

# **CAMINO MINERALS CORPORATION.**

Consolidated Condensed Interim Financial Statements

For the three and six months ended January 31, 2019 and 2018

To the shareholders of Camino Minerals Corporation:

The consolidated condensed interim financial statements of Camino Minerals Corporation. (the "Company") for the three and six months ended January 31, 2019 and 2018 have been compiled by management.

No audit or review of this information has been performed by the Company's auditors.

CAMINO MINERALS CORPORATION.  
Consolidated Condensed Interim Statements of Financial Position

(unaudited)

As at	January 31 2019	July 31 2018
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 376,495	\$ 639,061
Goods and services tax receivable	13,690	9,935
Prepayments and deposits	73,789	163,569
	<u>463,974</u>	812,565
Fixed assets	99,789	109,633
Exploration and evaluation properties (note 4)	11,274,528	11,245,662
	<u>\$ 11,838,291</u>	<u>\$12,167,860</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 111,200	\$ 108,694
<b>Equity</b>		
Share capital (note 5)	26,761,351	26,744,626
Reserves	12,549,150	12,549,150
Option and warrant reserve	6,633,281	6,542,319
AOCI	-	6,930
Deficit	(34,216,691)	(33,783,859)
	<u>11,727,091</u>	12,059,166
	<u>\$ 11,838,291</u>	<u>\$12,167,860</u>

Approved by the Board of Directors

Director (signed by) "Peter de Visser"

Director (signed by) "John Williamson"

The accompanying notes form an integral part of these financial statements

## CAMINO MINERALS CORPORATION.

## Consolidated Condensed Interim Statements of Loss and Comprehensive Loss

*(unaudited)*

For the	three months ended January 31		six months ended January 31	
	2019	2018	2019	2018
<b>Expenses</b>				
Amortization	\$ 99	\$ 442	\$ 199	\$ 4,511
Computer expenses	240	624	1,073	1,191
General and administrative	6,986	1,235	12,019	3,718
General exploration	-	-	-	13,403
Insurance	7,271	5,349	14,543	10,697
Investor relations	55,682	133,648	102,066	172,923
Management and consulting fees (note 7)	28,681	33,996	65,306	83,253
Professional fees	30,765	2,500	35,104	5,000
Rent	10,050	-	20,100	-
Regulatory and filing fees	17,756	17,812	20,087	17,812
Salaries and wages	3,138	7,634	4,879	7,634
Share-based compensation (note 5)	24,210	258,254	94,735	373,938
Shareholder relations	1,325	5,787	1,605	26,072
Transfer agents	2,076	2,509	6,300	8,761
Travel	18,981	5,635	48,033	19,055
	<b>(207,260)</b>	<b>(475,425)</b>	<b>(426,049)</b>	<b>(747,968)</b>
<b>Other</b>				
Foreign exchange loss (gain)	(2,293)	(47,602)	(7,824)	32,875
Interest income	783	7,811	1,041	14,722
<b>Net loss and comprehensive loss</b>	<b>\$ (208,770)</b>	<b>\$ (515,216)</b>	<b>\$ (432,832)</b>	<b>\$ (700,371)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Basic and diluted weighted average number of common shares outstanding</b>	<b>57,586,480</b>	<b>53,192,380</b>	<b>57,633,831</b>	<b>51,302,630</b>

*The accompanying notes form an integral part of these financial statements*

## CAMINO MINERALS CORPORATION.

## Consolidated Condensed Interim Statements of Changes in Equity

*(unaudited)*

	Share capital	Obligation to issue shares	Reserves	Option and warrant reserves	Accumulated currency translation difference	Deficit	Total equity
<b>Balance at July 31, 2017</b>	<b>\$22,601,354</b>	<b>\$ 62,500</b>	<b>\$12,549,150</b>	<b>\$ 6,025,375</b>	<b>\$ 6,930</b>	<b>\$ (32,522,490)</b>	<b>\$ 8,722,819</b>
Options issued	-	-	-	550,614	-	-	190,584
Warrants exercised	3,162,001	(62,500)	-	(755,726)	-	-	2,343,775
Options exercised	103,138	-	-	(44,263)	-	-	3,875
Net loss	-	-	-	-	-	(700,371)	(185,155)
<b>Balance at January 31, 2018</b>	<b>\$25,866,493</b>	<b>-</b>	<b>\$12,549,150</b>	<b>5,776,000</b>	<b>6,930</b>	<b>\$ (33,222,861)</b>	<b>\$10,975,712</b>
Options issued	-	-	-	164,406	-	-	164,406
Private placement	919,870	-	-	596,190	-	-	1,516,060
Share issue costs	(33,987)	-	-	(22,027)	-	-	(56,014)
Finders warrants	(27,750)	-	-	27,750	-	-	-
Shares issued for mineral property	20,000	-	-	-	-	-	20,000
Net loss	-	-	-	-	-	(560,998)	(560,998)
<b>Balance at July 31, 2018</b>	<b>\$26,744,626</b>	<b>-</b>	<b>\$12,549,150</b>	<b>6,542,319</b>	<b>6,930</b>	<b>\$ (33,783,859)</b>	<b>\$12,059,166</b>
Options issued (note 5)	-	-	-	97,687	-	-	97,687
Options exercised (note 5)	16,725	-	-	(6,725)	-	-	10,000
Net loss	-	-	-	-	(6,930)	(432,832)	(439,762)
<b>Balance at January 31, 2019</b>	<b>\$26,761,351</b>	<b>\$ -</b>	<b>\$12,549,150</b>	<b>\$ 6,633,281</b>	<b>\$ -</b>	<b>\$ (34,216,691)</b>	<b>\$11,727,091</b>

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CAMINO MINERALS COPORATION.  
 Consolidated Condensed Interim Statements of Cash Flows

(unaudited)

<b>For the six months ended</b>	<b>January 31 2019</b>	<b>January 31 2018</b>
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	\$ (432,832)	\$ (700,371)
Items not affecting cash:		
Amortization	199	4,511
Share-based compensation	94,735	373,938
Interest income	(1,041)	(14,722)
Foreign exchange loss	(6,930)	-
Changes in non-cash working capital:		
Receivables	(3,755)	1,468
Prepaid expenses	89,780	(62,016)
Accounts payable and accrued liabilities	2,506	(95,892)
Cash used in operating activities	<u>(257,338)</u>	<u>(493,084)</u>
<b>Investing activities</b>		
Exploration and evaluation property exploration expenditures (note 4)	(16,269)	(4,560,675)
Interest income	1,041	14,722
Purchase of property, plant and equipment	-	(2,122)
Cash used in investing activities	<u>(15,228)</u>	<u>(4,548,075)</u>
<b>Financing activities</b>		
Warrants exercised	-	2,343,775
Options exercised	10,000	58,875
Cash provided by financing activities	<u>10,000</u>	<u>2,402,650</u>
<b>Net decrease in cash</b>	<b>(262,566)</b>	<b>(2,638,509)</b>
Cash, beginning of period	<u>639,061</u>	<u>4,255,681</u>
<b>Cash, end of period</b>	<b>\$ 376,495</b>	<b>\$ 1,617,172</b>

As at January 31, 2019, \$13,488 (201 – \$36,865) of exploration and evaluation property expenditures are included in accounts payable.

*The accompanying notes form an integral part of these financial statements*

CAMINO MINERALS CORPORATION.

Notes to the Consolidated Condensed Interim Financial Statements  
For the three and six months ended January 31, 2019 and 2018

(unaudited)

**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 focused on evaluating and acquiring exploration projects with significant potential for advancement from discovery through to production, in Canada and abroad.

**2. Basis of presentation**

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended July 31, 2018, prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Audit Committee of the Company on April 1, 2019.

These consolidated condensed 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.

<b>Name of Subsidiary</b>	<b>Place of Incorporation</b>	<b>Proportion of Ownership Interest</b>	<b>Principal Activity</b>
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

These consolidated condensed interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

The accounting policies applied in preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company’s consolidated financial statements for the year ended July 31, 2018, unless otherwise stated.

**3. Management estimates and judgments**

The preparation of these consolidated condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its condensed interim financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values are consistent with those applied and disclosed in the Company’s financial statements for the year ended July 31, 2018, unless otherwise stated.

CAMINO MINERALS CORPORATION.

Notes to the Consolidated Condensed Interim Financial Statements

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**4. Exploration and Evaluation Properties**

Expenditures on the Company's mineral exploration properties are summarized as follows:

	<b>Plata Dorado</b>	<b>Los Chapitos</b>	<b>Villa Hermosa</b>	<b>Lost Cabins</b>	<b>Total</b>
<b>Balance, July 31, 2018</b>	<b>\$ 946,205</b>	<b>\$ 10,004,817</b>	<b>\$ 123,749</b>	<b>\$ 170,891</b>	<b>\$ 11,245,662</b>
Acquisition	-	-	-	26,550	26,550
Amortization	-	5,473	4,988	-	10,461
Assaying	-	19,702	-	-	19,702
Community relations	-	(5,868)	-	-	(5,868)
Consulting	-	83,351	-	-	83,351
Field and office supplies	182	78,193	10,179	-	88,554
Fieldwork	-	24,101	-	-	24,101
Geological consulting	-	148,600	-	-	148,600
Mining rights and fees	-	1,448	10,347	-	11,795
Salaries	-	9,766	1,456	-	11,222
Share-based payments	-	2,952	-	-	2,952
Subsidiary overhead	-	237,729	-	-	237,729
Travel	-	47,999	16,625	-	64,624
Exploration costs for the period	182	653,446	43,595	26,550	723,773
Value-added tax	-	(699,697)	4,790	-	(694,907)
<b>Balance, January 31, 2019</b>	<b>\$ 946,387</b>	<b>\$ 9,958,566</b>	<b>\$ 172,134</b>	<b>\$ 197,441</b>	<b>\$ 11,274,528</b>

During the six months ended January 31, 2019, the Company received a value-added tax recovery of \$699,697 from the Government of Peru on eligible expenditures previously capitalized to exploration and evaluation properties.

**5. Share capital**

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

A summary of changes in common share capital in the period is as follows:

	<b>Number of shares</b>	<b>Amount</b>
<b>Balance at July 31, 2018</b>	<b>57,623,980</b>	<b>\$ 26,744,626</b>
Shares issued upon exercise of options	62,500	16,725
<b>Balance at January 31, 2019</b>	<b>57,686,480</b>	<b>\$ 26,761,351</b>



CAMINO MINERALS CORPORATION.

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During the six months ended January 31, 2019, the Company issued the following shares:

- 62,500 shares were issued pursuant to the exercise of options granted August 8, 2018 and exercisable at \$0.16 (see note 4(b)).

During the six months ended January 31, 2018, the Company issued the following shares:

- 9,625,100 shares were issued pursuant to the exercise of warrants granted February 14, 2017 and exercisable at \$0.25.
- 12,500 shares were issued pursuant to the exercise of 12,500 stock options exercisable at \$0.31 expiring March 2, 2022.

b) Stock options

The Company's has a stock option plan (the "Plan") for directors, officers, employees, 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.

The total share-based compensation for the six-month period ended January 31, 2019 is \$97,687 (2018- \$190,584), of which \$2,952 (2018 - \$74,900) is capitalized to mineral interests and \$94,735 (2018 - \$115,684) is recognized in profit and loss.

During the six months ended January 31, 2019, 62,500 options granted August 8, 2018 were exercised at \$0.16 per share. The fair value of the options was \$6,725 and was reallocated from share-based payment reserves to share capital.

During the six months ended January 31, 2019, the Company cancelled 1,788,000 vested options that were exercisable at a weighted average of \$0.36.

A summary of stock option activity in the period is as follows:

	Number of options	Weighted average exercise price
<b>Outstanding options, July 31, 2018</b>	<b>4,807,000</b>	<b>0.41</b>
Issued	900,000	0.16
Cancelled	(1,788,000)	0.36
Exercised	(62,500)	0.16
Expired	(44,000)	0.70
<b>Outstanding options, January 31, 2019</b>	<b>3,812,500</b>	<b>\$ 0.37</b>

The fair value of stock options granted in the six month period ending January 31, 2019 was estimated based on the Black-Scholes option pricing model using a share price of \$0.16 (2017- \$nil), volatility of nil% (2017 – nil%) risk free interest rate of 1.16% (2017 – nil%), expected life of nil years (2017– nil years) and expected dividend yield of nil (2017 – nil). The weighted average fair value of options granted in 2018 was \$nil (2017 - \$nil).

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A summary of the options outstanding and exercisable is as follows:

January 31, 2019			July 31, 2018		
Exercise Price	Number of options	Remaining contractual life (years)	Exercise Price	Number of options	Remaining contractual life (years)
\$ 0.20	675,000	1.2	\$ 0.20	1,200,000	1.7
0.20	400,000	2.6	0.20	813,000	3.1
0.31	400,000	3.1	0.31	650,000	3.6
0.40	200,000	1.0	0.40	200,000	1.5
0.45	700,000	0.9	0.45	1,050,000	1.4
-	-	-	0.70	44,000	0.3
0.90	600,000	0.4	0.90	850,000	0.9
0.16	387,500	1.5	-	-	-
<b>\$ 0.37</b>	<b>3,362,500</b>	<b>1.4</b>	<b>\$ 0.41</b>	<b>4,807,000</b>	<b>2.0</b>

• At January 31, 2019 450,000 options exercisable at \$0.16 share remain unvested.

c) Warrants

A summary of share purchase warrant activity in the periods is as follows:

	Number of warrants	Weighted average exercise price
<b>Outstanding warrants, July 31, 2018 and January 31, 2019</b>	<b>10,019,789</b>	<b>\$ 0.41</b>

A summary of the warrants outstanding and exercisable is as follows:

January 31, 2019			July 31, 2018		
Exercise Price	Number of warrants	Remaining contractual life (years)	Exercise Price	Number of warrants	Remaining contractual life (years)
\$ 0.45	4,465,400	0.6	\$ 0.45	4,465,400	1.1
1.35	254,389	0.3	1.35	5,554,389	0.8
0.20	5,300,000	0.3	-	-	-
<b>\$ 0.34</b>	<b>10,019,789</b>	<b>0.4</b>	<b>\$ 0.95</b>	<b>10,019,789</b>	<b>1.0</b>

- i) On October 12, 2018, the Company amended the exercise price of 5,300,000 warrants expiring May 30, 2019 to \$0.20 per share. Should the closing price of the common shares of the Company on the TSX Venture Exchange be \$0.27 or higher for ten consecutive trading days, the Company may accelerate the expiry of the warrants to the date that is 30 business days from the date of the issuance of a news release by the Company announcing the exercise of the acceleration right.

## 6. Financial instruments and risk management

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

### General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

#### *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company's currency risk is limited to its future payments denominated in foreign currency for its Orogrande Property and Comet Joint Venture.

#### *Interest rate risk*

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities, therefore interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk. The Company's maximum exposure to credit risk is \$376,495 (2018 - \$1,762,393).

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at January 31, 2019, all of the Company's financial liabilities are due within one year.

As at January 31, 2019, the Company's working capital was \$352,774 (2017 - \$1,690,667) and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Determination of fair value

The statements of financial position carrying amounts for cash, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

CAMINO MINERALS CORPORATION.

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(unaudited)

**7. Related party transactions**

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

<b>For the six months ended</b>	<b>January 31 2019</b>	<b>January 31 2018</b>
Management and consulting fees	\$ 63,700	\$ 81,797
Investor relations fees paid to a director	30,500	-
Investor relations fees paid to a corporation controlled by key management	8,000	-
Office and admin fees paid to a corporation controlled by key management	10,104	-
Share-based payments	94,735	277,604
	<u>\$ 207,039</u>	<u>\$ 359,401</u>