



**CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

Notice to Reader

These condensed consolidated interim financial statements of Orsu Metals Corporation have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to the financial statements or the related quarterly Management Discussion and Analysis.

ORSU METALS CORPORATION
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Expressed in US dollars)

	Note	September 30, 2018	December 31, 2017
ASSETS			
Current			
Cash	4	\$ 2,414,302	\$ 4,976,892
Receivables	5	251,625	139,803
Prepaid expenses		115,817	25,359
		2,781,744	5,142,054
Exploration and evaluation assets	6	3,631,715	3,631,715
Property, plant and equipment	7	74,000	80,000
		\$ 6,487,459	\$ 8,853,769
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	8	\$ 238,004	\$ 178,401
		238,004	178,401
Shareholders' equity			
Share capital	9	385,854,415	385,807,842
Obligation to issue shares	9	50,625	46,573
Reserves	9	33,538,873	33,538,873
Deficit		(413,250,939)	(410,961,020)
Equity attributable to Orsu shareholders		6,192,974	8,432,268
Non-controlling interest		56,481	243,100
		6,249,455	8,675,368
		\$ 6,487,459	\$ 8,853,769
Nature of operations	1		
Subsequent event	13		

These condensed consolidated interim financial statements were approved for issue by the Audit Committee of the Board of Directors on November 26, 2018.

They are signed on the Company's behalf by:

"Mark Corra"
Mark Corra, Director

"Sergei Stefanovich"
Sergei Stefanovich, Director

ORSU METALS CORPORATION

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in US dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2018	2017	2018	2017
EXPENSES					
Administration		\$ 46,049	\$ 22,535	\$ 112,070	\$ 221,617
Depreciation	7	2,000	-	6,000	3,746
Exploration and evaluation expenditures	6	897,273	487,748	2,009,582	487,748
Foreign exchange		(29,733)	205	16,385	51,580
Professional fees		19,531	62,311	35,536	188,684
Project investigation costs	6	-	-	-	332,871
Salaries and benefits		99,256	132,594	300,006	402,316
Share based compensation		-	369,739	-	369,739
Transfer agent and regulatory fees		9,208	28,292	34,153	88,113
		(1,043,584)	(1,103,424)	(2,513,732)	(2,146,414)
Gain on amounts received from Equus		-	74,378	-	221,010
Gain on disposal of assets held for sale		-	-	-	11,652
Interest expense		-	(3,762)	-	(5,458)
Interest income		9,041	1,479	37,194	5,219
Interest income from Equus		-	611	-	3,800
Impairment of assets held for sale		-	(2,262,000)	-	(2,262,000)
Loss from assets held for sale		-	(23,464)	-	(115,344)
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(1,034,543)	(3,316,182)	(2,476,538)	(4,287,535)
Loss attributable to Orsu shareholders		\$ (929,461)	\$ (3,316,182)	\$ (2,289,919)	\$ (4,284,535)
Loss attributable to non-controlling interest shareholders		(105,082)	-	(186,619)	(3,000)
		\$ (1,034,543)	\$ (3,316,182)	\$ (2,476,538)	\$ (4,287,535)
Basic and diluted loss per common share		\$ (0.03)	\$ -	\$ (0.07)	\$ -
Weighted average number of common shares outstanding		36,053,316	35,718,682	36,053,316	27,174,239

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ORSU METALS CORPORATION
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Expressed in US dollars)

	Nine months ended	
	September 30,	
	2018	2017
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Loss for the period	\$ (2,476,538)	\$ (4,287,535)
Items not affecting cash:		
Depreciation	6,000	3,746
Share based-compensation	-	369,739
Gain on disposal of assets held for sale	-	(11,652)
Accrued interest expense	-	5,220
Accrued interest income	(1,175)	-
Obligation to issue shares	50,625	42,597
Impairment of assets held for sale	-	2,262,000
Change in non-cash working capital items:		
Receivables	(110,647)	(24,577)
Prepaid expenses	(90,458)	281
Trade and other payables	59,603	(196,862)
	(2,562,590)	(1,837,043)
INVESTING ACTIVITIES:		
Sergeevskoe acquisition costs, net of cash received	-	32,696
Cash received on disposal of assets held for sale	-	10,000
	-	42,696
FINANCING ACTIVITIES:		
Exercise of options	-	133,419
	-	133,419
DECREASE IN CASH FOR THE PERIOD	(2,562,590)	(1,660,928)
CASH, BEGINNING OF THE PERIOD	4,976,892	2,350,017
CASH, HELD FOR SALE	-	(1,976)
CASH, END OF THE PERIOD	\$ 2,414,302	\$ 687,113
Non-cash investing and financing activities		
Obligation to issue shares	\$ 46,573	\$ -
Share issued for acquisition of Sergeevskoe	-	3,041,502
Allocation of reserves on exercise of options	-	56,688
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ORSU METALS CORPORATION

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited – Expressed in US dollars)

	Number of shares	Share capital	Obligation to issue shares	Reserves	Non-controlling interest	Deficit	Shareholders' equity
Balance, December 31, 2016	18,269,605	\$ 382,576,233	\$ -	\$ 34,260,276	\$ (823,000)	\$ (405,635,085)	\$ 10,378,424
Exercise of options	890,000	190,107	-	(56,688)	-	-	133,419
Acquisition of Sergeevskoe	16,559,152	3,041,502	-	-	-	-	3,041,502
Obligation to issue shares	-	-	42,597	-	-	-	42,597
Share-based compensation	-	-	-	369,739	-	-	369,739
Comprehensive loss for the period	-	-	-	-	(3,000)	(4,284,535)	(4,287,535)
Balance, September 30, 2017	35,718,757	\$ 385,807,842	\$ 42,597	\$ 34,573,327	\$ (826,000)	\$ (409,919,620)	\$ 9,678,146

	Number of shares	Share capital	Obligation to issue shares	Reserves	Non-controlling interest	Deficit	Shareholders' equity
Balance, December 31, 2017	35,718,682	\$ 385,807,842	\$ 46,573	\$ 33,538,873	\$ 243,100	\$ (410,961,020)	\$ 8,675,368
Shares issued to settle an obligation to issue shares	354,089	46,573	(46,573)	-	-	-	-
Obligation to issue shares	-	-	50,625	-	-	-	50,625
Comprehensive loss for the period	-	-	-	-	(186,619)	(2,289,919)	(2,476,538)
Balance, September 30, 2018	36,072,771	\$ 385,854,415	\$ 50,625	\$ 33,538,873	\$ 56,481	\$ (413,250,939)	\$ 6,249,455

The accompanying notes form an integral part of these condensed consolidated interim financial statements

ORSU METALS CORPORATION

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

1. NATURE OF OPERATIONS

Orsu Metals Corporation (“Orsu” or the “Company”) is a publicly-traded company incorporated in the British Virgin Islands. The Company’s shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol OSU. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., Canada, V4B 1E6.

The Company is engaged in the exploration and, if warranted, development of a mineral resource project in eastern Russia. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at September 30, 2018, the Company had working capital of \$2,543,740. Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned exploration and operations over the next twelve months.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

These condensed consolidated interim financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2017.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed consolidated interim financial statements are presented in United States (“US”) dollars, which is the parent company’s functional currency as well as the functional currency of the Company’s subsidiaries.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

2. BASIS OF PRESENTATION (continued)

Use of accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

2. BASIS OF PRESENTATION (continued)

Use of accounting estimates, judgments and assumptions (continued)

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent company as well as the functional currency of the Company's subsidiaries is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2017.

Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current period.

Adoption of new standards, interpretations and amendments

The Company has adopted IFRS 9, Financial Instruments effective January 1, 2018. The adoption of this new standard did not have a material impact on the Company's consolidated financial statements.

IFRS 9 is a new standard on financial instruments that replaces IAS 39, Financial Instruments: Recognition and Measurement. This standard simplifies the current measurement model for financial instruments under IFRS and establishes two measurement categories for financial assets: amortized cost and fair value. The existing IAS 39 categories of loans and receivables, held to maturity investments, and available for sale financial assets were eliminated.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2018 and have not been applied in preparing these condensed consolidated interim financial statements.

Effective for annual periods beginning on or after January 1, 2019:

New standard IFRS 16, Leases

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

The Company has not early adopted this new standard and this standard is not expected to have a material effect on the consolidated financial statements.

4. CASH

	September 30, 2018	December 31, 2017
US dollar denominated deposits held in Canada	\$ 2,136,693	\$ 4,763,901
Canadian dollar denominated deposits held in Canada	47,232	111,421
US dollar denominated deposits held in Russia	-	68,700
Ruble denominated deposits held in Russia	220,721	1,905
US dollar denominated deposits held in Cyprus	2,509	6,604
Euro denominated deposits held in Cyprus	-	39
GBP denominated deposits held in the UK	7,147	24,322
Total	\$ 2,414,302	\$ 4,976,892

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

5. RECEIVABLES

	September 30, 2018	December 31, 2017
Amounts due from the Government of Russia pursuant to value added tax	\$ 233,874	\$ 124,198
Interest receivable	1,175	12,509
Other	16,576	3,096
Total	\$ 251,625	\$ 139,803

During the nine months ended September 30, 2018, the Company received approximately \$130,000 (7,709,769 Russian Rubles) related to the amounts due from the Government of Russia pursuant to value added tax. In November 2018, the Company received approximately \$93,000 (6,083,991 Russian Rubles) related to the amounts due from the Government of Russia pursuant to value added tax.

6. EXPLORATION AND EVALUATION ASSETS

	Sergeevskoe Project
December 31, 2017	\$ 3,631,715
Additions	-
September 30, 2018	\$ 3,631,715

By November 2017, the Company completed the acquisition of a total 90% interest in the Sergeevskoe gold project located in eastern Russia.

The sellers of the Sergeevskoe project were granted a net smelter return royalty of 0.75% on the Sergeevskoe project, to be capped at \$7,500,000 at which point it will expire. Orsu will carry the Sellers 10% interest until completion of a definitive feasibility study on the Sergeevskoe project, at which point the 10% interest will become a participating interest, subject to dilution.

The Company is responsible for funding 100% of all costs until completion of a definitive feasibility study.

In anticipation of closing the acquisition of the Sergeevskoe project, the Company advanced \$332,871 during the nine months ended September 30, 2017 towards exploration work to advance the Sergeevskoe Project. These advances were recorded as project investigation costs on the statement of loss and comprehensive loss.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenditures included in the loss for the three and nine months ended September 30, 2018 and 2017 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Drilling and assays	\$ 811,445	\$ 339,264	\$ 1,724,882	\$ 339,264
Licenses and permits	14,389	47,629	39,090	47,629
Personnel, administration and travel	71,439	100,855	245,610	100,855
	\$ 897,273	\$ 487,748	\$ 2,009,582	\$ 487,748

7. PROPERTY, PLANT AND EQUIPMENT

	Camp and infrastructure	Total
Cost		
December 31, 2017	\$ 80,000	\$ 80,000
Additions	-	-
September 30, 2018	\$ 80,000	\$ 80,000
Accumulated depreciation		
December 31, 2017	\$ -	\$ -
Depreciation	6,000	6,000
September 30, 2018	\$ 6,000	\$ 6,000
Carrying amounts		
December 31, 2017	\$ 80,000	\$ 80,000
September 30, 2018	\$ 74,000	\$ 74,000

8. TRADE AND OTHER PAYABLES

	September 30, 2018	December 31, 2017
Trade and other payables in BVI	\$ 8,222	\$ 103,589
Trade and other payables in Cyprus	4,803	19,599
Trade and other payables in Russia	196,785	33,330
Due to related parties	28,194	21,883
Total	\$ 238,004	\$ 178,401

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

9. SHARE CAPITAL AND RESERVES

a) Authorized

The Company is authorized to issue 100,000,000,000 common shares without par value.

b) Issued and outstanding

As at September 30, 2018 the Company had 36,072,771 common shares issued and outstanding (December 31, 2017 – 35,718,682). A summary of changes in share capital and reserves is contained on the condensed consolidated interim statements of changes in equity for the nine months ended September 30, 2018 and 2017.

On January 15, 2018, the Company issued 354,089 common shares valued at \$46,573 to settle an obligation to issue shares.

c) Options

The Company has a rolling stock option plan applicable to directors, employees and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX-V. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

The continuity of stock options for the nine months ended September 30, 2018 is as follows:

Expiry date	Exercise price CAD\$	Balance, December 31, 2017	Granted	Exercised	Forfeited	Balance, September 30, 2018
September 2, 2020	\$ 0.20	480,000	-	-	-	480,000
September 21, 2022	\$ 0.13	2,845,000	-	-	-	2,845,000
		3,325,000	-	-	-	3,325,000
Weighted average exercise price - CAD\$		\$ 0.14	\$ -	\$ -	\$ -	\$ 0.14

As at September 30, 2018, all the stock options were exercisable with a weighted average remaining life of 3.68 years.

d) Obligation to issue shares

The Company's three non-executive directors are paid an annual fee of \$15,000 per year. As the Company permits, one of the directors has elected to be paid half of his annual fees in cash and the other half in shares, while the other two directors have elected to be paid all of their annual fees in shares. In addition, the Company has engaged a consultant at the rate of \$30,000 per year to be paid in shares. All shares to be issued will be subject to approval by the TSX-V and will be priced at the closing price on the last trading day of December each year and issued within 3 business days after that. During the nine months ended September 30, 2018, the Company recorded \$50,625 as an obligation to issue shares.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management compensation

Key management includes members of the non-executive Board of Directors, the Executive Chairman, the Managing Director, the Director of Exploration, the Chief Financial Officer and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel, during the three and nine months ended September 30, 2018 and 2017 were as follows:

		Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
Salaries and benefits					
Sergey Kurzin	Director	\$ 18,196	\$ 18,229	\$ 55,697	\$ 72,543
Sergei Stefanovich	Director	18,075	18,096	55,184	26,371
Alexander Yakubchuk	Officer	18,000	18,000	54,000	73,320
Mark Corra	Director	3,750	3,750	11,250	12,397
David Rhodes	Director	3,750	3,750	11,250	12,397
Vladimir Pakhomov	Director	3,750	3,750	11,250	5,524
Doris Meyer & Dan O'Brien *	Officers	28,650	29,736	87,592	85,946
		\$ 94,171	\$ 95,311	\$ 286,223	\$ 288,498

*Consulting fees are paid to Golden Oak Corporate Services Ltd. ("Golden Oak"), a company owned by Doris Meyer, which provides Doris Meyer's services as Corporate Secretary and Dan O'Brien's services as Chief Financial Officer to the Company.

Amounts due to related parties

Included in trade and other payables as at September 30, 2018 is \$5,625 (December 31, 2017 - \$Nil) payable to a director of the Company for fees, \$21,883 (December 31, 2017 - \$21,883) payable to the Managing Director of the Company for fees, and \$686 (2017 - \$Nil) related to the reimbursement of expenditures.

11. SEGMENTED INFORMATION

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Executive Chairman.

The Company operates in a single segment, being mineral exploration and evaluation.

With the exception of the cash disclosed in Note 4, all of the Company's significant assets are held in Russia as at September 30, 2018.

ORSU METALS CORPORATION
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2018

(Unaudited – Expressed in US dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss (“FVTPL”); fair value through other comprehensive income (loss) (“FVTOCI”); or at amortized cost. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	September 30, 2018	December 31, 2017
Cash	FVTPL	\$ 2,414,302	\$ 4,976,892
Receivables	Amortized cost	251,625	139,803
Trade and other payables	Amortized cost	238,004	178,401

The Company’s financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of receivables and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value value of cash was determined based on Level 1 of the fair value hierarchy.

Risk Management

The Company’s risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2017.

13. SUBSEQUENT EVENT

In November 2018, the Company issued 168,282 common shares to the Managing Director of the Company to settle \$21,883 of trade and other payables that resulted from fees incurred in fiscal 2017. The issuance of the shares was pending disinterested shareholder approval, which was received in June 2018, and TSX-V approval, which was received in November 2018.