THOR EXPLORATIONS LTD

Condensed Consolidated Interim Financial Statements

For the Three and Nine Months Ended September 30, 2018 and 2017

(in Canadian Dollars)

(Unaudited)

THOR EXPLORATIONS LTD.

September 30, 2018
(Unaudited)

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NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the 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 independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

In Canadian dollars (unaudited)

	Note		September 30, 2018		December 31, 2017
ASSETS					
Current					
Cash		**$**	**3,665,662**	$	239,605
Amounts receivable	5		**2,557,210**		5,470
Prepaid expenses, advances and deposits	6		**54,804**		51,988
Total current assets			**6,277,676**		297,063
Investment			**2**		2
Prepaid expenses, advances and deposits	6		**27,595**		30,114
Property, plant and equipment	7		**225,533**		142,048
Exploration and evaluation assets	4, 8		**39,809,095**		35,582,761
TOTAL ASSETS		**$**	**46,339,901**	$	36,051,988
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	9	**$**	**1,021,211**	$	685,284
Deferred payment	10	**$**	**2,602,540**	$	2,245,498
			3,623,751		2,930,782
Non-current liabilities					
Deferred income tax liabilities		**$**	**18,826**	$	18,896
SHAREHOLDERS' EQUITY					
Common shares	11		**46,580,696**		41,324,813
Shares subscription	11		**-**		383,820
Share purchase warrants	11		**6,223,000**		-
Reserve	11		**4,622,308**		2,582,308
Currency translation reserve			**571,826**		693,104
Deficit			**(15,300,506)**		(11,881,735)
Total shareholders' equity			**42,697,324**		33,102,310
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**46,339,901**	$	36,051,988

Nature of operations and going concern (note 2c)

These consolidated financial statements were approved for issue by the Board of Directors on November 29, 2018 and are signed on its behalf by:

(Signed) "Adrian Coates"
Director

(Signed) "Olusegun Lawson"
Director

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,
In Canadian dollars (unaudited)

		September 30,		September 30,	
	Note	**2018**	**2017**	**2018**	**2017**
Expenses:					
Audit and legal		**$ 7,519**	$ 8,450	**$ 19,656**	$ 48,180
Bank charges		**3,100**	4,387	**10,113**	11,690
Consulting fees		**124,871**	86,185	**380,687**	276,019
Directors fees	12	**98,018**	46,971	**193,868**	158,707
Accretion	10	**58,482**	87,715	**271,547**	271,526
Depreciation		**14,287**	8,105	**36,875**	23,595
Foreign exchange loss (gain)		**(23,287)**	(11,451)	**103,937**	10,146
Listing and filing fees		**4,250**	100	**25,462**	16,669
Office and miscellaneous		**49,747**	44,747	**136,940**	124,116
Investor Relations and transfer agent fees		**27,584**	5,946	**111,194**	31,886
Travel		**37,277**	19,757	**154,645**	93,944
Share-based payments	11	**-**	-	**1,960,307**	970,000
Loss from operations		**(401,848)**	(300,912)	**(3,405,231)**	(2,036,478)
Interest expense	10	**(13,540)**	-	**(13,540)**	-
Net loss before taxes		**$ (415,388)**	$ (300,912)	**$ (3,418,771)**	$ (2,036,478)
Deferred income taxes		**-**	-	**-**	-
Net loss for the period		**$ (415,388)**	$ (300,912)	**$ (3,418,771)**	$ (2,036,478)
Other comprehensive income					
Foreign currency translation gain (loss) attributed to equity shareholders of the company		**(509,021)**	(171,624)	**(121,278)**	33,610
Total comprehensive gain (loss) for the period		**$ (924,409)**	$ (472,536)	**$ (3,540,049)**	$ (2,002,868)
Net loss per share - basic and diluted		**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		**340,884,576**	307,857,285	**323,084,802**	292,664,744

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30,
In Canadian dollars (unaudited)

	Note	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Cash flows from (used in):					
Operating activities					
Net loss for the period		**$ (415,388)**	$ (300,912)	**$ (3,418,771)**	$ (2,036,478)
Adjustments for:					
Foreign exchange loss (gain)		**(46,011)**	(130,184)	**66,178**	(232,311)
Interest expense		**13,540**	-	**13,540**	-
Accretion	10	**58,482**	87,715	**271,547**	271,526
Depreciation		**14,287**	8,105	**36,875**	23,595
Share based payments		**-**	-	**1,960,307**	970,000
Changes in non-cash working capital items	13(a)	**52,612**	61,315	**(78,023)**	71,370
Cash utilized in operations		**(322,478)**	(273,961)	**(1,148,347)**	(932,298)
Adjustments to net loss for cash items					
Realized foreign exchange loss (gain)		**4,677**	(192)	**719**	(14,665)
Income tax paid	13(b)	**-**	-	**-**	-
Net operating cash flows		**(317,801)**	(274,153)	**(1,147,628)**	(946,963)
Investing activities					
Purchases of property, plant and equipment	7	**(15,128)**	(2,427)	**(147,744)**	(31,864)
Exploration and evaluation expenditures	8	**(1,503,806)**	(1,147,467)	**(3,936,294)**	(2,506,075)
Redemption of short term investment		**-**	-	**-**	-
Net investing cash flows		**(1,518,934)**	(1,149,894)	**(4,084,038)**	(2,537,939)
Financing					
Proceeds from issuance of equity securities	11	**5,454,000**	-	**9,304,992**	2,418,895
Share issue costs	11	**(383,273)**	(7,078)	**(627,224)**	(132,622)
Net financing cash flows		**5,070,727**	(7,078)	**8,677,768**	2,286,273
Effect of exchange rates on cash		**(71,824)**	124,246	**(20,045)**	216,400
Net change in cash		**3,162,168**	(1,306,879)	**3,426,057**	(982,229)
Cash, beginning of the period		**503,494**	1,793,665	**239,605**	1,469,015
Cash, end of the period		**$ 3,665,662**	$ 486,786	**$ 3,665,662**	$ 486,786

Supplemental cash flow information (Note 13)

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

THOR EXPLORATIONS LTD.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
In Canadian dollars (unaudited)

	Note	Issued capital: Number of common shares	Issued capital: Amount	Share subscription	Reserves	Currency translation reserve	Share purchase warrants	Deficit	Total shareholders' equity
Balance on December 31, 2016		**285,193,003**	**$ 39,038,540**	**$ -**	**$ 1,539,308**	**$ 488,362**	**$ -**	**$ (9,235,725)**	**$ 31,830,485**
Private placements	11	16,125,967	2,418,895	-	-	-	-	-	2,418,895
Share issuance costs	11	-	(132,622)	-	-	-	-	-	(132,622)
Share subscription received		-	-	-	-				-
Issue of share options		-	-	-	1,043,000	-		-	1,043,000
Net loss for the period		-	-	-	-	-	-	(2,036,478)	(2,036,478)
Comprehensive income		-	-	-	-	33,610	-	-	33,610
Balance on September 30, 2017		**301,318,970**	**$ 41,324,813**	**$ -**	**$ 2,582,308**	**$ 521,972**	**$ -**	**$ (11,272,203)**	**$ 33,156,890**
Private placements		-	-	-					-
Share issuance costs		-	-	-	-	-	-	-	-
Share subscription received	11	-	-	383,820	-	-	-	-	383,820
Issue of share options	11	-	-	-	-	-	-	-	-
Net loss for the period		-	-	-	-	-	-	(609,532)	(609,532)
Comprehensive income (loss)		-	-	-	-	171,132	-	-	171,132
Balance on December 31, 2017		**301,318,970**	**$ 41,324,813**	**$ 383,820**	**$ 2,582,308**	**$ 693,104**	**$ -**	**$ (11,881,735)**	**$ 33,102,310**
Private placements	11	69,363,995	12,236,412	-	-	-	-	-	12,236,412
Share issuance costs	11	-	(757,529)	-	-	-	-	-	(757,529)
Share subscription received	11	-	-	(383,820)	-	-		-	(383,820)
Issue of share warrants	11	-	(6,223,000)	-	-	-	6,223,000		-
Issue of share options	11				2,040,000	-		-	2,040,000
Net loss for the period		-	-	-	-	-	-	(3,418,771)	(3,418,771)
Comprehensive income (loss)		-	-	-	-	(121,278)	-	-	(121,278)
Balance on September 30, 2018		**370,682,965**	**$ 46,580,696**	**$ -**	**$ 4,622,308**	**$ 571,826**	**$ 6,223,000**	**$ (15,300,506)**	**$ 42,697,324**

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

1. CORPORATE INFORMATION

Thor Explorations Ltd. N.P.L. was incorporated on September 11, 1968 under certificate number 81705 as a specially limited company pursuant to the Company Act (British Columbia, Canada). On December 4, 2001, Thor Explorations Ltd. N.P.L. changed its name to Thor Explorations Ltd. ("Old Thor"). On March 28, 2006 Old Thor transitioned to the British Columbia Business Corporations Act and on August 24, 2007 Old Thor resolved to remove the pre-existing company provisions applicable to Old Thor. Effective on September 1, 2009, Old Thor amalgamated with Magnate Ventures Inc. The amalgamated entity continued as Thor Explorations Ltd. ("Thor" or the "Company").Thor trades on the TSX Venture exchange under the symbol "THX-V".

The Company is a junior natural resources company with no revenue, engaged in the acquisition, exploration and development of mineral properties, and is currently focused on gold exploration projects located in West Africa.

The Company's registered office is located at 1010 – 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9, Canada.

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

b) Basis of measurement

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 4 of the Company's audited consolidated financial statements for the year ended December 31, 2017.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, and are presented in Canadian dollars, unless otherwise indicated.

2. BASIS OF PREPATION (continued)

c) Nature of operations and going concern

The Company is currently pre-revenue. The Company has probable reserve currently comprised 448,000 ounces of gold grading 4.2 grams per tonne of gold within a global resource base of 862,000 ounces gold at its Segilola Gold Project in Nigeria, and is in the exploration stage at its Douta license in Senegal and Central Hounde license in Burkina Faso. It has not determined whether these properties contain reserves which are economically recoverable. The recoverability of amounts shown for mineral property costs is dependent upon the discovery of economically recoverable reserves, the ability to obtain the necessary financing to complete their exploration and development, as well as environmental regulations that may limit certain mining processes.

These unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Accordingly, no adjustments to the carrying values of the assets and liabilities have been made in these unaudited condensed consolidated interim financial statements. Should the Company no longer be able to continue as a going concern, certain assets and liabilities may require restatement on a liquidation basis which may differ materially from the going concern basis.

The Company has incurred losses in the current period and prior years. For the nine months ended September 30, 2018, the Company has incurred a net loss of $3,418,771 (nine months ended September 30, 2017 – net loss of $2,036,478), and has an accumulated deficit including the currency translation adjustment of $14,728,680. As at September 30, 2018, the Company had net working capital of $2,653,925 (December 31, 2017 – working capital deficit $2,633,719). Although the Company has been successful in securing additional financing in the past, there can be no certainty that future fundraising will be successful which raises material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

As the Company is currently pre-revenue the ability to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures is dependent on its ability to raise funds periodically. At the date of approval of these unaudited condensed consolidated interim financial statements there are no legally binding agreements in place relating for either fundraising or the deferral or settlement of existing creditors through equity issues. There can be no certainty that that additional funds will be forthcoming or the creditors will agree to changes in contractual terms and these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described below have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements unless otherwise stated.

a) Consolidation principles

Assets, liabilities, revenues and expenses of the subsidiaries are recognized in accordance with the Company's accounting policies. Intercompany transactions and balances are eliminated upon consolidation.

b) Details of the group

In addition to the Company, these unaudited condensed consolidated interim financial statements include all subsidiaries of the Company. Subsidiaries are all corporations over which the Company has power over the Subsidiary and it is exposed to variable returns from the Subsidiary and it has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The unaudited condensed consolidated interim financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity, with Subsidiaries being fully consolidated from the date on which control is acquired by the Company. They are de-consolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

Company	Location	Incorporated	Interest
Thor Investments (BVI) Ltd. ("Thor BVI")	British Virgin Islands	June 30, 2011	100%
African Star Resources Incorporated ("African Star")	British Virgin Islands	March 31, 2011	100%
African Star Resources SARL ("African Star SARL")	Senegal	July 14, 2011	100%
Argento Exploration BF SARL ("Argento BF SARL")	Burkina Faso	September 15, 2010	100%
AFC Constelor Panafrican Resources SARL ("AFC Constelor SARL")	Burkina Faso	December 9, 2011	100%
Segilola Resources Operating Limited ("SROL")	Nigeria	August 18, 2016	100%
Segilola Gold Limited ("SGL")	Nigeria	August 18, 2016	100%

c) Foreign currency translation

Functional and presentation currency

The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, being the currency of the primary economic environment in which the Company operates, is the Canadian dollar. The individual financial statements of each of the Company's wholly owned subsidiaries are prepared in the currency of the primary economic environment in which it operates (its functional currency)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exchange rates published by the Bank of Canada and Oanda were used to translate the Thor BVI, African Star, African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL's financial statements into the Canadian dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation of subsidiaries Thor BVI, African Star and African Star SARL, Argento BF SARL, AFC Constelor SARL, SROL and SGL are recognized in other comprehensive income (loss).

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

d) Financial instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as loans and receivables are measured at amortized cost. Cash and amounts receivable are classified as loans and receivables.

Transaction costs associated with assets held at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities and deferred payment are classified as other financial liabilities.

e) Cash

Cash consists of cash bank deposit balances.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Property, plant and equipment

Recognition and Measurement

On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions. Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

g) Property, plant and equipment (continued)

Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and Losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Rate
Motor vehicles	20-33%
Plant and machinery	20-25%
Office furniture	20-33%
Software	20-25%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

h) Exploration and evaluation expenditures

Acquisition costs

The fair value of all consideration paid to acquire an unproven mineral interest is capitalized, including amounts due under option agreements. Consideration may include cash, loans or other financial liabilities, and equity instruments including common shares and share purchase warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Exploration and evaluation expenditures (continued)

Exploration and evaluation expenditures

All costs incurred prior to legal title are expensed in the Condensed Consolidated Interim Statement of Comprehensive Loss in the year in which they are incurred. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets, in excess of estimated realisable value, are written off to the statement of comprehensive loss.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

At such time as commercial feasibility is established, project finance has been raised, appropriate permits are in place and a development decision is reached, the costs associated with that property will be transferred to and re-categorised as Projects in Construction and upon commercial production being achieved, re-categorised as Mining Property. Upon achieving commercial production, any costs will be depleted using a units of production method.

Farm-in agreements

As is common practice in the mineral exploration industry, the Company may acquire or dispose of all, or a portion of, an exploration and evaluation asset under a farm-in agreement. Farm-in agreements typically call for the payment of cash, issue of shares and/or incurrence of exploration and evaluation costs over a period of time, often several years, entirely at the discretion of the party farming-in. The Company recognizes amounts payable under a farm-in agreement when the amount is due and when the Company has no contractual rights to avoid making the payment. The Company recognizes amounts receivable under a farm-in agreement only when the party farming-in has irrevocably committed to the transfer of economic resources to the Company, which often occurs only when the amount is received. Amounts received under farm-in agreements reduce the capitalized costs of the optioned unproven mineral interest to nil, and are then recognized as income.

i) Impairment of non-current assets

Impairment tests for non-current assets are performed when there is an indication of impairment. At each reporting date, an assessment is made to determine whether there are any indications of impairment. Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

(i) sufficient data exists that render the resource uneconomic and unlikely to be developed
(ii) title to the asset is compromised
(iii) budgeted or planned expenditure is not expected in the foreseeable future
(iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

If any indication of impairment exists, an estimate of the non-current asset's recoverable amount is calculated. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. If the carrying value of a non-current asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the non-current asset to its recoverable amount.

j) Income taxes

Income tax expense is comprised of current and deferred income taxes. Current and deferred income taxes are recognized in profit and loss, except for income taxes relating to items recognized directly in equity or other comprehensive income.

Current income tax, if any, is the expected amount payable or receivable on the taxable income or loss for the year, calculated in accordance with applicable taxation laws and regulations, using income tax rates enacted or substantively enacted at the end of the reporting period, and any adjustments to amounts payable or receivable relating to previous years.

Deferred income taxes are provided using the liability method based on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using income tax rates and income tax laws and regulations that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that do not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Basic and diluted income or loss per share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of commons shares outstanding during the year. Diluted income per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. Fully diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts for the basic and diluted loss per share.

l) Comprehensive income (loss)

Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income (loss) that are excluded from net earnings (loss).

m) Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the equity-settled employee benefits reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The fair value of awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
  Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate

n) Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

o) Application of new and revised International Financial Reporting Standards

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2018 that had a significant effect on the Group's financial statements.

In Canadian dollars, except where noted (unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Future accounting pronouncements

(i) There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these is:

New standard IFRS16 Leases
Mandatorily effective for periods beginning on or after January 1, 2019

The Group does not have any assets or liabilities arising from a lease as at September 30, 2018. It is not considered that the impact of IFRS16 will be material.

(ii) There are no other standards issued by IASB, but not yet effective, that are expected to have a material impact of the group.

4. ASSET ACQUISITION

a) Acquisition of Nigerian exploration licenses

On December 28, 2017 the Office of the Nigeria Mining Cadastre granted, through Thor's wholly owned subsidiary SGL, four new gold exploration licences, located in southwest Nigeria. The new licences, which total 334 square kilometres, are located between 30km and 80km from the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit.

The total consideration paid was comprised of the following:

Purchase price	
Acquisition of exploration licenses	
Cash (NGN 3,879,300)	$ 13,547
Total consideration	**$ 13,547**

In Canadian dollars, except where noted (unaudited)

5. AMOUNTS RECEIVABLE

		September 30, 2018		December 31, 2017
GST	**$**	**4,995**	**$**	854
Other receivables		**2,552,215**		4,616
	$	**2,557,210**	**$**	5,470

Included in Other receivables as at September 30, 2018 is $2,547,600 share subscription funds pursuant to the private placement that closed on August 31, 2018. The funds are held in trust with the Company's solicitors as at the reporting date. The funds are pending repatriation from Nigeria under foreign currency regulations and are expected to be received before the end of Q4 2018.

6. PREPAID EXPENSES, ADVANCES AND DEPOSITS

		September 30, 2018		December 31, 2017
Current:				
Insurance	**$**	**22,233**	$	10,639
Other deposits		**14,715**		24,055
Other prepaids		**17,856**		17,294
	$	**54,804**		51,988
Non-current:				
Other prepaids	**$**	**27,595**	$	30,114
	$	**27,595**	$	30,114

In Canadian dollars, except where noted (unaudited)

7. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Plant and machinery	Software	Office furniture	Total
Costs					
Balance, December 31, 2016	$ 314,652	$ 344,935	$ 18,535	$ 59,672	$ 737,794
Additions	-	565	-	31,435	32,000
Foreign exchange movement	(31,166)	17,888	444	(391)	(13,225)
Balance, December 31, 2017	$ 283,486	$ 363,387	$ 18,979	$ 90,716	$ 756,569
Additions	128,685	14,500	-	4,559	147,745
Foreign exchange movement	310	(1,946)	(96)	(189)	(1,922)
Balance, September 30, 2018	**$ 412,481**	**$ 375,941**	**$ 18,883**	**$ 95,086**	**$ 902,393**
Accumulated depreciation and impairment losses					
Balance, December 31, 2016	$ 123,143	$ 338,945	$ 18,535	$ 43,267	$ 523,890
Depreciation	51,714	5,602	-	14,948	72,264
Foreign exchange movement	(2,447)	18,307	444	2,063	18,367
Balance, December 31, 2017	$ 172,410	$ 362,853	$ 18,979	$ 60,278	$ 614,521
Depreciation	61,965	672	-	13,473	76,110
Foreign exchange movement	(11,037)	(1,498)	(96)	(1,140)	(13,770)
Balance, September 30, 2018	**$ 223,338**	**$ 362,027**	**$ 18,883**	**$ 72,611**	**$ 676,860**
Carrying amounts					
Carrying value at December 31, 2016	$ 191,509	$ 5,990	$ -	$ 16,405	$ 213,904
Carrying value at December 31, 2017	$ 111,076	$ 534	$ -	$ 30,438	$ 142,048
Carrying value at September 30, 2018	**$ 189,143**	**$ 13,914**	**$ -**	**$ 22,475**	**$ 225,533**

During the three and nine months ended September 30, 2018, depreciation of $16,239 and $39,193 (three and six months ended September 30, 2017 - $8,666 & $32,011) has been capitalized to exploration and evaluation assets. The accumulated depreciation capitalized to exploration expenditures to September 30, 2018 amounts to $578,830 (December 31, 2017 - $539,636).

In Canadian dollars, except where noted (unaudited)

8. EXPLORATION AND EVALUATION ASSETS

The Company's exploration and evaluation assets costs are as follows:

	Douta Gold Project, Senegal	Central Houndé Project, Burkina Faso	Segilola Gold Project, Osun Nigeria	Exploration licenses, Nigeria	Total
Costs					
Balance, December 31, 2016	$ 11,188,179	$ 1,479,743	$ 19,806,764	$ -	$ 32,474,686
Acquisition costs	-	-	-	13,547	13,547
Exploration costs	558,802	14,868	2,393,692	-	2,967,362
Foreign exchange movement	325,995	62,344	(261,269)	96	127,166
Balance, December 31, 2017	$ 12,072,976	$ 1,556,955	$ 21,939,187	$ 13,643	$ 35,582,761
Acquisition costs	-	-	-	-	-
Exploration costs	1,353,799	11,579	2,969,436	-	4,334,814
Foreign exchange movement	(3,379)	(3,938)	(101,245)	82	(108,480)
Balance, September 30, 2018	**$ 13,423,396**	**$ 1,564,596**	**$ 24,807,378**	**$ 13,725**	**$ 39,809,095**

a) Douta Gold Project, Senegal:

The Douta Gold Project consists of an early stage gold exploration license located in southeastern Senegal, approximately 700km east of the capital city Dakar.

The Company is party to an option agreement (the "Option Agreement") with International Mining Company ("IMC"), by which the Company has acquired a 70% interest in the Douta Gold Project located in southeast Senegal held through African Star SARL.

Effective February 24, 2012, the Company exercised its option to acquire a 70% interest in the Douta Gold Project pursuant to the terms of the Option Agreement between the Company and IMC. As consideration for the exercise of the option, the Company issued to IMC 11,646,663 common shares, based on a VWAP for the 20 trading days preceding the option exercise date of $0.2014 (or US$0.2018) per share, valued at $2,678,732 based on the Company's closing share price on February 24, 2012. The share payment includes consideration paid to IMC for extending the time period for exercise of the option.

Pursuant to the terms of the Option Agreement, IMC's 30% interest will be a "free carry" interest until such time as the Company announces probable reserves on the Douta Gold Project (the "Free Carry Period"). Following the Free Carry Period, IMC must either elect to sell its 30% interest to African Star at a purchase price determined by an independent valuator commissioned by African Star or fund its 30% share of the exploration and operating expenses.

Further to the completion of the 2018 RC Program completed on the Makosa deposit of the Douta Project, the company carried out a 1,000 metre reconnaissance reverse circulation (RC) program on a number of previously defined drill targets identified by soil geochemistry in th Maka area located in the north-east of the licence.

In Canadian dollars, except where noted (unaudited)

8. EXPLORATION AND EVALUATION ASSETS (continued)

On August 28, the Company announced the results from the reconnaisance drilling program at Maka with the significant intersection of the discovery hole shown in the table below.Drillhole DMRC012 on the Maka South Target intersected 3.2 metres true width at 11.4g/tAu from 18m downhole (Table 1). See RNS August 28 for further detail: https://www.thorexpl.com/news/2018/3.2m-true-width-grading-11.4g-tau-intersected-at-maka-south-prospect-douta-gold-project-senegal/

Table 1: Discovery hole Significant Drillhole Intersection

HOLE ID	Easting	Northing	RL	Total Depth (m)	Azimuth	Dip	From (m)	To (m)	Downhole Interval (m)	True Thickness (m)	Average Grade (Aug/t) AAS
DMRC012	185324	1447895	126	80	150	-50	18	22	4.00	3.2	11.4
Includes							20	22	2.00	1.6	20.1
and							43	44	1.00	0.8	1.1

b) Central Houndé Project, Burkina Faso:

(i) Bongui and Legue gold permits, Burkina Faso:

AFC Constelor SARL held a 100% interest in the Bongui and Legue gold permits covering an area of approximately 233 km^2 located within the Houndé belt, 260 km southwest of the capital Ouagadougou, in western Burkina Faso.

(ii) Ouere Permit, Central Houndé Project, Burkina Faso:

Argento BF SARL holds a 100% interest in the Ouere gold permit, covering an area of approximately 241 km^2 located within the Houndé belt.

The three permits together cover a total area of 474km2 over the Houndé Belt which form the Central Houndé Project.

(iii) Acacia Option Agreement, Central Houndé Project, Burkina Faso:

On April 8, 2015, the Company entered into the Acacia Option Agreement with Acacia, formerly known as African Barrick Gold Plc, whereby Acacia will have the exclusive option to earn up to a 51% interest in Central Houndé Project by satisfying certain conditions over a specified 4-year period and then the right to acquire an additional 29%, for an aggregate 80% interest in Central Hounde Project, upon declaration of a Pre-Feasibility Study. As at September 30, 2018, Acacia has met the minimum spending requirement for the Phase 1 Earn-in. As a result, Acacia earned a 51% interest in the Central Houndé Project.

8. EXPLORATION AND EVALUATION ASSETS (continued)

Acacia Mining Plc ("Acacia") continued its exploration work as per its JV with Thor. Detailed field geological mapping and rock-chip sampling continued on the Légué-Bongui Corridor and on the Ouéré gold soil anomaly. An IP geophysical survey, comprising 40 line kilometres, was conducted on the Legué South-West target. The programme for the year on the Central Houndé project comprises 11,500 metres of air-core drilling to test the continuity of the gold mineralisation along strike and to test soil anomalies. During the year to September 30, a total of 2,037 meters were drilled with preliminary results indicating the existence of additional high grade oxide zones which are likely to add to the mineralisation inventory. In addition, SRK Consultancy (UK) Limited were contracted to update the mineral resource estimation, based on a new 3D geology model. Preliminary results of the new mineral resource estimation appear to demonstrate an increase in the geological inventory at the project.

c) Segilola Project, Osun Nigeria:

Definitive Feasibility Study

Thor continued to progress its Definitive Feasibility Study ("DFS") work in Q3 2018.

The DFS is being compiled in accordance with the guidelines set out in Canadian National Instrument ("NI") 43-101. The DFS is being prepared through the collaboration of a number of specialist consulting firms including Roscoe Postle Associates Inc., GR Engineering Services Limited, NORINCO International, Auralia Mining Consulting and Knight Piesold Consulting.

DFS activities covering resource drilling interpretation, metallurgical testwork, process design, geotechnical evaluation and mining engineering were all completed on time and within the projected budget. The Company is targeting completion of the DFS in Q4 2018, paving the way for financing and development of the Project.

The metallurgical testwork program was completed and the DFS process design criteria has been established. The testwork has confirmed that a 98% total recovery is achieveable at a grind size of P80 106μm, gravity recovery circuit and a combined leach / carbon in leach residence time of 48 hours with air sparging only. The proposed DFS design criteria materially improves on the Pre-Feasibility Study design as a result of the introduction of a knelson, acacia gravity recovery recovery circuit.

The Company has received quotations for explosives supply, drill and blast and load and haul operations from several experienced contract miners with current experience in Nigeria and/or West Africa. The quotations are competitive when compared to the Pre-Feasibility Study and the Company is working with the potential contractors in order to de-risk operational aspects and optimise site establishment and mobilisation costs.

The Company is also working with an experienced reagent supply firm and also working with leading Nigerian logistics providers to ensure robust operational supply and logistics in accordance with International Health and Saftey standards.

Environmental and Social work is continuing in accordance with the approved Enivronmental Impact Assessment as the Company continues to progress towards implementation.

In Canadian dollars, except where noted (unaudited)

8. EXPLORATION AND EVALUATION ASSETS (continued)

NORINCO EPC MOU

On September 17 2018, the Company announced that it had has signed a Memorandum of Understanding with NORINCO International Cooperation Ltd ("NORINCO International") to enter into an EPC contract on a comprehensive lump sum turnkey basis ("LSTK") to build the required plant and associated infrastructure for the Company's Segilola Gold Project in Nigeria ("The Project").

The scope of the EPC Turnkey Contract covers the design, engineering, procurement, site preparation, construction, commissioning, performance testing and hand-over of the Project and its associated infrastructure

d) Exploration Licenses, Nigeria

The four exploration licenses are located in South West Nigeria, located between 30km and 80km from the Segilola Gold Project and cover significant sections of the structural trends that extend northwards from the Segilola high grade gold deposit. The licenses comprises mining and exploration licenses that covers an area of 334km^2. See also Note 4(a)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		September 30, 2018		December 31, 2017
Trade payables	**$**	**679,342**	$	380,848
Accrued liabilities		**341,869**		304,436
	$	**1,021,211**	$	685,284

10. DEFERRED PAYMENT

		Total
Balance as at December 31, 2016	**$**	2,002,810
Accretion		386,555
Interest		-
Foreign exchange movement		(143,867)
Balance December 31, 2017	**$**	2,245,498
Accretion		271,547
Interest		13,540
Foreign exchange movement		71,955
Balance September 30, 2018	**$**	**2,602,540**

The deferred payment (US$2,000,000) forms part of the acquisition of the Segilola Project in Osun, Nigeria becoming payable at the earlier of August 22, 2018 or completion of financing for full scale development of the Project. Upon acquisition of the Segilola Project the Deferred Payment was recognised at its discounted value using an annualized rate of 20%. Subsequent to initial recognition an accretion expense of the fair value of the Deferred Payment over a period of two (2) years until August 22, 2018 was charged through the Statement of Comprehensive Loss. The deferred payment became subject to interest at a rate of annual LIBOR plus 2% from August 22 2018. See note 17 for further detail on the Deferred Payment post reporting date.

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES

a) Authorized

Unlimited common shares without par value.

b) Issued

	September 30, 2018 Number		**September 30, 2018**	December 31, 2017 Number		December 31, 2017
As at start of the year	301,318,970	$	41,324,813	285,193,003	$	39,038,540
Issue of new shares:						
- Issue June 26, 2017 [i]	-		-	16,125,967		2,286,273
- Issue March 29, 2018 [ii]	24,910,660		3,990,862	-		-
- Issue August 31, 2018[iii]	44,453,335		1,265,021	-		-
	370,682,965	$	46,587,248	301,318,970	$	41,324,813

Private placement of 16,125,967 common shares at a price of $0.15 per share.
[iii] Private placement of 24,910,660 common shares at a price of $0.17 per share.
[iii] Private placement of 44,453,335 units at a price of $0.18 per unit. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase a common share of the Company at a price of $0.28 for a period of 36 months.

In Canadian dollars, except where noted (unaudited)

c) Share-based compensation

The Company has granted directors, officers and consultants share purchase options. These options were granted pursuant to the Company's stock option plan.

Under the 2018 Share Option Plan, 30,000,000 common shares of the Company are reserved for issuance upon exercise of options.

On March 12, 2018 12,800,000 stock options were granted at an exercise price of $0.145 per share for a period of five years.

On May 7, 2017 500,000 stock options were granted at an exercise price of $0.12 per share for a period of three years.

On January 16, 2017 9,750,000 stock options were granted at an exercise price of $0.12 per share for a period of three years.

Vesting period (years)	First vesting date	Expected life (years)	Risk free rate	Exercise price	Volatility of share price	Fair value	Options vested	Options granted	Expiry
3	01/16/2017	1.81	1.05%	$0.12	197.32%	$0.14	6,250,000	9,750,000	01/16/2020
3	05/07/2017	2.10	0.87%	$0.12	192.23%	$0.15	500,000	500,000	05/07/2020
5	12/03/2018	4.89	2.00%	$0.145	133.83%	$0.16	12,800,000	12,800,000	19/02/2023

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

c) Share-based compensation (continued)

The following is a summary of changes in options from January 1, 2018 to September 30, 2018 and the outstanding and exercisable options at September 30, 2018:

			Contractual Lives	January 1, 2018	During the period			September 30, 2018	September 30, 2018 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2020	$0.12	1.31	9,750,000	-	-	-	9,750,000	6,750,000	3,000,000
7-May-2017	7-May-2020	$0.12	1.60	500,000	-	-	-	500,000	500,000	-
12-Mar-2018	12-Mar-2023	$0.15	4.45	-	12,800,000	-	-	12,800,000	12,800,000	
Totals			**3.06**	**10,250,000**	**12,800,000**	**-**	**-**	**23,050,000**	**20,050,000**	3,000,000
Weighted Average Exercise Price				**$0.120**	**$0.145**	**-**	**-**	**$0.13**	**$0.136**	**$0.12**

The following is a summary of changes in options from January 1, 2017 to December 31, 2017 and the outstanding and exercisable options at December 31, 2017:

			Contractual Lives	January 1, 2017	During the period			December 31, 2017	December 31, 2017 Number of Options	
Grant Date	Expiry Date	Exercise Price	Remaining (Years)	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance	Vested and Exercisable	Unvested
16-Jan-2017	16-Jan-2020	$0.12	2.56	-	9,750,000	-	-	9,750,000	6,250,000	3,500,000
7-May-2017	7-May-2020	$0.12	2.85	-	500,000	-	-	500,000	500,000	-
Totals			**2.57**	**-**	**10,250,000**	**-**	**-**	**10,250,000**	**6,750,000**	3,500,000
Weighted Average Exercise Price				**-**	**$0.12**	**-**	**-**	**$0.12**	**$0.12**	**$0.12**

In Canadian dollars, except where noted (unaudited)

11. CAPITAL AND RESERVES (continued)

d) Share purchase warrants

On August 31, 2018 the Company issued 44,453,335 warrants pursuant to the private share placement closed on the same date, whereby one warrant was issued for every common share subscribed for. The warrants were issued with an exercise price of $0.28 for a period of thirty-six (36) months.

On August 31, 2018 the Company issued a total of 1,664,534 warrants to and Agent for broker and advisory services pursuant to the private share placement closed on the same date. The warrants were issued with an exercise price of $0.18 for a period of twenty-four (24) months.

	Number of Warrants	Weighted Average Exercise Price		Carrying Value
Balance, December 31, 2017			$	-
Private placement	44,453,335	$0.28		6,038,000
Broker	1,664,534	$0.18		185,000
Balance, September 30, 2018	**46,117,869**			**6,223,000**

e) Nature and purpose of equity and reserves

The reserves recorded in equity on the Company's statement of financial position include 'Reserves', 'Currency translation reserve', and 'Deficit'.

'Share subscription' is used to record the share subscription monies received before a share placement has closed and shares issued.

'Share purchase warrants' is used to recognize the value of stock warrant grants prior to exercise or forfeiture.

'Reserves' is used to recognize the value of stock option grants prior to exercise or forfeiture.

'Currency translation reserve' is used to recognize the exchange differences arising on translation of the assets and liabilities of foreign branches and subsidiaries with functional currencies other than Canadian dollars.

'Deficit' is used to record the Company's accumulated deficit.

In Canadian dollars, except where noted (unaudited)

12. RELATED PARTY DISCLOSURES

A number of key management personnel, or their related parties, hold or held positions in other entities that result in them having control or significant influence over the financial or operating policies of the entities outlined below. A number of these entities transacted with the Company during the current or comparative reporting periods.

a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	Nature of transactions
Alcester Projects Limited	Management
Mansion Minerals Ltd.	Management
Goldstream Capital Corporation	Director Fees

The Company incurred the following advances in the normal course of operations in connection with companies controlled by key management and directors.

b) Compensation of key management personnel

The remuneration of directors and other members of key management 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
Consulting fees				
Current directors and officers	$ **98,018**	$ 76,083	$ **193,868**	$ 150,376
Share-based payments				
Current directors and officers	$ **-**	$ -	$ **944,000**	$ 595,000

(i) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and nine months ended September 30, 2018 and 2017.

(ii) The Company paid consulting and director fees to private companies controlled by directors and officers of the Company for services. Accounts payable and accrued liabilities at September 30, 2018 include $73,760 (December 31, 2017 - $26,069) due to private companies controlled by an officer and director of the Company. Amounts due to or from related parties are unsecured, non-interest bearing and due on demand.

In Canadian dollars, except where noted (unaudited)

13. SUPPLEMENTAL CASH FLOW INFORMATION

a) Changes in non-cash working capital are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	**2018**	2017
Amounts receivable	**$ (3,299)**	$ (3,186)	**$ (4,141)**	$ (5,163)
Prepaid expenses and deposits	**23,878**	51,429	**60**	661
Accounts payable and accrued liabilities	**(73,882)**	41,709	**335,998**	152,707
Change in non-cash working capital accounts	**$ (53,303)**	$ 89,952	**$ 331,917**	$ 148,205
Relating to:				
Operating activities	**$ 52,612**	$ 61,315	**$ (78,023)**	$ 10,055
Financing activities	**130,305**	-	**130,305**	-
Investing activities	**(236,220)**	(134,694)	**279,635**	138,150
	$ (53,303)	$ (73,379)	**$ 331,917**	$ 148,205

Accounts payable and accrued liabilities includes $504,414 (December 31, 2017 - $280,301) related to exploration and acquisition costs.

b) The Company has no outlays in respect of interest and income taxes for the three and nine months ended September 30, 2018 and 2017.

14. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts receivable, investment, and accounts payable and accrued liabilities.

Fair value of financial assets and liabilities
Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amount for cash, amounts receivable, and accounts payable and accrued liabilities on the statement of financial position approximate their fair value because of the limited term of these instruments. The investment is carried at cost as it is not traded on an active market.

Fair value hierarchy
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; and
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

14. FINANCIAL INSTRUMENTS (continued)

The Company did not have any financial instruments in Level 1, 2 and 3.

Financial risk management objectives and policies
The Company has exposure to the following risks from its use of financial instruments

- Credit risk
- Liquidity and funding risk
- Market 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 consolidated 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 these notes.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

Credit risk
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash and receivables is believed to be minimal.

Cash consists of cash on deposit in Canadian, UK, Nigerian, Senegalese and Burkina Faso Chartered banks that are believed to be creditworthy.

Amounts receivable is comprised primarily of amounts due from the Government of Canada related to General Sales Tax. The Company does not believe it is exposed to significant credit risk and counterparty risks.

Liquidity and funding risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is held in business accounts and are available on demand. Funding risk is the risk that the Company may not be able to raise equity financing in a timely manner and on terms acceptable to management. There are no assurances that such financing will be available when, and if, the Company requires additional equity financing.

In the normal course of business, the Company enters into contracts and performs business activities that give rise to commitments for future minimum payments.

The following table summarizes the Company's significant remaining contractual maturities for financial liabilities at September 30, 2018 and December 31, 2017.

14. FINANCIAL INSTRUMENTS (continued)

Contractual maturity analysis as at September 30, 2018

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	499,342	180,000	-	-	679,342
Accrued liabilities	341,869	-	-	-	341,869
Other non-current liabilities	2,602,540	-	-	-	2,602,540
	3,443,751	**180,000**	**-**	**-**	**3,623,751**

Contractual maturity analysis as at December 31, 2017

	Less than 3 months $	3 – 12 Months $	1 – 5 Year $	Longer than 5 years $	Total $
Accounts payable	200,848	180,000	-	-	380,848
Accrued liabilities	304,436	-	-	-	304,436
Other non-current liabilities	-	2,509,000	-	-	2,509,000
	505,284	**2,689,000**	**-**	**-**	**3,194,284**

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

a) Interest rate risk

The Company has minimal exposure to interest rate fluctuations on its cash balances due to current low market interest rates.

b) Foreign currency risk

The Group seeks to manage its exposure to this risk by ensuring that where possible, the majority of expenditure and cash of individual subsidiaries within the Group are denominated in the same currency as the functional currency of that subsidiary.

The Company's exploration expenditures, certain acquisition costs and other operating expenses are denominated in United States Dollars, UK Pounds Sterling and Australian Dollars. The Company's exposure to foreign currency risk arises primarily on fluctuations between the Canadian Dollars and the United States Dollars, UK Pounds Sterling, and Australian Dollars. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations.

In Canadian dollars, except where noted (unaudited)

14. FINANCIAL INSTRUMENTS (continued)

The following table shows a currency of net monetary assets and liabilities by functional currency of the underlying companies:

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	September 30, 2018 CAD$	September 30, 2018 CAD$	September 30, 2010 CAD$	September 30, 2018 CAD$	September 30, 2018 CAD$	September 30, 2018 CAD$
Canadian dollar	4,969,808	-	-	-	-	4,969,808
US dollar	(2,131,403)	-	-	399	-	(2,131,004)
Pound Sterling	158,800	-	(11,134)	-	-	147,666
Nigerian Naira	-	-	-	(25,001)	-	(25,001)
West African Franc	-	-	-	-	(229,989)	(229,989)
Australian dollar	(56,950)	-	-	-	-	(56,950)
Total	2,940,255	-	(11,134)	(24,602)	(229,989)	2,681,530

	Functional currency					
	Canadian dollar	US dollar	Pound Sterling	Nigerian Naira	West African Franc	Total
Currency of net monetary asset/(liability)	December 31, 2017 CAD$	December 31, 2017 CAD$	December 31, 2017 CAD$	December 31, 2017 CAD$	December 31, 2017 CAD$	December 31, 2017 CAD$
Canadian dollar	(167,092)	-	-	-	-	(167,092)
US dollar	(2,109,210)	-	-	387	-	(2,108,823)
Pound Sterling	(78,002)	-	(11,191)	-	-	(89,193)
Nigerian Naira	-	-	-	12,654	-	12,654
West African Franc	-	-	-	-	(229,999)	(229,999)
Australian dollar	(21,151)	-	-	-	-	(21,151)
Total	(2,375,455)	-	(11,191)	13,041	(229,999)	(2,603,604)

The following table discusses the Company's sensitivity to a 5% increase or decrease in the Canadian Dollar against the United States Dollar:

September 30, 2018	Canadian Dollar Appreciation By 5%	Canadian Dollar Depreciation By 5%
Comprehensive income (loss)		
Financial assets and liabilities	$ 106,600	$ (106,600)
December 31, 1017		
Comprehensive income (loss)		
Financial assets and liabilities	$ 105,800	$ (105,800)

15. CAPITAL MANAGEMENT

The Company manages, as capital, the components of shareholders' equity. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow, acquire or dispose of assets or adjust the amount of cash.

The Company's policy is to apply its cash to working capital and to operational activities on its licenses as efficiently as possible in order to create the maximum value for shareholders. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the nine months ended September 30, 2018.

In Canadian dollars, except where noted (unaudited)

16. SEGMENTED DISCLOSURES

Geographic Information

The Company's operations comprise one reportable segment, being the exploration of mineral resource properties. The carrying value of the Company's assets on a country-by-country basis is as follows:

September 30, 2018	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Current assets	$ 47,726	$ 5,416	$ -	$ 15,578	$ 6,208,956	$ 6,277,676
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	4,268	23,327	27,595
Property, plant and equipment	33,765	1,745	-	180,057	9,966	225,533
Exploration and evaluation assets	13,423,395	1,564,597	-	24,821,103	-	39,809,095
Total assets	$ 13,504,886	$ 1,571,758	$ -	$25,021,006	$ 6,242,251	$46,339,901

December 31, 2017	**Senegal**	**Burkina Faso**	**British Virgin Islands**	**Nigeria**	**Canada**	**Total**
Current assets	$ 11,686	$ 5,532	$ -	$ 31,829	$ 248,016	$ 297,063
Investment	-	-	-	-	2	2
Prepaid expenses and deposit	-	-	-	6,787	23,327	30,114
Property, plant and equipment	2,628	2,267	-	121,602	15,551	142,048
Exploration and evaluation assets	12,076,346	1,553,585	-	21,952,830	-	35,582,761
Total assets	$ 12,090,660	$ 1,561,384	$ -	$22,113,048	$ 286,896	$36,051,988

17. SUBSEQUENT EVENTS

Post period end and to the date of signing this report, a total of $1,294,500 (US$1,000,000) of the deferred payable has been paid. On November 28, the Company reached agreement with its counterparty for the partial payment and extension of terms of the remaining balance of the Deferred Payable. Under the terms of the agreement, a total of $1,747,575 (US$1,350,000) principal and interest accrued to date is due for payment, inclusive of the $1,294,500 (US$1,000,000) paid to date. The remaining $841,425 (US$650,000) due to be repaid by February 28, 2019 along with interest on this outstanding amount accrued between November 28, 2018 and the payment date at a rate of LIBOR plus 5%.