INTERCONTINENTAL GOLD AND METALS LTD.
(FORMERLY GEODEX MINERALS LTD.)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2018
(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 June 30, 2018		As at March 31, 2018
ASSETS				
Current assets				
Cash (note 3)	$	**5,169,736**	$	1,609,337
Receivables (note 4)		**125,740**		63,944
Marketable securities (note 5)		**200**		200
Inventory (note 6)		**5,497,861**		1,431,115
Prepaid expenses and advances		**1,577,377**		133,496
Total current assets		**12,370,914**		3,238,092
Non-current assets				
Equipment (note 7)		**395,391**		386,844
Goodwill		**1,043,359**		1,043,359
Total assets	**$**	**13,809,664**	$	4,668,295
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current liabilities				
Accounts payable and accrued liabilities (notes 8 and 12)	**$**	**9,537,200**	$	1,167,811
Customer deposits		**-**		1,212,897
Income tax payable		**56,754**		56,000
Total current liabilities		**9,593,954**		2,820,708
Non-current liabilities				
Promissory notes (note 9)		**3,983,321**		2,350,613
Contingent consideration		**384,000**		384,000
Total liabilities		**13,961,275**		5,171,321
Shareholders' deficiency				
Share capital (note 10)		**33,537,687**		32,943,911
Reserves (note 11)		**5,159,173**		4,631,609
Accumulated other comprehensive income		**14,948**		45,863
Deficit		**(38,863,419)**		(38,124,409)
Total shareholders' deficiency		**(151,611)**		(503,026)
Total liabilities and shareholders' deficiency	**$**	**13,809,664**	$	4,668,295

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 June 30, 2018	Three months ended June 30, 2017
Revenue	**$ 29,692,802**	$ -
Cost of sales	**29,350,383**	-
	342,419	-
Operating expenses		
Accounting and audit	**12,329**	7,635
Consulting fees (note 12(b))	**289,368**	141,340
Director fees (note 12(b))	**8,000**	5,500
Business development	**40,558**	-
Shareholder information and investor relations	**78,774**	-
Legal (note 12(a))	**86,437**	-
Office and miscellaneous	**113,016**	20,023
Depreciation (note 7)	**21,417**	-
Salaries and benefits (note 12)	**14,000**	-
Share-based compensation (note 11)	**407,449**	-
Transfer agent and regulatory fees	**5,626**	5,030
	(1,076,974)	(179,528)
Unrealized gain on marketable securities (note 5)	**-**	400
Foreign exchange gain	**50,893**	-
Accretion on bonds (note 9)	**(39,430)**	-
Interest expense on bond (note 9)	**(176,164)**	-
Interest income	**160,246**	-
Net loss for the period	**(739,010)**	(179,128)
Other comprehensive income		
Foreign exchange translation adjustment	**(30,915)**	-
Total comprehensive loss for the period	**$ (769,925)**	$ (179,128)
Basic and diluted net loss per share	**$ (0.04)**	$ (0.06)
Weighted average number of common shares outstanding (basic and diluted)	**17,405,882**	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

	Three months ended June 30, 2018	Three months ended June 30, 2017
Operating activities		
Net loss for the period	**$ (739,010)**	$ (179,128)
Adjustments for:		
Depreciation expense	**21,417**	-
Share-based compensation	**407,449**	-
Unrealized gain on marketable securities	**-**	(400)
Accretion on bonds	**39,430**	-
Accrued interest expense	**153,131**	-
Foreign exchange	**754**	-
Changes in non-cash working capital items:		
Receivable	**(61,796)**	(10,774)
Prepaid expenses and advances	**(1,443,881)**	-
Inventory	**(4,066,746)**	-
Increase in accounts payable and accrued liabilities	**8,216,258**	180,212
Customer deposits	**(1,212,897)**	-
Net cash provided by (used in) operating activities	**1,314,109**	(10,090)
Investing activities		
Acquisition of equipment	**(21,737)**	-
Net cash used in investing activities	**(21,737)**	-
Financing activities		
Unit financing	**2,430,000**	-
Unit financing costs	**(143,231)**	-
Due to related party	**-**	4,478
Exercise of broker warrants	**20,400**	-
Proceeds from shares to be issued	**-**	143,422
Net cash provided by financing activities	**2,307,169**	147,900
Impact of foreign exchange on cash balance	**(39,142)**	-
Net change in cash	**3,599,541**	137,810
Cash, beginning of period	**1,609,337**	7,218
Cash, end of period	**$ 5,169,736**	$ 145,028

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 income	Deficit	Total
Balance, March 31, 2017	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**$ -**	**$ (36,520,187)**	**$ (903,915)**
Net loss and comprehensive loss for the period			-	-	-	(179,128)	(179,128)
Balance, June 30, 2017	**2,779,827**	**$ 31,501,743**	**$ -**	**$ 4,114,529**	**$ -**	**$ (36,699,315)**	**$ (1,083,043)**
Balance, March 31, 2018	**15,698,964**	**$ 32,943,911**	**$ 267,204**	**$ 4,364,405**	**$ 45,863**	**$ (38,124,409)**	**$ (503,026)**
Shares and warrants issued in private placements (note 10)	1,822,500	637,875	92,384	-	-	-	730,259
Share issue costs (note 10)	-	(36,768)	-	-	-	-	(36,768)
Broker warrants issued in private placement (note 11)	-	(33,680)	33,680	-	-	-	-
Shares issued upon exercise of warrants and broker warrants	204,000	20,400	-	-	-	-	20,400
Reclassification of fair value of warrants and broker warrants exercised	-	5,949	(5,949)	-	-	-	-
Stock based compensation	-	-	-	407,449	-	-	407,449
Foreign exchange translation adjustments	-	-	-	-	(30,915)	-	(30,915)
Net loss and comprehensive loss for the period	-	-	-	-	-	(739,010)	(739,010)
Balance, June 30, 2018	**17,725,464**	**$ 33,537,687**	**$ 387,319**	**$ 4,771,854**	**$ 14,948**	**$ (38,863,419)**	**$ 823,054**

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; (ii) US$100,000, payable in cash and (iii) US$500,000 deferred contingent cash consideration 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".

As at June 30, 2018, the Company has a working capital of $2,776,960 (March 31, 2018 – $417,384) and an accumulated deficit of $38,863,419 (March 31, 2018 – $38,124,409). 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 October 5, 2018, 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, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending March 31, 2019 could result in restatement of these unaudited condensed interim consolidated financial statements.

Accounting policies adoptions and changes

IFRS 15 - Revenue From Contracts With Customers ("IFRS 15")

IFRS 15 proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. On April 1, 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have a significant impact on its financial statements.

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on April 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. Significant accounting policies (continued)

Accounting policies adoptions and changes (continued)

IFRS 9 Financial Instruments ("IFRS 9") (continued)

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	**IAS 39**	**IFRS 9**
Cash	Loans and receivables (amortized cost)	Amortized cost
Receivable	Loans and receivables (amortized cost)	Amortized cost
Marketable securities	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Customer deposits	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

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, 2018. The following has not yet been adopted by the Company and is not expected to have a significant impact on the financial statements.

IFRS 16: New standard introducing a single accounting model 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.

(Expressed in Canadian Dollars)

3. Cash

	June 30, 2018	March 31, 2018
Cash	**$ 5,055,926**	$ 1,604,722
Cash held in trust account	**113,810**	4,615
	$ 5,169,736	$ 1,609,337

4. Receivables

	June 30, 2018	March 31, 2018
HST receivable	**$ 94,625**	$ 27,327
Other receivable	**31,115**	36,617
	$ 125,740	$ 63,944

5. Marketable securities

The Company holds 5,000 shares in Cache Exploration Inc.. The shares have been re-valued at June 30, 2018 to their fair market value of $200 (March 31, 2018 – $800).

6. Inventory

As at June 30, 2018, the Company's inventory consists of gold in saleable form of dore and bullion bars. During the three months ended June 30, 2018, the Company recorded cost of sales totalling $29,350,383 (three months ended June 30, 2017 - $nil).

(Expressed in Canadian Dollars)

7. Equipment

Cost	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2018	$ 392,492	$ 24,432	$ 416,924
Additions	18,640	3,097	21,737
Foreign exchange	8,712	581	9,293
Balance, June 30, 2018	$ 419,844	$ 28,110	$ 447,954

Accumulated depreciation	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2018	$ 24,846	$ 5,234	$ 30,080
Depreciation	20,116	1,301	21,417
Foreign exchange	929	137	1,066
Balance, June 30, 2018	$ 45,891	$ 6,672	$ 52,563

Carrying value	**Refinery Machines**	**Office Furniture & Equipment**	**Total**
Balance, March 31, 2018	$ 367,646	$ 19,198	$ 386,844
Balance, June 30, 2018	$ 373,953	$ 21,438	$ 395,391

8. Accounts payable and accrued liabilities

	June 30, 2018	**March 31, 2018**
Accounts payables	**$ 9,374,484**	$ 812,476
Accrued liabilities	**162,716**	355,335
	$ 9,537,200	$ 1,167,811

9. Promissory notes

On August 9, 2017, the Company completed a non-brokered private placement ("Concurrent Offering") through the issuance of 2,042 units (the "Units") at a price of $900 per Unit for aggregate gross proceeds of $1,837,800. Each Unit is comprised of: (i) one promissory note in the principal amount of $1,000 subject to a coupon interest rate of 10% per annum over a five year term; (ii) 1,500 common shares; and (iii) 1,500 common share purchase warrants. The Company incurred a cash commission of $56,268 for the Concurrent Offering and issued 96,480 broker warrants with a value of $10,387.

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,463,076 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. Of the residual value, $336,930 was attributed to the shares, and $37,794 was allocated to the warrants. The Company incurred total transaction costs of $66,268 of which $54,730 was allocated to promissory note issuance costs and $11,538 as share issuance costs.

On January 5, 2018, the Company closed the first tranche ("First Tranche") of a unit financing. In connection with the First Tranche, the Company issued an aggregate of 1,320 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 $1,000 bearing a coupon of 10.0%, payable semi-annually, with a five-year term (each, a "Note"); (ii) 750 common shares (the "Bonus Shares"); and (iii) 750 common share purchase warrants (the "Bonus Warrants"). 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 and issued an aggregate of 45,000 finder warrants with a value of $10 (the "Finder Warrants"). 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. All securities issued pursuant to the First Tranche are subject to a hold period expiring four months and one day from the date hereof.

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $932,090 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $168,300 was attributed to the shares and $219,610 was allocated to the warrants. The Company incurred transaction costs of $66,000 of which $49,057 was allocated to the liability component and remaining $16,943 was allocated to the share capital.

On April 13, 2018, the Company completed the second and final tranche of its previously announced unit financing (the "Offering") and issued, as a loan bonus in accordance with Policy 5.1 of the TSX Venture Exchange (the "TSXV"), an additional 2,430 units (the "Units") at a price of $1,000 per Unit for additional gross proceeds of $2,430,000. The aggregate gross proceeds raised pursuant to the Offering was $3,750,000 through the issuance of 3,750 Units. Each Unit consists of: (i) one promissory note in the principal amount of $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 Warrants"). Each Bonus Warrant is exercisable into one common share of the Company at a price of $0.20 per common share for a period of five years from the date of issuance. In connection with the second tranche, certain eligible persons (the "Finders") were paid a cash commission equal to 6% of the proceeds raised from subscribers introduced to the Company by such Finders and also issued an aggregate of 99,000 broker warrants with a value of $33,680 (the "Broker Warrants") to such Finders, with each Broker Warrant entitling the holder to acquire one common share at a price of $0.20 for a period of five years from the date of issuance.

9. Promissory notes (continued)

The Company used the residual value method to allocate the proceeds between the liability and the equity components. Under this method, the fair value of the liability of $1,532,278 was computed as the present value of future principal and interest payments discounted at a rate of 18% per annum. The residual value of $637,875 was attributed to the shares and $92,384 was allocated to the warrants. The Company incurred transaction costs of $143,231 of which $106,463 was allocated to the liability component and remaining $36,768 was allocated to the share capital.

During the three months ended June 30, 2018, the Company recorded $176,164 in interest expense and accretion on bonds of $39,430. As at June 30, 2018, accrued interest of $153,131 (March 31, 2018 - $178,506) was included in accounts payable and accrued liabilities.

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.

b) Common shares issued

As at June 30, 2018, the Company had 17,725,464 common shares outstanding.

(i) As outlined in Note 9, the Company issued a total of 1,822,500 common shares in connection with the Unit Offerings in April 2018.

(ii) On May 11, 2018, the Company announced that it intends to proceed with a normal course issuer bid to purchase up to 877,873 of its common shares (the “Bid”). The Company received acceptance from the TSX Venture Exchange to commence the Bid on May 14, 2018. The Bid will terminate on May 14, 2019, or an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels appropriate to do so.

(Expressed in Canadian Dollars)

11. Stock options and warrants

Stock options

The Company has a stock option plan under which it is authorized to grant up to a maximum of 2,940,684 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.

	Number of options	Weighted average exercise price
Balance, March 31, 2017	52,000	1.10
Options cancelled	(40,000)	1.10
Balance, June 30, 2017	12,000	1.10
Balance, March 31, 2018	2,436,000	$ 0.11
Options granted	1,060,000	0.45
Balance, June 30, 2018	3,496,000	$ 0.21

The following table reflects the stock options issued and outstanding and exercisable as of June 30, 2018:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
January 16, 2019	1.00	0.55	6,000	6,000
August 10, 2022	0.11	4.11	2,138,000	2,138,000
August 10, 2019	0.11	1.11	292,000	292,000
April 20, 2023	0.45	4.81	1,060,000	1,060,000
		4.07	3,496,000	3,496,000

(Expressed in Canadian Dollars)

11. Stock options and warrants (continued)

Stock options (continued)

During the three months ended June 30, 2018, the Company granted 1,060,000 stock options with a fair value, using the Black-Scholes Option Pricing Model, of $407,449. Share-based compensation expense for the three months ended June 30, 2018 was $407,449 which was offset to the share-based compensation reserve.

The following weighted average assumptions were used to value the stock options granted during the three months ended March 31, 2018:

Risk-free interest rate	2.17%
Expected life of options	5 years
Annualized volatility	184.79%
Dividend yield	0.00%

Warrants

Warrant transactions were as follows:

	Number of warrants		Weighted average exercise price
Balance, March 31, 2017 and June 30, 2017	335,000		0.20
Balance, March 31, 2018	4,053,000	$	0.12
Exercised	(168,000)		0.10
Issued	1,822,500		0.20
Balance, June 30, 2018	5,707,500	$	0.20

As at June 30, 2018, the Company had outstanding 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	2,895,000	4.11
January 5, 2023	0.20	990,000	4.52
April 13, 2023	0.20	1,822,500	4.79
		5,707,500	4.40

(Expressed in Canadian Dollars)

11. Stock options and warrants (continued)

Broker warrants

Broker warrants transactions were as follows:

	Number of warrants	Weighted average exercise price
Balance, March 31, 2017 and June 30, 2017	-	$ -
Balance, March 31, 2018	135,936	$ 0.10
Issued	99,000	0.20
Expired	(36,000)	0.10
Balance, March 31, 2018	198,936	$ 0.17

As at June 30, 2018, the Company had outstanding broker 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	54,936	4.11
January 5, 2023	0.20	45,000	4.52
April 12, 2023	0.20	99,000	4.79
		198,936	4.54

The following weighted average assumptions were used to value broker warrants during the three months ended June 30, 2018:

Risk-free interest rate	2.13%
Expected life of warrants	5 years
Annualized volatility	184.75%
Dividend yield	0%

(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 June 30, 2018	Three months ended June 30, 2017
Irwin Lowy LLP (i)	**$ 84,102**	$ -

(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 ($72,871 was recorded as legal fees and $11,231 was recorded as share issuance costs). As at June 30, 2018, the Company owed $44,067 (March 31, 2018 - $17,774) 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, VP Operations and the Country Managers.

	Three months ended June 30, 2018	Three months ended June 30, 2017
Salaries and benefits	**$ 221,521**	$ -
Consulting fees	**131,663**	60,000
Director's fees	**8,000**	5,500
Share-based compensation	**230,631**	-
	$ 591,815	$ 65,500

As at June 30, 2018, accounts payable and accrued liabilities included $278,918 (March 31, 2018 - $639,599) owing to former directors, former officers, directors, Country Manager, VP Operations and a company controlled by the Chief Executive Officer. The amounts bear no interest and has no fixed terms of repayment.

12. Related party transactions (continued)

During the three months ended June 30, 2018, the Company issued 230 Units in second tranche of its previously announced unit financing completed on April 13, 2018 to a company owned by a director and officer (note 9).

As at June 30, 2018, total Promissory Notes payable to Related Parties as of June 30, 2018 were $500,598 (March 31, 2018 - $399,811)

13. Financial instruments and risk management

The fair value of cash and marketable securities are measured based on level 1 inputs of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and loan from related party approximate their fair value because of the short-term nature of these instruments. The promissory notes are measured at carrying value at the effective interest rate which approximates fair value.

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 June 30, 2018, the Company had a cash balance of $5,169,736 to settle current liabilities of $9,593,954. 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.

13. Financial instruments and risk management (continued)

Interest rate risk

The Company has cash balances and the promissory notes are subject to fixed interest rates. 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 Bolivianos.

Gold price risk

The Company is exposed to gold price risk given that its revenues are derived from the sale of gold through its gold dore and bullion products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's operations may be adversely affected by fluctuations in metal prices. For gold shipped and provisionally invoiced during the three months ended June 30, 2018, a 1% change in gold prices would result in an immaterial increase/decrease in the Company's pre-tax income. As at June 30, 2018, the embedded derivative arising from the provisional pricing is deemed immaterial.

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 $20.

Fair value hierarchy

Receivables have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, loan from related party and promissory notes 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.

13. Financial instruments and risk management (continued)

Fair value hierarchy (continued)

As at June 30, 2018 and March 31, 2018, none of the Company's financial instruments were held at fair value other than cash and marketable securities which were classified as level 1 inputs at the fair value hierarchy.

Trade receivable/payable from provisional sales of gold includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected gold prices and foreign exchange rates. The trade receivable/payable from sales of gold and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

Economic dependence

During the three months ended June 30, 2018, one customer accounted for 100% of the Company's total revenue. The loss of the above customers could have a material adverse effect on the Company's financial position and results of operations.

14. Capital management

The Company defines capital that it manages as shareholders' deficiency, consisting of share capital, reserves 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 metal trading operations. 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 three months ended June 30, 2018.

(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 June 30, 2018	**Canada**	**Bolivia**	**Total**
Current assets	$ 1,129,975	$ 11,240,939	$ 12,370,914
Equipment	-	395,391	395,391
Goodwill	1,043,359	-	1,043,359
Total assets	$ 2,173,334	$ 11,636,330	$ 13,809,664
Total liabilities	$ 4,569,977	$ 9,391,298	$ 13,961,275
Net (loss) income for the three months ended June 30, 2018	$ (1,021,819)	$ 282,809	$ (739,010)

As at March 31, 2018	**Canada**	**Bolivia**	**Total**
Current assets	$ 176,706	$ 3,061,386	$ 3,238,092
Equipment	-	386,844	386,844
Goodwill	1,043,359	-	1,043,359
Total assets	$ 1,220,065	$ 3,448,230	$ 4,668,295
Total liabilities	$ 3,706,544	$ 1,464,777	$ 5,171,321
Net (loss) income for the year ended March 31, 2018	$ (1,795,279)	$ 191,057	$ (1,604,222)

16. Subsequent events

Subsequent to March 31, 2018, 4,536 broker warrants were exercised for proceeds of $454.

INTERCONTINENTAL GOLD AND METALS LTD.

(FORMERLY GEODEX MINERALS LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE

- QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED
JUNE 30, 2018

Introduction

The following Interim Management Discussion & Analysis ("Interim MD&A") of Intercontinental Gold and Metals Ltd. (the "Company", "Intercontinental Gold") has been prepared to provide material updates to the business operations, liquidity and capital resources of the Corporation since its last management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended March 31, 2018. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with Annual MD&A, the audited annual financial statements of the Company for the years ended March 31, 2018 and 2017 and the unaudited condensed interim consolidated financial statements for the three months ended June 30, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended June 30, 2018 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at October 4, 2018 unless otherwise indicated.

The unaudited condensed interim consolidated financial statements for the three months ended June 30, 2018, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Intercontinental Gold's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
The Company may require additional capital in order to meet its ongoing operating expenses and growth objectives for the period ending June 30, 2019	The operating period for the twelve-month period ending June 30, 2019 and the strategy change and the costs associated therewith, will be consistent with Intercontinental Gold's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to Intercontinental Gold	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to meet its working capital needs at the current level for the twelve months ending June 30, 2018 The Company's cash balance at June 30, 2018, may not be sufficient to fund its growth at current levels. At the date hereof, the Company's cash balance remains allocated primarily in support normal business operations.	The operating activities of the Company for the twelve-month period ending June 30, 2019, and the costs associated therewith, will be dependent on executing on our current business plan, consistent with Intercontinental Gold's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favorable to Intercontinental Gold.	Adverse changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
Management outlook regarding future trends	Financing will be available for the Company's growth objectives and development of its gold trading and refining business.	Interest rate and exchange rate fluctuation and political and economic conditions
Asset values for the period ended June 30, 2017 were not left to be impaired	Management's belief that no further write-down is required for its assets resulting from continuing efforts to raise capital (debt or equity, or a combination of both) to implement planned change of business strategy	If the Company does not obtain equity or debt financing on terms favorable to the Company or at all, a decline in asset values that could be deemed to be other than temporary, may result in impairment losses
Sensitivity analysis of financial instruments	Equity price will not be subject to change in excess of plus or minus 10%	Changes in debt and equity markets; interest rate and exchange rate fluctuations

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Intercontinental Gold's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Intercontinental Gold's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Intercontinental Gold was incorporated under the British Columbia Business Corporations Act and on October 30, 2017 was continued to Ontario and is now registered under the Ontario 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 and Frankfurt exchanges under the symbol ICAU and G2W, respectively.

The Company was historically a mineral exploration company engaged in the acquisition and exploration of mineral properties, the evaluation of early staged exploration projects. In June, 2015, the Company initiated the strategy of becoming an integrated metal trading and resources company. As of August 2017, the Company completed its acquisition of Goldway SRL and fulfilled its initial goal of achieving sustainable revenues and cash flows derived from physical gold trading.

The Company currently generates revenue from sale of gold purchased at a discount from licensed Artisanal and Small Gold Miners (ASGM's). Additional income is generated from foreign exchange and net interest margin on cash balances. Forward looking plans include strategic reviews to leverage the Company's gold trading business and access to physical gold, an historical store of value and form of currency to generate revenues from storage and emerging trends in gold-backed digital currency utilizing the latest in distributed ledger technologies.

Operational Highlights

- During the quarter ended June 30, 2018 the Company completed the installation, commissioning and permitting of its refining operations. Refined gold sales/exports during the quarter were 11,818 ounces.
- In addition to refined gold the Company is also separating silver from the dore and as of quarter end accumulated 515 ounces of silver held in inventory for future sale.

<u>Major milestones during the year include</u>;

<u>Gold and Metals Trading Operations and Gold Exports</u>

- **Q1 - FY2019 June 30, 2018** - gold exports of 11,818 ounces
- **Q4 - FY2018 March 31, 2018 Gold Exports** - gold exports of 6,034 ounces
- **Q3 - FY2018 December 31, 2017 Gold Exports** - gold exports of 8,907 ounces
- **Q2 -FY 2018 September 30, 2017 Gold Exports** - gold exports of 2,367 ounces

- Gold trading and exports continued to increase quarter-over-quarter as a result of higher working capital following the April 2018 capital raise.

- **Capital Investment** - During the year ended March 31, 2018 the company made strategic investments in new processing equipment to improve operating efficiency and reduce risk. The equipment was delivered and installed in February/March 2018. The company will expand its product offering to include higher purity gold bars for refiner offtake and will start marketing gold directly to jewelry manufacturer and investors in fiscal 2019.

Finance and Corporate Developments – A year of Re-structuring and Growth

- **Acquisition of Goldway SRL** - During the year ended March 31, 2018 the company closed on the acquisition of Goldway SRL, a licensed gold exporter with operations in Bolivia.

- **Debt settlement** – During the year end March 31, 2018 the company settled outstanding debt of $386,059 to arm's length and non-arm's length parties with the issuance 3,860,590 common shares.

- **Financing –** On April 13, 2018, the Company completed the second and final tranche of its previously announced unit financing (the "Offering") and issued, as a loan bonus in accordance with Policy 5.1 of the TSX Venture Exchange (the "TSXV"), an additional 2,430 units (the "Units") at a price of $1,000 per Unit for additional gross proceeds of $2,430,000. The aggregate gross proceeds raised pursuant to the Offering was $3,750,000 through the issuance of 3,750 Units. Each Unit consists of: (i) one promissory note in the principal amount of $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 Warrants"). Each Bonus Warrant is exercisable into one common share of the Company at a price of $0.20 per common share for a period of five years from the date of issuance.

  In connection with the second tranche, certain eligible persons (the "Finders") were paid a cash commission equal to 6% of the proceeds raised from subscribers introduced to the Company by such Finders and also issued an aggregate of 99,000 broker warrants (the "Broker Warrants") to such Finders, with each Broker Warrant entitling the holder to acquire one common share at a price of $0.20 for a period of five years from the date of issuance.

- **Stock Options –** On April 20, 2018, the Company announced that the Company granted an aggregate of 1,060,000 stock options to purchase common shares of the Company exercisable at a price of $0.45 per common share for two to five years, to certain directors, officers, employees and consultants, pursuant to the Company's stock option plan. The common shares issuable upon exercise of the options are subject to a four month hold period from the original date of grant.

- **Normal Course Issuer Bid –** On May 11, 2018, the Company announced that it intends to proceed with a normal course issuer bid to purchase up to 877,873 of its common shares (the "Bid"). The Company received acceptance from the TSX Venture Exchange to commence the Bid on May 14, 2018. The Bid will terminate on May 14, 2019, or an earlier date in the event that the number of common shares sought in the Bid has been repurchased. The Company reserves the right to terminate the Bid earlier if it feels appropriate to do so.

- **Growth Strategy** – the Company's expansion strategy in Bolivia and elsewhere in Latin America ("LATAM") is to aggressively grow its gold and metals trading business. Applications for entry into other LATAM ASGM markets were initiated in preparation for initial trading and exports from Peru and Brazil in starting in Q3 2019.

Financial Highlights

Three months ended June 30, 2018 compared with three months ended June 30, 2017

Intercontinental Gold's net loss totaled $739,010 for the three months ended June 30, 2018, with basic and diluted loss per share of $0.04. This compares with a net loss of $179,128 with basic and diluted loss per share of $0.06 for the three months ended June 30, 2017. The increase of $559,882 in net loss was principally because:

- For the three months ended June 30, 2018, consulting fees increased by $148,028, office and miscellaneous expense increased by $92,993, legal fees increased by $86,437, shareholder communications and investor relations increased by $78,774, business development increased by $40,000 and share based compensation increased by $407,449 compared to the three months ended June 30, 2017. The increase is attributable to the increased level of business activity related to active gold trading, marketing and other consulting services provided by the Company's consultants related to operations and growth initiatives.
- The above increases were partially offset by revenue of derived from gold trading business of $29,692,802 offset by cost of sales of $29,350,383 during the three months ended June 30, 2018.

Cash Flow, Liquidity and Financial Position

This section should be read in conjunction with the audited statements of financial position for the years ended March 31, 2018 and 2017, and the corresponding notes thereto.

The activities of the Company are principally gold and metals trading. The Company's financial statements have been prepared on a going concern basis, under which the Company is assumed to be able to realize its assets and discharge its liabilities in the normal course of operations. The Company achieved first revenue from operations during the year ended March 31, 2018 but expects to incur losses in the development of its business. It is therefore required to fund its activities through the issuance of equity securities and other financing alternatives. The Company's ability to continue as a going concern is therefore dependent upon its ability to raise funds.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of $38,863,419. As at June 30, 2018 the Company had cash of $5,169,736 to settle current liabilities of $9,593,954.

To continue operations and to fund future obligations, the Company must achieve profitability, or it will be required to raise funds through equity or other financing alternatives. Recent global economic conditions and market uncertainty may have an impact on the Company's ability to raise funds through the equity markets. Management believes that there are sources of financing available. During the quarter-ended June 30, 2018, the Company completed financings for net proceeds of $2,298,000. There can be no assurance that the Company will be successful in its future fund-raising activities. See "Risks and Uncertainties" below.

The Company relies on issuance of equity securities and alternative sources of financing, if required, to maintain adequate liquidity to support its ongoing working capital commitments. The following table is a summary of quantitative data about what the Company manages as capital:

	June 30, 2018 $	March 31, 2018 $	Change $
Current Assets	12,370,914	3,238,092	9,132,822
Share capital	33,537,687	32,943,911	593,776
Share based payments	407,449	249,876	157,573
Deficit	(38,863,419)	(38,124,409)	(739,010)

The Company monitors these items to assess its ability to fulfill its ongoing financial obligations, interest payments on Notes and growth funding requirements. To manage the Company's capital, given the recent economic conditions, management maintains relatively streamlined operations prioritized allocation of capital to gold and metals purchases over capital investment to the extent possible. The Company will, from time to time, consider raising additional funds as and when required.

As at June 30, 2018, the Company had positive working capital of $2,776,960 compared to working capital deficit of $417,384 as at March 31, 2018.

Receivables were $125,740 at June 30, 2018 and consisted primarily of HST/GST input tax credit claims compared to $63,944 as at March 31, 20178 The increase is mainly due to increased level of HST/GST input tax credit claims during the quarter ended June 30, 2018. Amounts payable and accrued liabilities, which are expected to be paid in the normal course of business, were collectively $9,537,200 at June 30, 2018, compared to $1,167,811 at March 31, 2018.

Cash used in operating activities

Cash provided in operations was $1,314,109 for the quarter ended June 30, 2018, compared to cash used in operations of $10,090 for the quarter ended June 30, 2017. The decrease of $1,304,019 in cash used in operations is due to increased business activity related to gold and metals trading.

Cash used in investing activities

Cash used in investing activities was $21,737 for the quarter ended June 30, 2018, compared to cash used in investing activities of $nil for the quarter ended June 30, 2017. The increase of $21,737 in cash used in investing activities is due to acquisition of equipment.

Cash from financing activities

The Company raised $2,430,000 in Unit financing in the quarter ended June 30, 2018 as compared to $nil for the quarter ended June 30, 2017. This was offset by Unit financing costs of $143,231.

The exercise of broker warrants during the quarter ended June 30, 2018 totaled $20,400 versus $nil in the quarter ended June 30 2017

Recent Accounting Pronouncements

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 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 beginning on or after January 1, 2018.

IFRS 16: New standard introducing a single accounting model 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.

Capital Risk Management

The Company defines capital that it manages as shareholders' equity, consisting of issued 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.

The Company currently has no interests in exploration stage; but has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

There was no change in management's approach to capital management during the period ended June 30, 2017.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Financial Instruments and Risk Management

The fair value of cash and marketable securities are measured based on level 1 inputs of the fair value hierarchy. The fair values of receivables, accounts payable and accrued liabilities and loan from related party approximate their fair value because of the short-term nature of these instruments. The promissory notes are measured at carrying value at the effective interest rate which approximates fair value.

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 June 30, 2018, the Company had a cash balance of $5,169,736 to settle current liabilities of $9,593,954. 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 the promissory notes are subject to fixed interest rates. 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 Bolivianos.

Gold price risk

The Company is exposed to gold price risk given that its revenues are derived from the sale of gold through its gold dore and bullion products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's operations may be adversely affected by fluctuations in metal prices. For gold shipped and provisionally invoiced during the quarter ended June 30, 2018, a 1% change in gold prices would result in an immaterial increase/decrease in the Company's pre-tax income. As at June 30, 2018, the embedded derivative arising from the provisional pricing is deemed immaterial.

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 $20.

Fair value hierarchy

Receivables have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, loan from related party and promissory notes 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 June 30, 2018 none of the Company's financial instruments were held at fair value other than cash and marketable securities which were classified as level 1 inputs at the fair value hierarchy.

Trade receivable/payable from provisional sales of gold includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected gold prices and foreign exchange rates. The trade receivable/payable from sales of gold and derivative instruments are valued using observable market commodity prices and thereby classified within Level 2 of the fair value hierarchy.

Economic dependence

During the quarter ended June 30, 2018, one customer (2017 – nil) accounted for 100% of the Company's total revenue. The loss of the above customers could have a material adverse effect on the Company's financial position and results of operations.

Related Party Transactions

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

	Three Months Ended June 30,	
	2018 ($)	**2017 ($)**
Irwin Lowy LLP (i)	84,102	nil

(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 June 30, 2018, the Company owed $44,067 (March 31, 2018 - $17,774) 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 Chief Financial Officer, as well the Vice President of Operations and the Country Manager.

	Three Months Ended June 30,	
Salaries and benefits	**2018 ($)**	**2017 ($)**
Salaries and benefits	221,521	nil
Gorden Glenn, President & CEO	131,663	60,000
Directors Fees	8,000	5,500
Share-based compensation	230,631	nil
Total	**591,815**	**65,500**

During the three months ended June 30, 2018, the Company issued 230 Units in second tranche of its previously announced unit financing completed on April 13, 2018 to a company owned by a director and officer (note 9).

As at June 30, 2018, total Promissory Notes payable to Related Parties as of June 30, 2018 were $500,598 (March 31, 2018 - $399,811)

Share Capital

As of the date of this Interim MD&A, the Company had 17,725,464 issued and outstanding common shares. Warrants outstanding for the Company at the date of this Interim MD&A were as follows:

Warrants	**Expiry Date**	**Exercise Price**
2,895,000	August 8, 2022	$0.10
990,000	January 5, 2023	$0.20
54,936	August 8, 2022	$0.10

45,000	January 5, 2023	$0.20
1,822,500	April 13, 2018	$0.20
99,000	April 13, 2018	$0.20
5,906,436		

Stock options outstanding for the Company at the date of this Interim MD&A were as follows:

Options	Expiry Date	Exercise Price
6,000	January 16, 2019	$1.00
2,138,000	August 10, 2022	$0.11
292,000	August 10, 2019	$0.11
1,060,000	April 20, 2023	$0.45
3,496,000		

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the annual audited financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the years presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors Relating to the Company's Business" in the Company's MD&A for the fiscal year ended March 31, 2018, available on SEDAR at **www.sedar.com**.

Additional Disclosure for Venture Issuers without Significant Revenue

Operating Expenses

	Three Months Ended June 30,	
	2018 ($)	**2017 ($)**
Accounting and audit	12,329	7,635
Consulting fees	289,368	141,340
Management and director fees	8,000	5,500
Business development	40,558	nil
Shareholder information and investor relations	78,774	nil
Legal	86,437	nil
Office and miscellaneous	113,016	20,023
Depreciation	21,417	nil
Salaries and benefits	14,000	nil
Share-based compensation	407,449	nil
Transfer agent and regulatory fees	5,626	5,030
Total	**1,076,974**	**179,528**

Other Items

	Three Months Ended June 30,	
	2018 ($)	**2017 ($)**
Unrealized loss/(gain) on marketable securities	nil	400
Foreign exchange gain	(50,893)	nil

Accretion on bond	39,430	nil
Interest expense on bond	176,164	nil
Interest income	(160,246)	nil
Total	**4,455**	**400**

Subsequent Events

Subsequent to June 30, 2018, 4,536 broker warrants were exercised for proceeds of $454.

BY ORDER OF THE BOARD

"Gorden Glenn"

Gorden Glenn
President, CEO, and Director

"John Anderson"

John Anderson
Director