chief Executive Officer. The loan bears no interest and has no fixed terms of repayment.

13. Financial instruments and risk management

The fair value of cash and marketable securities are measured based on level 1 of the fair value hierarchy. The fair values of receivable, accounts payable and accrued liabilities and loan from related party approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company places its cash in major financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of December 31, 2017, the Company had a cash balance of $519,735 to settle current liabilities of $851,232. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is nominally exposed to foreign currency risk on fluctuations related to assets and liabilities that are denominated in US Dollars and Bolivian Peso.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

13. Financial instruments and risk management (continued)

Sensitivity analysis

The Company holds marketable securities which would give rise to exposure to price risk. Sensitivity to a plus or minus 10% change in the market price of the marketable securities would affect the loss and comprehensive loss by approximately $28.

Fair value hierarchy

Receivables have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities and loan from related party are classified as other financial liabilities and are measured at amortized cost. Cash and marketable securities are classified as fair value through profit and loss ("FVTPL") and carried at fair value.

IFRS 7 - Financial Instruments: Disclosures requires classification of fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and,
Level 3: Inputs for the asset or liability that are not based on observable market data.

As at December 31, 2017 and March 31, 2017, none of the Company's financial instruments were held at fair value other than cash and marketable securities which were classified as level 1 financial instruments.

14. Capital management

The Company defines capital that it manages as shareholders' deficiency, consisting of share capital, reserve and deficit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

There was no change in management's approach to capital management during the period ended December 31, 2017.

(Expressed in Canadian Dollars)

15. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Company's CEO.

The Company's reportable segments are based on the geographic region for the Company's operations and include Canada and Bolivia.

The segmental report is as follows:

As at December 31, 2017	Canada	Bolivia	Total
Current assets	$ 276,637	$ 899,386	$ 1,176,023
Equipment	-	276,335	276,335
Long-term deposit	-	3,744	3,744
Goodwill	-	659,359	659,359
Total assets	$ 276,637	$ 1,838,824	$ 2,115,461
Total liabilities	$ 791,531	$ 59,701	$ 851,232
Net income (loss) for the nine months ended December 31, 2017	$ (1,074,010)	$ 141,970	$ (932,040)

As at December 31, 2016	Canada	Bolivia	Total
Current assets and total assets	$ 41,165	$ -	$ 41,165
Total liabilities	$ 945,080	$ -	$ 945,080
Net loss for the nine months ended December 31, 2016	$ (278,374)	$ -	$ (278,374)

16. Subsequent events

Subsequent to December 31, 2017, 6,000 stock options expired unexercised.

On January 5, 2018, the Company closed the first tranche ("First Tranche") of its previously announced unit financing. In connection with the First Tranche, the Company issued, as a loan bonus in accordance with Policy 5.1 of the TSX Venture Exchange (the "TSXV"), an aggregate of 1,320 units (the "Units") at a price of $1,000 per Unit for aggregate gross proceeds of $1,320,000. Each Unit is comprised of: (i) one promissory note in the principal amount of C$1,000 bearing a coupon of 10.0%, payable semi-annually, with a 5-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrant"). Each Bonus Warrant is exercisable for one common share of the Company at a price of $0.20 per share until January 5, 2023. In connection with the First Tranche, the Company paid cash commissions equal to 6% of the gross proceeds of the Offering to certain eligible finders (the "Finders") and issued an aggregate of 60 finder warrants (the "Finder Warrants") to such Finders. Each Finder Warrant entitles the holder to acquire one common share of the Company at a price of $0.20 per share until January 5, 2023. Proceeds of the financing will be used for gold trading activities and project development capital for the Company's current operations in Bolivia, expansion of gold trading activities into Peru and Brazil, and for general working capital purposes. The First Tranche closing constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 ("MI 61-101") as an insider of the Company subscribed for an aggregate of 300 Units pursuant to the First Tranche. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the First Tranche by the insider does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the First Tranche, which the Company deems reasonable in the circumstances in order to complete the financing in an expeditious manner. All securities issued pursuant to the First Tranche are subject to a hold period expiring four months and one day from the date hereof.