Blue Sky Uranium Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed consolidated interim financial statements they must be accompanied by a notice indicating that these condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

Blue Sky Uranium Corp.

Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	June 30, 2018 $	December 31, 2017 $
ASSETS			
Current assets			
Cash		2,814,516	742,363
Accounts receivable		11,995	15,314
Prepaid expenses		454,849	211,979
Total current assets		3,281,360	969,656
Non-current assets			
Equipment	3	1,489	3,277
Mineral property interests	4	58,086	54,243
Total non-current assets		59,575	57,520
Total Assets		3,340,935	1,027,176
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	107,071	613,606
Total Liabilities		107,071	613,606
EQUITY			
Share capital	5	28,729,625	25,067,911
Reserves	5	7,332,186	5,399,265
Deficit		(32,827,947)	(30,053,606)
Total Equity		3,233,864	413,570
Total Equity and Liabilities		3,340,935	1,027,176

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENT (Note 9)

SUBSEQUENT EVENTS (Note 12)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on August 27, 2018. They are signed on the Company's behalf by:

"Nikolaos Cacos", Director

"David Terry", Director

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

Blue Sky Uranium Corp.

Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

		Three months ended June 30,		Six months ended June 30,	
		2018	2017	2018	2017
	Note	$	$	$	$
Expenses					
Accounting and audit		8,520	10,360	8,520	10,360
Corporate development and investor relations		190,624	127,905	404,838	481,735
Depreciation	3	894	894	1,788	1,788
Exploration	4	278,242	765,378	1,198,430	1,318,382
Management fees	6	45,500	37,500	87,500	75,600
Office and sundry	6	12,030	22,492	37,639	38,722
Professional fees	6	24,543	31,242	41,387	64,549
Rent, parking and storage		3,429	3,076	6,605	6,151
Salaries and employee benefits	6	42,000	30,000	78,000	60,000
Share-based compensation		-	240	802,798	47,325
Transfer agent and regulatory fees		34,106	3,336	59,101	29,249
Travel		24,420	17,674	32,150	29,303
Loss from operating activities		664,308	1,050,097	2,758,756	2,163,164
Foreign exchange loss		46,927	3,450	19,624	5,747
Interest income		(2,336)	(1,138)	(4,039)	(3,962)
Loss and comprehensive loss for the period		708,899	1,052,409	2,774,341	2,164,949
Basic and diluted loss per common share ($)	7	0.01	0.02	0.03	0.04

Blue Sky Uranium Corp.
Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	Six months ended June 30,	
	2018	2017
	$	$
Cash flows used in operating activities		
Loss for the period	(2,774,341)	(2,164,949)
Depreciation	1,788	1,788
Share-based compensation	802,798	47,325
	(1,969,755)	(2,115,836)
Change in non-cash working capital items:		
Decrease (increase) in accounts receivable	3,319	(505)
(Increase) decrease in prepaid expenses	(242,870)	161,521
(Decrease) increase in accounts payable and accrued liabilities	(506,535)	63,215
Net cash used in operating activities	(2,715,841)	(1,891,605)
Cash flow used in investing activities		
Expenditures on mineral property interests	(3,843)	(25,000)
Net cash used in investing activities	(3,843)	(25,000)
Cash flows from financing activities		
Issuance of common shares and warrants	4,938,622	-
Share issue costs	(146,785)	-
Warrants exercised	-	1,284,540
Net cash from financing activities	4,791,837	1,284,540
Net increase (decrease) in cash	2,072,153	(632,065)
Cash at beginning of period	742,363	1,478,284
Cash at end of period	2,814,516	846,219

SUPPLEMENTARY CASH FLOW INFORMATION (Note 10)

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

Blue Sky Uranium Corp.
Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian Dollars)

	Share capital		Reserves				
	Number of Shares	Amount $	Contributed Surplus $	Equity Settled Share-based Payments $	Warrants $	Accumulated Deficit $	Total $
Balance at December 31, 2016	46,003,954	21,193,429	3,985,637	129,668	1,439,610	(25,252,756)	1,495,588
Share-based compensation	-	-	-	47,325	-	-	47,325
Warrants exercised	12,845,400	1,551,271	-	-	(266,731)	-	1,284,540
Return to Treasury	(65,789)	-	-	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	(2,164,949)	(2,164,949)
Balance at June 30, 2017	58,783,565	22,744,700	3,985,637	176,993	1,172,879	(27,417,705)	662,504
Private placements	5,940,064	817,650	-	-	310,963	-	1,128,613
Share issue costs	-	(44,467)	-	-	-	-	(44,467)
Agents' warrants granted	-	-	-	-	14,831	-	14,831
Stock options cancelled/expired	-	-	122,779	(122,779)	-	-	-
Share-based compensation	-	-	-	(2,010)	-	-	(2,010)
Warrants exercised	12,900,000	1,550,028	-	-	(260,028)	-	1,290,000
Warrants and agents' warrants expired	-	-	283,436	-	(283,436)	-	-
Comprehensive loss for the period	-	-	-	-	-	(2,635,901)	(2,635,901)
Balance at December 31, 2017	77,623,629	25,067,911	4,391,852	52,204	955,209	(30,053,606)	413,570
Private placements	32,165,088	3,856,802	-	-	1,081,820	-	4,938,622
Share issue costs	-	(146,785)	-	-	-	-	(146,785)
Agent warrants granted	-	(48,303)	-	-	48,303	-	-
Share-based compensation	-	-	-	802,798	-	-	802,798
Comprehensive loss for the period	-	-	-	-	-	(2,774,341)	(2,774,341)
Balance at June 30, 2018	109,788,717	28,729,625	4,391,852	855,002	2,085,332	(32,827,947)	3,233,864

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering (the "Offering") and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction (the "QT") and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of $32,827,947 and shareholders' equity of $3,233,864 at June 30, 2018. In addition, the Company has working capital of $3,174,289 at June 30, 2018 and negative cash flow from operating activities of $2,715,841 Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals. These consolidated financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as applicable to interim financial reports including International Accounting Standard 34 'Interim Financial Reporting'.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and included in Part 1 of the Handbook of the Chartered Professional Accountants of Canada.

The policies applied in these condensed consolidated interim financial statements are the same as those applied in the most recent annual consolidated financial statements, except for IFRS 9 Financial Instruments ("IFRS 9). All other accounting policies were consistently applied to all the periods presented unless otherwise noted.

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial assets/liabilities	Original classification IAS 39	New classification IFRS 9
Cash and cash equivalents	Amortized cost	Amortized cost
Amounts receivable	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The Company did not restate prior periods as it recognized the effects of retrospective application to shareholders' equity at the beginning of the 2018 annual reporting period, which also includes the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit nor the opening balance of accumulated comprehensive income on January 1, 2018.

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky BVI Uranium Corp.	British Virgin Islands	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Significant Accounting Estimates and Judgments

The preparation of these 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 financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

1. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Critical accounting judgments

i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

iii. The analysis of the functional currency for each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv. The determination of our tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, we interpret tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of deferred tax assets and liabilities. We also make estimates of future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Changes in Accounting Standards

The Company has adopted these accounting standards effective January 1, 2018. The adoption of these accounting standards had no significant impact on the consolidated financial statements. These standards are:

IFRS 9 – *Financial Instruments*
IFRS 15 – *Revenue from Contracts with Customers*
IFRIC 22 – *Foreign Currency Transactions and Advance Consideration*
Amendments to IFRS 2 – *Share-based Payments*

New Accounting Standards and Interpretations

The International Accounting Standards Board ("IASB") has issued new and amended standards and interpretations which have not yet been adopted by the Company. The following is a brief summary of the new and amended standards and interpretations:

IFRS 16 – Leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 is not expected to have a material impact on amounts recorded in the financial statements of the Company.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

3. EQUIPMENT

	Computer Equipment $	Total $
Cost		
Balance at December 31, 2016 and December 31, 2017	7,150	7,150
Additions	-	-
Balance at June 30, 2018	7,150	7,150
Accumulated Depreciation		
Balance at December 31, 2016	298	298
Depreciation	3,575	3,575
Balance at December 31, 2017	3,873	3,873
Depreciation	1,788	1,788
Balance at June 30, 2018	5,661	5,661
Carrying Amount		
At December 31, 2017	3,277	3,277
At June 30, 2018	1,489	1,489

4. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as at June 30, 2018:

Acquisition Costs

	Argentina			
	Ivana $	**Regalo $**	**Sierra Colonia $**	**Total $**
Balance – December 31, 2016	-	-	32,702	32,702
Additions	-	25,000	-	25,000
Balance – June 30, 2017	-	25,000	32,702	57,702
Additions	11,391	-	-	11,391
Impairment	-	-	(32,702)	(32,702)
Reversal of impairment	17,852	-	-	17,852
Balance – December 31, 2017	29,243	25,000	-	54,243
Additions	3,843	-	-	3,843
Balance – June 30, 2018	33,086	25,000	-	58,086

Ivana Property

The Company owns a 100% interest in the 838 km^2 Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina.

Regalo Property

The Company owns a 100% interest in the 233 km^2 Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut Argentina.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

4. MINERAL PROPERTY INTERESTS (continued)

Exploration Expenditures

	Argentina				
	Amarillo Grande				
	Santa Barbara $	Anit $	Ivana $	Other $	Total $
Cumulative exploration costs December 31, 2017	1,615,817	4,439,237	6,141,918	10,718	12,207,690
Expenditures during the period:					
Assays	-	-	172,743	-	172,743
Drilling	-	-	66,665	-	66,665
Metallurgy	-	9	22,346	-	22,355
Mineralogy	-	4	10,816	-	10,820
Office	-	313	48,165	71	48,549
Property maintenance payments	-	-	5,644	-	5,644
Resource modelling	-	105,782	-	-	105,782
Salaries and contractors	-	47	466,769	-	466,816
Social and community	-	4	10,919	-	10,923
Statutory taxes	-	15,981	140,810	11	156,802
Supplies and equipment	-	-	59,231	-	59,231
Travel	-	5	72,095	-	72,100
	-	122,145	1,076,203	82	1,198,430
Cumulative exploration costs June 30, 2018	1,615,817	4,561,382	7,218,121	10,800	13,406,120

	Argentina					
	Amarillo Grande					
	Santa Barbara $	Anit $	Ivana $	Sierra Colonia $	Other $	Total $
Cumulative exploration costs December 31, 2016	1,232,231	3,853,705	3,580,382	907,899	-	9,574,217
Expenditures during the period:						
Assays	216	64,980	76,276	-	-	141,472
Drilling	11,429	174,461	181,499	-	-	367,389
Geophysics	(13,797)	(13,797)	26,536	-	-	(1,058)
Office	2,310	19,992	19,622	-	118	42,042
Property maintenance payments	311	13,507	8,811	-	24	22,653
Salaries and contractors	38,017	105,755	177,681	-	3,879	325,332
Social and community	273	2,298	2,583	-	22	5,176
Statutory taxes	9,439	79,492	89,444	-	635	179,010
Supplies and equipment	7,612	93,581	32,565	-	-	133,758
Travel	13,705	45,178	43,725	-	-	102,608
	69,515	585,447	658,742	-	4,678	1,318,382
Cumulative exploration costs June 30, 2017	1,301,746	4,439,152	4,239,124	907,899	4,678	10,892,599

5. SHARE CAPITAL AND RESERVES

Authorized Share Capital

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Details of Issues of Common Shares in 2018

On June 12, 2018, the Company closed a non-brokered private placement financing of 24,906,588 units at a price of $0.14 per unit for gross proceeds of $3,486,922. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.30 per share for two years from the date of issue, expiring on June 11, 2020. Finders' fees were paid of $132,259 cash and 944,709 non-transferable warrants exercisable into common shares at $0.30 for two years from the date of issue. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.89%; expected stock price volatility – 109.97%; dividend yield – 0%; and expected warrant life – 1.014 years.

On March 1, 2018, the Company closed a non-brokered private placement financing of 7,258,500 units at a price of $0.20 per unit for gross proceeds of $1,451,700. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.35 per share for two years from the date of issue, expiring on February 28, 2020. The Company is entitled to accelerate the expiry date of the warrants if the five-day volume weighted average stock price of the Company trades $0.75 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day after the date of delivery of the notice. Finders' fees were paid of $14,525 cash and 72,625 non-transferable warrants exercisable into common shares at $0.35 for two years from the date of issue subject to the accelerated exercise provisions as set out above. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.71%; expected stock price volatility – 112.85%; dividend yield – 0%; and expected warrant life – 0.98 years.

Details of Issues of Common Shares in 2017

On December 19, 2017, the Company closed a non-brokered private placement financing of 5,940,064 units at a price of $0.19 per unit for gross proceeds of $1,128,613. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at $0.30 per share for one year from the date of issue, expiring on December 19, 2018. The Company is entitled to accelerate the expiry date of the warrants if the five-day volume weighted average stock price of the Company trades $0.50 or higher, then, on notice from the Company, the warrant holders will have 20 days to exercise their warrants; otherwise, the warrants will expire on the 21st day after the date of delivery of the notice. Finders' fees were paid of $29,636 cash and 155,978 non-transferable warrants exercisable into common shares at $0.30 for one year from the date of issue subject to the accelerated exercise provisions as set out above. Fair value was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 1.58%; expected stock price volatility – 115.30%; dividend yield – 0%; and expected warrant life – 0.96 years.

During the year ended December 31, 2017, 25,745,400 warrants were exercised for gross proceeds of $2,574,540.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES (continued)

Share Purchase Option Compensation Plan

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

Options

The continuity of share purchase options for the six months ended June 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017	Granted	Exercised	Expired/ Forfeited	June 30, 2018	Options Exercisable
November 17, 2018	$0.25	300,000	-	-	-	300,000	300,000
January 23, 2023	$0.30	-	4,520,000	-	-	4,520,000	4,520,000
		300,000	4,520,000	-	-	4,820,000	4,820,000
Weighted average exercise price ($)		0.25	0.30	-	-	0.30	0.30
Weighted average contractual remaining life (years)		0.9	4.6	-	-	4.3	4.3

The continuity of share purchase options for the six months ended June 30, 2017 is as follows:

Expiry date	Exercise Price	December, 31, 2016	Granted	Exercised	Expired/ Forfeited	June 30, 2017	Options Exercisable
September 24, 2017	$1.20	93,500	-	-	-	93,500	93,500
November 17, 2018	$0.25	300,000	-	-	-	300,000	225,000
March 9, 2020	$0.30	-	250,000	-	-	250,000	125,000
		393,500	250,000	-	-	643,500	443,500
Weighted average exercise price ($)		0.48	0.30	-	-	0.41	0.46
Weighted average contractual remaining life (years)		1.6	2.69	-	-	1.73	2.09

The weighted average fair value of share purchase options granted during the six months ended June 30, 2018 is $0.18 (2017 - $0.26).

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

5. SHARE CAPITAL AND RESERVES (continued)

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Six months ended June 30,	
	2018	2017
Risk-free interest rate	1.77%	0.84%
Expected option life in years	2.5	2.7
Expected share price volatility	146%	181%
Grant date share price	$0.25	$0.30
Expected forfeiture rate	-	-
Expected dividend yield	Nil	Nil

Warrants

The continuity of warrants for the six months ended June 30, 2018 is as follows:

Expiry date	Exercise Price	December 31, 2017	Granted	Exercised	Expired/ Cancelled	June 30, 2018
September 19, 2018	$0.50	4,322,352	-	-	-	4,322,352
December 19, 2018	$0.30	6,096,043	-	-	-	6,096,043
February 28, 2020	$0.35	-	7,331,125	-	-	7,331,125
June 11, 2020	$0.30	-	25,851,297	-	-	25,851,297
		10,418,395	33,182,422	-	-	43,600,817
Weighted average exercise price ($)		0.38	0.31	-	-	0.33

The continuity of warrants for the six months ended June 30, 2017 as follows:

Expiry date	Exercise Price	December 31, 2016	Granted	Exercised	Expired/ Cancelled	June 30, 2017
July 4, 2017	$0.10	38,057,500	-	(36,915,400)	-	1,142,100
September 19, 2018	$0.50	4,388,141	-	-	(65,789)	4,322,352
		42,445,641	-	(36,915,400)	(65,789)	5,464,452
Weighted average exercise price ($)		0.14	-	0.10	-	0.42

6. RELATED PARTY BALANCES AND TRANSACTIONS

Grosso Group Management Ltd.

On April 1, 2010, the Company entered into a Management Services Agreement ("Agreement") with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expired on December 31, 2016 and was automatically renewed for a period of two years pursuant to the terms of the Agreement.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

6. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of $750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of $1,000,000.

	Six months ended June 30,	
Transactions	2018 $	2017 $
Services rendered:		
Grosso Group Management Ltd.		
Management fees	87,500	75,600
Office & sundry	22,950	13,200
Total for services rendered	110,450	88,800

Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Corporate Secretary and Vice President of Corporate Development.

			Six months ended June 30,	
Transactions			2018 $	2017 $
Share-based compensation			408,503	-
Consulting, salaries and professional fees to key management or their consulting corporations:				
Nikolaos Cacos	President/CEO	Salaries and employee benefits	30,000	30,000
Darren Urquhart	CFO/Corporate	Salaries and employee benefits	6,000	6,000
David Terry	Director/Consultant	Salaries and employee benefits	24,000	24,000
Joseph Grosso	Director/Consultant	Professional fees	25,000	25,000
Total for services rendered			493,503	85,000

	Six months ended June 30,	
Transactions	2018 $	2017 $
Amounts owed to related parties		
Payable to Golden Arrow Corp.[1]	17,971	-
Total shared costs included in accounts payable	17,971	-

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended June 30, 2018 and 2017 was based on the following:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Loss attributable to common shareholders ($)	708,899	1,052,409	2,774,341	2,164,949
Weighted average number of common shares outstanding	92,201,619	52,410,532	84,565,614	49,189,545

Diluted loss per share did not include the effect of 4,820,000 (June 30, 2017 – 643,500) share purchase options and 43,600,817 (June 30, 2017 – 5,464,452) common share purchase warrants as they are anti-dilutive.

8. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the six months ended June 30, 2018.

The Company's total non-current assets are segmented geographically as follows:

	June 30, 2018		
	Canada $	Argentina $	Total $
Mineral property interests	-	58,086	58,086
Equipment	1,489	-	1,489
	1,489	58,086	59,575

	December 31, 2017		
	Canada $	Argentina $	Total $
Mineral property interests	-	54,243	54,243
Equipment	3,277	-	3,277
	3,277	54,243	57,520

9. COMMITMENT

Management Services Agreement

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is $16,450 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

9. COMMITMENT (continued)

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	1 Year $	2 Years $	3 Years $	4-5 Years $	More than 5 Years $
Management Services Agreement	98,700	296,100	-	-	-

10. SUPPLEMENTARY CASH FLOW

	Six months ended June 30,	
	2018 $	2017 $
Non-cash investing and financing activities:		
Private placements – issuance of warrants	1,081,820	-
Share issue cost – issuance of warrants to agents	48,303	-
Warrants exercised	-	266,731

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(a) Fair Values

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 Company's financial instruments consist of cash, accounts receivable, exploration liabilities, and accounts payable and accrued liabilities. The recorded amounts for cash, amounts receivable, exploration liabilities, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

(b) Financial Instrument Risk Exposure

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and overall the Company's credit risk has not changed significantly from the prior year.

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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

Market risk

(i) Currency risk

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: cash, accounts receivable and accounts payable all denominated in United States dollars and Argentinean pesos. The sensitivity of the Company's net earnings and other comprehensive income to changes in the exchange rate between the Canadian dollar and the United States dollar, and between the Canadian dollar and the Argentinean peso as of June 30, 2018 is summarized as follows:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $8,000.

- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately $13,000.

(ii) ***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of cash approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

(c) Capital Management

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the six months ended June 30, 2018.

12. SUBSEQUENT EVENTS

Warrant Life Extension

- On August 16, 2018, the Company extended the useful life of 4,180,966 warrants, with an exercise price of $0.50 per warrant, that were set to expire on September 19, 2018 to September 19, 2019.