CAMINO MINERALS CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JULY 31, 2018

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Camino Minerals Corporation,

We have audited the accompanying consolidated financial statements of Camino Minerals Corporation, which comprise the consolidated statements of financial position as at July 31, 2018 and 2017 and the consolidated statements of loss, comprehensive loss, cash flows, and changes in equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Camino Minerals Corporation as at July 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has limited working capital and is also dependent upon its ability to secure new sources of financing to fund on-going operations. These conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern**.**

CHARTERED PROFESSIONAL ACCOUNTANTS

De Visser Gray LLP

Vancouver, Canada
November 28, 2018

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian dollars

	Notes	July 31, 2018	July 31, 2017
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		639,061	4,255,681
Receivables	4	9,935	8,006
Deposits and prepaid expenses		163,569	76,667
Total current assets		812,565	4,340,354
Non-current assets			
Fixed assets	5	109,633	87,525
Mineral interests	6	11,245,662	4,827,201
Total non-current assets		11,355,295	4,914,726
Total Assets		12,167,860	9,255,080
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		108,694	532,261
Total liabilities		108,694	532,261
EQUITY			
Share capital	7(a)	26,744,626	22,601,354
Obligation to issue shares		-	62,500
Reserves	7(d)	12,549,150	12,549,150
Share based payment reserves	7(c)	3,259,742	2,588,985
Warrant reserves	7(d)	3,282,577	3,436,390
Accumulated other comprehensive income		6,930	6,930
Deficit		(33,783,859)	(32,522,490)
Total equity		12,059,166	2,212,399
Total Equity and Liabilities		12,167,860	9,255,080

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

Nature of operations and going concern (see note 1).
Subsequent events (see note 13).

These consolidated financial statements are authorized for issuance by the Board of Directors on November 28, 2018

On behalf of the Board:

Peter de Visser	*Ken McNaughton*
Peter de Visser	Ken McNaughton
(Director)	(Director)

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF LOSS
Expressed in Canadian dollars

	Notes	Year ended July 31, 2018	Year ended July 31, 2017
		$	$
EXPENSES			
Amortization	5	6,566	610
Computer expenses		1,816	6,047
Consulting	8	131,404	152,256
General and administrative		7,618	12,061
General exploration		18,111	-
Insurance		24,791	21,643
Investor relations		461,016	89,703
Interest expense	8	-	8,692
Listing and filing fees		25,762	19,039
Management fees		12,000	6,000
Professional fees		20,000	33,804
Rent		600	1,100
Salaries and wages		8,632	505
Share-based compensation	7	502,086	456,005
Shareholder relations		49,234	16,518
Transfer agents		20,249	8,046
Travel		36,180	6,927
Loss before other items		(1,326,065)	(838,956)
Disposal/impairment of mineral interests	6	(1)	(1,039,622)
Gain on asset disposal	5	-	22,263
Foreign exchange gain (loss)		42,844	(56,590)
Interest income		21,855	7,496
Recovery of previously written-off expenditures		-	-
Net loss for the year		(1,261,368)	(1,905,409)
Basic and diluted loss per common share	7(b)	(0.02)	(0.06)

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

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian dollars

	Notes	Year ended July 31, 2018	Year ended July 31, 2017
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the year		(1,261,369)	(1,905,409)
Items not affecting operating cash flows:			
Amortization	5	6,566	610
Foreign exchange		-	-
Gain on asset disposal	5	-	(22,263)
Disposal/impairment of mineral interests	6	1	1,039,622
Interest accrued on loan payable		-	8,692
Share-based compensation	7(c)	502,086	456,005
Interest income		(21,855)	(7,496)
Change in non-cash working capital items:			
Receivables		(1,929)	(799)
Prepaid expenses		(86,902)	(41,031)
Accounts payable and accrued liabilities		(95,744)	109,239
Net cash used in operating activities		(959,146)	(362,830)
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures on mineral interests	6	(6,496,760)	(3,311,628)
Interest income		21,855	7,496
Proceeds on sale of asset	5	-	22,263
Purchase of property, plant and equipment	5	(45,265)	(59,213)
Net cash used in investing activities		(6,520,170)	(3,341,082)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued and to be issued	7(a)	1,516,060	7,197,500
Share issue costs	7(a)	(56,014)	(376,421)
Warrants exercised	7(d)	2,343,775	335,601
Options exercised	7(c)	58,875	11,275
Net cash provided by investing activities		3,862,696	7,167,955
Change in cash and cash equivalents for the year		(3,616,620)	3,464,043
Cash and cash equivalents, beginning of year		4,255,681	791,638
Cash and cash equivalents, end of year		639,061	4,255,681

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

As at July 31, 2018, $73,685 (2017 - $401,508) of mineral property expenditures are included in accounts payable.

CAMINO MINERALS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian dollars

	Common Shares								
	Number of shares	Share capital	Obligation to issue shares	Reserves	Share-based payments reserve	Warrant reserves	Accumulated currency translation difference	Deficit	Total
		$	$	$	$	$	$	$	$
Balance – August 1, 2016	24,529,009	17,897,236	-	12,220,615	1,917,329	787,370	6,930	(30,617,081)	2,212,399
Value assigned to options granted	-	-	-	-	681,124	-	-	-	681,124
Private placement	15,800,000	4,248,440	-	-	-	2,886,560	-	-	7,135,000
Share issue costs	-	(223,754)	-	-	-	(152,667)	-	-	(376,421)
Finders warrants	-	(346,567)	-	-	-	346,567	-	-	-
Warrants expired	-	-	-	328,535	-	(328,535)	-	-	-
Warrants exercised	1,342,400	438,506	-	-	-	(102,905)	-	-	335,601
Options exercised	49,500	20,743	-	-	(9,468)	-	-	-	11,275
Obligation to issue shares	-	-	62,500	-	-	-	-	-	62,500
Shares issued for debt settlement	1,500,000	510,500	-	-	-	-	-	-	510,500
Shares issued for mineral property	75,000	56,250	-	-	-	-	-	-	56,250
Shares returned to treasury	(16,129)	-	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	-	(1,905,409)	(1,905,409)
Balance – July 31, 2017	43,279,780	22,601,354	62,500	12,549,150	2,588,985	3,436,390	6,930	(32,522,490)	8,722,819
Value assigned to options granted	-	-	-	-	715,020	-	-	-	715,020
Private placement	4,331,600	919,870	-	-	-	596,190	-	-	1,516,060
Share issue costs	-	(33,987)	-	-	-	(22,027)	-	-	(56,014)
Finders warrants	-	(27,750)	-	-	-	27,750	-	-	-
Warrants exercised	9,625,100	3,162,001	(62,500)	-	-	(755,726)	-	-	2,343,775
Options exercised	287,500	103,138	-	-	(44,263)	-	-	-	58,875
Shares issued for mineral property	100,000	20,000	-	-	-	-	-	-	20,000
Loss for the year	-	-	-	-	-	-	-	(1,261,369)	(1,261,369)
Balance – July 31, 2018	57,623,980	26,744,626	-	12,549,150	3,259,742	3,282,577	6,930	(33,783,859)	12,059,166

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

1. NATURE OF OPERATIONS

Camino Minerals Corporation ("Camino" or "the Company") is an exploration stage company that is engaged in the exploration and development of mineral properties. The Company is incorporated and domiciled in British Columbia, Canada. The address of its registered and head office is Suite 300, 250 Southridge, Edmonton, A.B., Canada, T6H 4M9.

The Company is engaged in the exploration and development of mineral properties in North and South America and has not yet determined whether its properties contain ore reserves that are economically recoverable. The Company has not generated revenue from operations. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

These consolidated financial statements were prepared on a going concern basis, which envisions the Company's ongoing capacity to realize its assets and meet its financial obligations as they become due. As of July 31, 2018, the Company has limited working capital, has incurred losses since inception and has an accumulated deficit of $33.8 million. The Company's capacity to continue as a going concern is dependent upon its ability to obtain financing and to ultimately generate positive cash flows from its operations. Management of the Company believes that it will be able to raise sufficient funds to cover all operating requirements, financial commitments, and business development priorities during the next twelve months. However, the Company expects that it will also need to obtain further financing in the form of debt, equity or a combination thereof to achieve this. There can be no assurance that such additional financing will be available to the Company or, if available, that this financing will be on acceptable terms. If adequate funds are not available, the Company may be required to delay, or reduce the scope of, some or all of its development projects. All of these material uncertainties may cast significant doubt about the Company's ability to continue as a going concern, in which case certain adjustments might be necessary to the current carrying amounts of its assets and liabilities, and those adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated annual financial statements have been prepared on a historical cost basis and includes the accounts of the Company and the entities it controls.

b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries Minquest Peru SAC ("Minquest"), Recursos Mineros Rojo S.A. de C.V. ("RMR"), Camino Resources SAC ("CRM"), and Mining Activities SAC ("MinAc"). All intercompany transactions and balances have been eliminated.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Minquest Peru SAC	Peru	100%	Holds mineral interests in Peru
Camino Resources SAC	Peru	100%	Holds mineral interests in Peru
Mining Activities SAC	Peru	100%	Holding company
Recursos Mineros Rojo S.A. de C.V.	Mexico	100%	Holding company

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) Significant Accounting Estimates and Judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period relate to, but are not limited to, the following:

i. *Impairment of Mineral Interests* - The assessment of impairment indicators involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties and the results of exploration to date.

d) Change in Accounting Policy

Effective August 1, 2016, the functional currency of all of the Company's subsidiaries was assessed to be the Canadian dollar. This change in policy is accounted for prospectively, with all non-monetary assets and liabilities of these entities denominated in other currencies presented using the historical exchange rates applicable to the underlying transactions comprising such amounts, commencing with their July 31, 2016 balances. Monetary assets and liabilities, of both the parent company and its subsidiaries, continue to be translated at period end rates; however, all such unrealized amounts will now be reported in current operations.

This change is due to the following changes in the subsidiaries' conditions and transactions: i) the subsidiaries now utilize contractors instead of employees; ii) the Company incurs expenses on behalf of the subsidiaries that were previously incurred in the local currency; iii) the Company pays vendors and contractors of each subsidiary directly, iv) the subsidiaries are wholly dependent on the parent Company for financing; and v) the Company directly influences and determines the events and activities of the subsidiaries.

e) Segment Reporting

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral interests.

f) Property, plant and equipment

Property, plant and equipment, reported herein as fixed assets, are carried at cost, less accumulated amortization and accumulated impairment losses. Cost comprises the fair value of consideration given to acquire an asset and includes the direct expenditures associated with bringing the asset to the location and condition necessary for putting it into use along with the future cost of dismantling and removing the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Amortization is calculated over the useful life of the asset at rates ranging from 15% to 30% per annum once the asset is available for use. Amortization charges on assets that are directly related to mineral properties are allocated to that mineral property.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Foreign currencies

The functional and reporting currency of the Company and its subsidiary is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss, except for differences on the retranslation of available-for-sale instruments, which are recognized in other comprehensive loss.

h) Mineral interests

Expenditures on mineral exploration or evaluation incurred in respect of a property before the acquisition of a license to explore are expensed as incurred, to general exploration. Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized as exploration and evaluation assets

Mineral property acquisition costs are included in exploration and evaluation and include any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of the mineral property interest. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Exploration expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest, as described in note 2(i). Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to property, plant and equipment.

i) Impairment of non-current assets

At each reporting period, management reviews mineral interests and property, plant and equipment for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) Share-based payment transactions

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and recorded as an expense over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share based payment is recognized as an expense or capitalized to mineral interests with a corresponding increase in share-based payment reserves. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payment reserves amount is transferred to share capital.

k) Provision for closure and reclamation

A liability for site reclamation is recognized on a discounted cash flow basis when it is probable that the Company will have a future obligation for remediation and a reasonable estimate of the obligation can be made. The provision is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement cost is allocated to expense using a systematic and rational method and is adjusted to reflect period-to-period changes in the liability resulting from the passage of time, adjustments for changes in the current market-based discount rate and from revisions to either expected payment dates or the amounts comprising the original estimate of the obligation.

The Company has no material restoration, rehabilitation and environmental costs as disturbances to date are minimal.

l) Loss per share

Loss per common share is calculated using the weighted average number of common shares outstanding. Diluted loss per share is not presented as it is anti-dilutive. For the year ended July 31, 2018, 4,807,000 outstanding stock options (2017 – 3,971,500) and 10,019,789 (2017 – 15,179,489) outstanding warrants were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

m) Value added tax ("VAT")

Valued added tax ("VAT") credit refundable is from the Government of Peru. VAT receivables from Peru are capitalized to mineral interests given the uncertainty in collection.

n) Share capital

The Company records proceeds from share issuances net of issue costs. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. Proceeds, and issue costs, from unit placements are allocated between shares and warrants issued according to their relative fair value. The Fair value of the warrant is determined using the Black-Scholes option pricing model, while fair value of the share is based on the market value at the time of issuance.

The relative value of the share component is credited to share capital and the relative value of the warrant component is credited to warrant reserves. Upon exercise of the warrant, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve is recorded as an increase to share capital. For those warrants that expire, the recorded value is transferred from reserve for warrant reserves to reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

o) Income taxes

Any income tax on profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not recognized on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates at the end of the reporting year applicable to the year of expected realization.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

p) Financial instruments

Financial assets

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

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially recognized at fair value with changes in fair value recorded in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are carried at amortized cost using the effective interest method less any impairment. Loans and receivables are comprised of cash and cash equivalents and trade and other receivables.

iii. Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivative assets that are either designated as available-for-sale or not classified in any of the other financial asset categories. Changes in the fair value of AFS financial assets are recognized in other comprehensive income and classified as a component of equity. AFS assets include marketable securities and other investments consisting of shares of other entities.

Management assesses the carrying value of AFS financial assets at each reporting period and any impairment charges are also recognized in profit or loss. When financial assets classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

Expressed in Canadian dollars

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

iv. Financial liabilities

The Company's financial liabilities are classified as borrowings and other financial liabilities.

Borrowings and other financial liabilities are non-derivative liabilities and are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in the income statement over the period to maturity using the effective interest method.

Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

3. NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

New standards, amendments and interpretations to existing standards not adopted by the Company

Accounting standards issued but not yet effective

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after August 1, 2017 or later periods.

(i) Effective for annual periods beginning on or after January 1, 2018
- New standard IFRS 9, *Financial Instruments, Classification and Measurement,* addresses classification and measurement of financial assets and will replace IAS 39, *"Financial Instruments: Recognition and Measurement."* IFRS 9 has two measurement categories: amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise, it is at fair value through profit and loss.

The Company plans to adopt these standards as soon as they become effective. Adoption of this standard is expected to have minimal impact on the Company's financial statements.

4. RECEIVABLES

The Company's receivables and advances are as follows:

	July 31, 2018	July 31, 2017
	$	$
GST receivable	**9,523**	8,006
Other receivables	**412**	-
	9,935	8,006

Expressed in Canadian dollars

5. FIXED ASSETS

	Computer Equipment	Furniture and Office	Machinery and Equipment	Total
	$	**$**	**$**	**$**
Balance, July 31, 2016	**3,323**	**6,923**	**39,715**	**49,961**
Additions	3,023	689	55,501	59,213
Depreciation	(1,177)	(1,224)	(19,248)	(21,649)
Balance, July 31, 2017	**5,169**	**6,388**	**75,968**	**87,525**
Additions	1,621	2,451	41,193	45,265
Depreciation	(1,987)	(610)	(20,560)	(23,157)
Balance, July 31, 2018	**4,803**	**8,229**	**96,601**	**109,633**

During the year ended July 31, 2017, the Company received proceeds of $22,263 from the sale of an asset in Peru.

During the year ended July 31, 2018, depreciation of $6,566 (2017 - $610) was recognized in profit and loss and $16,591 (2017 - $21,039) was capitalized to mineral interests.

Expressed in Canadian dollars

6. MINERAL INTERESTS

Exploration and evaluation related expenditures on the Company's mineral interests are summarized as follows:

	Plata Dorado	Red Beds	Los Chapitos	Villa Hermosa	Lost Cabins	Total
	$	$	$	$	$	$
Balance, July 31, 2017	883,018	1	3,838,215	-	105,967	4,827,201
Acquisition	-	-	150,635	63,754	45,055	259,444
Amortization	2,878	-	8,125	5,588	-	16,591
Assaying	-	-	564,146	6,319	-	570,465
Community relations	22,664	-	7,704	-	-	30,368
Consulting	-	-	525,354	8,310	-	533,664
Drilling	-	-	2,427,506	-	-	2,427,506
Equipment and supplies	-	-	5,101	-	-	5,101
Field and office supplies	3,577	-	46,169	456	-	50,202
Field work	-	-	345,973	-	-	345,973
Geology and prospecting	-	-	268,464	-	-	268,464
Mining rights and fees	8,200	-	203,891	2,208	19,869	234,168
Salaries	767	-	50,668	866	-	52,301
Share-based compensation	2,118	-	206,669	4,147	-	212,934
Subsidiary overhead allocation	12,807	-	490,181	20,829	-	523,817
Travel	8,773	-	139,989	8,549	-	157,311
Exploration costs for the year	61,784	-	5,440,575	121,026	64,924	5,688,309
Property disposed	-	(1)	-	-	-	(1)
Valued-added tax	1,403	-	726,027	2,723	-	730,153
Balance, July 31, 2018	**946,205**	**-**	**10,004,817**	**123,749**	**170,891**	**11,245,662**

Expressed in Canadian dollars

6. MINERAL INTERESTS (Cont'd)

	Plata Dorado	Red Beds	Los Chapitos	Lost Cabins	Total
	$	$	$	$	$
Balance, July 31, 2016	830,604	913,509	113,970	52,178	1,910,261
Acquisition	-	-	155,096	39,131	194,227
Amortization	-	19,982	1,057	-	21,039
Assaying	-	-	195,125	-	195,125
Community relations	-	8,338	1,975	-	10,313
Consulting	-	3,716	300,770	4,378	308,864
Drilling	-	-	1,122,306	-	1,122,306
Equipment and supplies	-	-	20,068	-	20,068
Field and office supplies	-	49	89,957	-	90,006
Field work	-	-	173,805	-	173,805
Geology and prospecting	-	774	465,555	-	466,329
Mining rights and fees	26,747	11,129	205,156	10,280	253,312
Salaries	-	473	39,941	-	40,414
Share-based compensation	2,714	21,835	200,570	-	225,119
Subsidiary overhead allocation	13,424	51,934	234,856	-	300,214
Travel	-	7,884	140,306	-	148,190
Exploration costs for the year	42,885	126,114	3,346,543	53,789	3,569,331
Impairment charge	-	(1,039,622)	-	-	(1,039,622)
Valued-added tax	9,529	-	377,702	-	387,231
Balance, July 31, 2017	**883,018**	**1**	**3,838,215**	**105,967**	**4,827,201**

Villa Hermosa, Peru

On April 26, 2018, the Company entered into an option agreement with Compania Mineral Villa Hermosa JV RR S.A.C. (the "Vendor"), pursuant to which it has the right to earn a 100% interest in the Villa Hermosa gold project by making staged option payments as follows:

Date for option payment	Amount USD
	$
On the effective date of the option agreement (paid)	50,000
12 months after effective date	50,000
24 months after effective date	100,000
36 months after effective date	150,000
48 months after effective date	200,000
60 months after effective date	4,500,000
	5,050,000

Expressed in Canadian dollars

6. MINERAL INTERESTS (Cont'd)

Los Chapitos, Peru

On July 19, 2016, the Company entered into an option agreement with Minas Andinas SA, pursuant to which it can acquire a 100% interest in the Los Chapitos copper, gold and silver project located in the Department of Arequipa, Peru.

Under the terms of the option agreement, the Company has the right to earn 100% interest in the Project, subject to a 1.5% Net Smelter Returns ("NSR") royalty, by making staged option payments and issuing common shares of the Company as follows:

Date for option payment	Amount USD	Shares
	$	
On the effective date of the option agreement (paid and issued)	50,000	50,000
12 months after effective date (paid and issued)	75,000	75,000
24 months after effective date (paid and issued)	100,000	100,000
36 months after effective date	125,000	125,000
48 months after effective date	150,000	150,000
	500,000	**500,000**

The 1.5% NSR is payable up to a maximum of US$10 million. The Company retains the right of first offer to purchase the NSR. Advance royalty payments of US$500,000 will also be payable for each 500 million pounds of copper equivalent ("CuEQ") related to any incremental increase in measured and indicated resources. For the purpose of this agreement, CuEQ will be based on the contained pounds of copper, contained ounces of gold and silver, and the LME closing spot price on the date of release of each applicable resource estimate.

Plata Dorado, Peru

On January 22, 2015, the Company completed the acquisition of all of the issued and outstanding share capital of Minquest Peru SAC, a private Peruvian company, the principal assets of which was the Plata Dorado copper, gold, silver property located in the Department of Cuzco, Peru.

Red Beds, Peru

On January 26, 2015, the Company entered into an option agreement pursuant to which it may acquire a 100% interest in the Red Beds copper and silver project ("Red Beds") located in the Department of Cuzco, Peru.

Under the terms of the option agreement, the Company has agreed to make a total of US $280,000 in staged cash payments as follows:

Date for option payment	**Amount USD**
	$
On the effective date of the option agreement (paid)	40,000
Upon final registration of the claims (paid)	40,000
12 months after the date of the final registration of the claims	100,000
24 months after the date of the final registration of the claims	100,000
	280,000

Expressed in Canadian dollars

6. MINERAL INTERESTS (Cont'd)

On January 10, 2017, the Company decided to reduce its holdings in the Red Beds project, and returned certain claims under option to the vendor, retaining the four claims it originally staked. Accordingly, and because of limited activity, the interest was written down to a nominal amount. During the current year, the Company decided to drop the four remaining claims and wrote-off the residual interest.

Lost Cabin, U.S.A

On February 3, 2015, the Company signed an option agreement with La Cuesta International Inc., pursuant to which it may acquire a 100% interest in the Lost Cabin Project ("Lost Cabin") located in the state of Oregon. Under the terms of the agreement, the Company has the right to earn 100% interest in the Property, subject to a 1.5% NSR, by issuing 200,000 common shares of the Company (issued) and by making staged advance NSR payments as follows:

Date for option payment	Amount USD
	$
On the effective date of the option agreement (paid)	1,500
12 months after effective date (paid)	5,000
18 months after effective date (paid)	5,000
24 months after effective date (paid)	10,000
30 months after effective date (paid)	10,000
36 months after effective date (paid)	15,000
40 months after effective date (paid)	20,000
48 months after effective date and every 6 months after	20,000
	86,500

When the aggregate advance payments exceed US$5,000,000, the NSR payable will reduce from 1.5% to 0.75%.

7. CAPITAL AND RESERVES

a) Authorized Share Capital

At July 31, 2018, the Company's authorized share capital consisted of an unlimited number of common shares without par value and an unlimited number of preferred shares with no par value.

During the year ended July 31, 2018, the Company issued the following shares:

- On February 27, 2018, the Company completed a non-brokered private placement for gross proceeds of $1,516,060. The private placement consisted of 4,331,600 units at a price of $0.95 per unit, each unit being comprised of one common share and one non-transferable share purchase warrant. The common shares, warrants, and any shares issued on the exercise of warrants are subject to a four month hold period expiring July 1, 2018. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of $0.45 per common share until August 27, 2019 and are subject to an acceleration clause. The Company paid $49,980 in cash, and issued 133,800 warrants ("Finders' Warrants") subject to the same terms and conditions as the private placement warrants.

- 9,625,100 shares were issued pursuant to the exercise of warrants at $0.25 (see note 7(d)).

- 12,500 shares were issued pursuant to the exercise of 12,500 stock options at $0.31 (see note 7(c)).

- 275,000 shares were issued pursuant to the exercise of 275,000 stock options at $0.20 (see note 7(c)).

- On June 20, 2018, 100,000 shares were issued pursuant to the Los Chapitos option agreement (see note 6).

7. CAPITAL AND RESERVES (Cont'd)

During the year ended July 31, 2017, the Company issued the following shares:

- During the year, 1,342,400 shares were issued pursuant to the exercise of warrants granted February 14, 2017 and exercisable at $0.25 (see note 8(d)).

- During the year, 49,500 shares were issued pursuant to the following stock option exercises: 25,000 stock options exercisable at $0.20 expiring April 20, 2020; 12,000 stock options exercisable at $0.20 expiring September 7, 2021; and 12,500 stock options exercisable at $0.31 expiring March 2, 2022 (see note 7(c)).

- On June 29, 2017, 75,000 shares were issued pursuant to the Los Chapitos option agreement (see note 6).

- On May 30, 2017, the Company completed a non-brokered private placement for gross proceeds of $5,035,000. The private placement consisted of 5,300,000 units at a price of $0.95 per unit, each unit being comprised of one common share and one non-transferable share purchase warrant. Any shares issued on the exercise of warrants are subject to a four month hold period expiring October 1, 2017. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of $1.35 until May 30, 2019 and are subject to an acceleration clause. The Company paid $241,670 in cash and issued 254,389 warrants to finders in respect of the placement, which are subject to the same terms and restrictions as the private placement warrants.

- On March 7, 2017, the Company entered into a debt settlement agreement (the "Agreement") with the President and CEO of the Company, a creditor of the Company. Pursuant to the agreement, the Company issued an aggregate of 1,500,000 common shares (the "Shares") at a deemed price of $0.34 per share, which are subject to a four month hold period. The amount of indebtedness settled by the Agreement was $510,500, representing the principal loan of $500,000, plus accrued interest of $10,500 (see note 9).

- On February 15, 2017, the Company completed a non-brokered private placement for gross proceeds of $2,100,000. The private placement consisted of 10,500,000 units at a price of $0.20 per unit, each unit being comprised of one common share and one non-transferable share purchase warrant. The common shares, warrants, and any shares issued on the exercise of warrants are subject to a four month hold period expiring June 15, 2017. Each warrant will entitle the holder to acquire one additional common share of the Company at a price of $0.25 until February 14, 2019. The Company paid $94,700 in cash and issued 473,500 warrants to finders in respect of the placement, which are subject to the same terms and restrictions as the private placement units.

  On July 26, 2017, the Company issued a notice of acceleration in respect to the expiry dates of these warrants such that they will expire 30 business days from the date of the notice, on September 11, 2017. Subsequent to the year end, the remaining warrants were exercised before they expired (see note 14).

- On December 21, 2016, 16,129 common shares were returned to Treasury as provided for in the plan of arrangement between Canplats Resources and Goldcorp completed February 4, 2010. These shares were not claimed by the former shareholders of Canplats in that transaction.

Expressed in Canadian dollars

7. CAPITAL AND RESERVES (Cont'd)

b) Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the following:

	Year ended July 31, 2018	Year ended July 31, 2017
	$	$
Loss attributable to common shareholders	**(1,261,368)**	(1,905,409)
Weighted average number of common shares outstanding for calculation of loss per share	**53,960,300**	30,872,815

c) Share Option Plan

The Company has a share option plan for its employees, directors, officers and consultants. The plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

For the year ended July 31, 2018, the Company granted 1,250,000 (2017 – 2,525,000) stock options at an exercise price of $0.38 - $0.45 (2016 - $0.20 - $0.90) to employees, directors and consultants for a life of 2 years and a vesting period of 1 year, with 50% vesting immediately, and 50% vesting six months from the date of grant.

For the year ended July 31, 2018, share-based compensation of $502,086 (2017 - $456,005) was recognized in profit and loss. In addition, share-based compensation of $212,934 (2017 - $225,118) was capitalized to mineral interests.

In the year ended July 31, 2018, the following 287,500 options were exercised: 12,500 exercisable at $0.31 expiring March 2, 2022; 200,000 exercisable at $0.20 expiring April 20, 2020; and 75,000 exercisable at $0.20 expiring September 7, 2021. The fair value of the options was $44,263 and was reallocated from share-based payment reserves to share capital.

In the year ended July 31, 2017, the following 49,500 stock options were exercised: 25,000 exercisable at $0.20 expiring April 20, 2020; 12,000 exercisable at $0.20 expiring September 7, 2021; and 12,500 exercisable at $0.31 expiring March 2, 2022. The fair value of the options was $9,468 (2017 - $9,468) and was reallocated from share-based payment reserves to share capital.

Continuity of share purchase options for the years ended July 31, 2018 and 2017 are as follows:

	Options Outstanding	Weighted Average Exercise Price
		$
At July 31, 2017	3,971,500	0.39
Granted	1,250,000	0.44
Exercised	(287,500)	0.20
Expired	(102,000)	0.75
Forfeited	(25,000)	0.31
At July 31, 2018	**4,807,000**	**0.41**

Expressed in Canadian dollars

7. CAPITAL AND RESERVES (Cont'd)

The fair value of stock options granted in 2018 was estimated based on the Black-Scholes option pricing model using a share price of $0.43 (2017- $0.25 - $0.94), volatilities ranging from 164 – 165% (2017 – 132 - 177%), a risk free interest rate of between 1.50% - 1.84% (2017 – 0.91% - 1.16%), an expected life of 2 years (2017 – between 2 and 5 years) and an expected dividend yield of nil (2017 – nil). The weighted average fair value of options granted in 2018 was $0.44 (2017 - $0.48).

Option pricing models require the input of subjective assumptions including the expected price volatility, and expected option life. Changes in these assumptions could have a significant impact on the grant date fair value calculation.

The following table summarizes information about stock options outstanding and exercisable at July 31, 2018:

Exercise Price	Option Outstanding	Weighted Average Remaining Life (years)	Expiry Dates (mm/dd/yyyy)	Options exercisable
$				
0.20	1,200,000	0.43	4/20/2020	1,200,000
0.20	813,000	0.53	9/7/2021	813,000
0.31	650,000	0.49	3/2/2022	487,500
0.38	200,000	0.06	1/29/2020	200,000
0.45	1,050,000	0.30	12/13/2019	1,050,000
0.70*	44,000*	0.00*	11/26/2018*	44,000*
0.90	850,000	0.16	6/16/2019	850,000
At July 31, 2018	**4,807,000**	**1.96**		**4,644,500**

*Subsequently expired unexercised.

d) Warrants

During the year ended July 31, 2018, the Company issued 4,465,400 warrants (2017 – 16,521,889). The Company has recorded the value of these warrants at $601,913 (2017 - $2,886,560), net of share issuance costs of $22,027 (2017 - $152,667) based on the relative fair value method against warrant reserves.

The fair value of warrants granted in 2018 was estimated using the Black-Scholes option pricing model using a weighted average volatility of 168%, a risk free interest rate of 1.74%, an expected life of 1.5 years and an expected dividend yield of nil. The weighted average fair value of warrants granted in 2018 was $0.45.

During the year ended July 31, 2018, 9,625,100 warrants expiring September 11, 2017 were exercised (2017 – 1,342,400) at $0.25 per share (2017 - $0.25) for gross proceeds of $2,406,275 (2017 - $335,600). The fair value of the warrants exercised was $775,726 (2017 - $102,905), which was reallocated from warrant reserves to share capital.

Expressed in Canadian dollars

7. CAPITAL AND RESERVES (Cont'd)

During the year ended July 31, 2017, 4,002,500 warrants expired with a fair value of $328,535, which was reallocated from warrant reserves to reserves.

Continuity of share purchase warrants for the year ended July 31, 2018 is as follows:

	Warrants Outstanding	Weighted Average Exercise Price
		$
At July 31, 2017	15,179,489	0.65
Issued	4,465,400	0.45
Exercised	(9,625,100)	0.25
At July 31, 2018	**10,019,789**	**0.95**

8. RELATED PARTY DISCLOSURES

Key management personnel compensation

Compensation	**2018**	2017
	$	$
Management fees (i)	**12,000**	6,000
Consulting fees (ii)	**119,693**	133,767
Share-based payments (iii)	**406,696**	383,918
	538,389	**523,685**

(i) Management fees are compensation paid to an officer of the Company.
(ii) Fees paid to Pretium Resources Inc. for consulting services provided by the President of the Company, fees paid to Primary Capital Inc. for consulting services provided by a director of the Company, and fees paid to the corporate secretary of the Company for consulting services.
(iii) Share-based payment is the fair value of options granted and vested.

Key management personnel include the Company's directors, officers and corporate secretary.

Loan Payable

During the year ended July 31, 2016, the former President of the Company entered into a loan agreement with the Company. Under the terms of the agreement, the former President provided the Company with $500,000 as a demand loan with an annual interest rate of 3%. During the 2017 fiscal year, interest expense of $8,692 was incurred. On March 7, 2017, the Company entered into a debt settlement agreement with the former President whereby the Company issued an aggregate of 1,500,000 common shares (the "Shares") at a price of $0.34 per share, subject to a four month hold period, to settle aggregate indebtedness of $510,500, inclusive of accrued interest of $10,500.

Expressed in Canadian dollars

9. DEFERRED INCOME TAXES

The Company is subject to income taxes in Canada, Mexico and Brazil. The reconciliation of the income tax provision computed at statutory rates is as follows:

	2018	2017
	$	$
Net income/(loss) for the year, before taxes	**(1,261,368)**	(1,905,409)
Expected income tax expense/(recovery)	**(337,271)**	(494,105)
Net adjustment for deductible/non-deductible amounts	**120,808**	328,938
Unrecognized benefit of non-capital losses	**216,463**	165,167
Income tax expense (recovery), net	**-**	-

There are no deferred tax assets/(liabilities) presented in the statement of financial position.

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets/(liabilities) have been recognized are attributable to the following:

	2018	2017
	$	$
Deferred income tax assets (liabilities):		
Mineral interests	**(2,507,000)**	(1,695,000)
Equipment	**1,000**	1,000
Tax loss carry-forwards	**8,025,000**	7,207,000
Capital losses	**3,014,000**	3,014,000
Share issuance costs	**281,000**	322,000
Net deferred income tax liabilities	**8,814,000**	8,849,000

The Company has Canadian capital losses of approximately $3 million (2017 - $3 million) and non-capital losses of approximately $6.36 million (2017 - $5.56 million), Peru non-capital losses of approximately $1.67 million (2017- $1.03 million) and Mexican non-capital losses of approximately $630,000 (2017 - $630,000), which are available to reduce future taxable income and which expire between 2031 and 2038.

10. FINANCIAL RISK MANAGEMENT

a) Overview

The Company has exposure to credit risk, liquidity risk and interest rate risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

10. FINANCIAL RISK MANAGEMENT (Cont`d)

b) Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the financial statements (excluding cash) represents the Company’s maximum exposure to credit risk

The Company limits its exposure to credit risk on liquid financial assets through investing its cash and cash equivalents with high-credit quality financial institutions.

None of the financial assets of the Company are either past due or impaired.

c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company seeks to ensure that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. For additional information related to liquidity reference should be made to note 1.

d) Interest Rate Risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company’s current policy is to invest cash at floating rates of interest and cash reserves are to be maintained in cash and cash equivalents in order to maintain liquidity, while achieving a satisfactory return for shareholders. Fluctuations in interest rates when cash and cash equivalents mature impact interest income earned. As at the statement date, a 1% change in interest rates would not be material to the financial statements.

e) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, which comprises of share capital, net of accumulated deficit. The Company manages its capital structure through the preparation of operating budgets, which are approved by the Board of Directors. From time to time the Company may issue additional equity to meet its capital requirements.

f) Fair Value

The carrying value of the Company’s financial assets and liabilities approximate their fair value due to their short-term maturity or capacity of prompt liquidation.

g) Foreign Currency Risk

Foreign exchange risk is the risk arising from changes in foreign currency fluctuations. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency rates. The Company operates projects in more than one country. As a result a portion of the Company’s cash, accounts receivable, accounts payable and accruals are denominated in U.S. Dollars, Mexican Pesos and Peruvian Soles and are therefore subject to fluctuation in exchange rates. As at July 31, 2018, a 1% change in the exchange rate between the Canadian and U.S. dollar or the Canadian dollar and Peruvian Soles and Mexican Pesos would not be material.

Expressed in Canadian dollars

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable and accounts payable. They are designed as follows:

- Loans and receivables: cash and cash equivalents, amounts receivable
- Other financial liabilities: accounts payable

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

The Company currently does not have any financial instruments recorded at fair value. The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximate fair value.

12. SEGMENT INFORMATION

The Company operates in the acquisition and exploration of mineral properties. Non-current assets by geographic location are as follows:

	July 31, 2018	July 31, 2017
	$	$
Canada	**724**	-
U.S.A	**170,891**	105,967
Mexico	**-**	-
Peru	**11,183,681**	4,808,759
Total	**11,355,296**	4,914,726

13. SUBSEQUENT EVENTS

- Subsequent to year end, the Company amended the exercise price of 5,300,000 share purchase warrants from $1.35 per share to $0.20 per share. These warrants are subject to an acceleration clause.

- On August 8, 2018, the Company granted 900,000 incentive stock options to employees and consultants, exercisable for a period of two years at $0.16 per share.

- On August 8, 2018, the following stock options were cancelled following the resignation of a director: 200,000 exercisable at $0.20 expiring April 20, 2020; 100,000 exercisable at $0.20 expiring September 7, 2021; 50,000 exercisable at $0.90 expiring June 15, 2019; and 100,000 exercisable at $0.45 expiring December 12, 2019.