MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED MARCH 31, 2018

OVERVIEW AND INTRODUCTORY COMMENT

Alianza Minerals Ltd. ("Alianza" or the "Company") is a growth-oriented junior exploration and development company listed on the TSX Venture Exchange under the trading symbol "ANZ". The Company is a prospect generator focused on the Americas, particularly the Cordilleran regions that characterize western North and South America. As a prospect generator, the goal of Alianza is to acquire mineral exploration and evaluation assets (Mineral Properties) on attractive terms, add value through early stage exploration and then vend or option some or all of a value-added Mineral Property to a third party explorer for further advancement. The Company has properties in Nevada USA, Yukon Canada and Peru. The Company also has a 1% NSR (capped at $1,000,000) on certain properties in Mexico.

This MD&A is dated May 15, 2018 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed consolidated interim financial statements and the related notes for the six months ended March 31, 2018 and the Company's audited consolidated financial statements for the year ended September 30, 2017 and the related notes thereto.

Additional information relevant to the Company and the Company's activities can be found on SEDAR at www.sedar.com, and/or on the Company's website at www.alianzaminerals.com.

MAJOR INTERIM PERIOD OPERATING MILESTONES

Haldane

On March 2, 2018, the Company purchased a 100% interest in the Haldane Property from Equity Exploration Consultants Ltd. ("Equity"). The 7,665 hectare (388 claims) Haldane Property is located 25 km west of Keno City, Yukon Territory, in the western portion of the Keno Hill Silver District.

The Company purchased the Haldane Property from Equity for the following consideration:

- issuing to Equity, 2 million shares of Alianza upon receipt of TSX-V approval (payment made);
- making two staged cash payments of $50,000 each to Equity by June 30, 2018 and June 30, 2019;
- making a final $100,000 payment in cash or by issuing the number of shares of equivalent value at Alianza's election, on June 30, 2019;
- and by making bonus share payments to Equity:
  - issuing Equity 250,000 shares upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101 - Standards of Disclosure for Mineral Projects) of 5 millon oz silver-equivalent at 500 g/t silver-equivalent;
  - issuing Equity 500,000 shares upon the decision to commence construction of a mine or processing plant on any part of the Haldane Property.

Alianza has also agreed to grant Equity the right to manage exploration programs at Haldane through 2023 and to assume all the obligations with respect to the underlying 2% net smelter royalty on the property.

Mineralization consists of structurally-controlled, silver-bearing veins. Silver production began in the Keno district in 1913, with over 200 million ounces of silver produced through 1989. Production statistics from the Yukon government Minfile (2003) state that 4.87 million tonnes were mined at an average grade of 1,389 g/t silver, 5.62% lead and 3.14% zinc in that time.

Mineralization at Haldane consists of galena, sphalerite, tetrahedrite and pyrargyrite, with gangue of manganiferous siderite and quartz in veins, hosted within Keno Hill quartzite in proximity to the Robert Service Thrust. This mineralization and setting bears a strong resemblance to the main Keno Hill deposits.

The north-trending Mt. Haldane Vein System (MHVS) is the main target area on the property, where initial exploration dates back to 1918. Early workers hand sorted ore from underground workings at the Middlecoff Zone in 1918-19, recovering a reported 24.7 tonnes of ore averaging 3,102 g/t silver and 59% lead. Later work at the Johnson Zone recovered 2.1 tonnes of ore averaging 4,602 g/t silver and 57.9% lead in 1927. Little work was done on the property until the 1960s when trenching and further underground development and drilling was conducted. Recent work, including prospecting, mapping, soil geochemistry and limited diamond drilling, has shown that the MHVS veins show excellent potential for strike extension. Additional showings up to three kilometres east of the MHVS shows the potential for other mineralized structures on the property. Maps and figures for the Haldane property can be found on the Company's website www.alianzaminerals.com under the Properties section.

Alianza's preliminary plans for the 2018 field season at Haldane include additional prospecting and soil sampling to identify new vein structures and strike extension of known structures. This may be augmented by magnetics and Very Low Frequency (VLF) electromagnetics geophysical surveys, soil geochemical surveys and trenching. Equity will undertake the 2018 program on Alianza's behalf.

On April 12, 2018, the Company purchased the Nur, Clarkston and Fara claims from the estate of Yukon prospector John Peter Ross (the "Estate") for the following consideration:

- issue 100,000 shares to the Estate upon receipt of TSX-Venture approval (shares issued);
- make cash payment of $10,000 to the Estate by June 30, 2018;
- make cash payment of $20,000 and issue 125,000 shares to the Estate by April 12, 2019;
- make cash payment of $20,000 and issue 125,000 shares to the Estate by April 12, 2020;
- make cash payment of $25,000 and issue 150,000 shares to the Estate by April 12, 2021; and
- make bonus share payments to the Estate as follows:
    - issue 250,000 shares to the Estate upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects) of 5 million oz silver-equivalent at 500g/t silver-equivalent;
    - 500,000 shares to be issued upon the decision to commence construction of a mine or processing plant.

These 44 Nur, Clarkston and Fara claims are contiguous to and grouped with the Company's Haldane property, bringing the total area of the Company's Haldane property position to 8,164 hectares.

On February 21, 2018, the Company provided a summary of work completed in 2017 and plans for 2018 as follows:

Nevada USA

Alianza contracted Big Rock Exploration, LLC of Minneapolis, MN, to complete exploration on Alianza's Horsethief, Bellview and BP gold projects. Work included additional data compilation, mapping and sampling and claim staking. At Horsethief the property size was doubled, drill targets were identified, and the necessary permits were obtained to test these targets in 2018.

In 2017, Alianza leased the Ashby project to Nevada Canyon Resources. The Ashby property covers the Lazy Man Mine, where approximately 10,000 oz of gold was recovered from numerous shafts dating back to the 1930s. Nevada Canyon incorporated the Ashby into its Garfield Flats program and is conducting prospecting, geological mapping, to identify drill targets.

In 2018, Alianza will continue to focus on the sediment-hosted gold component of the exploration portfolio, marketing the Bellview Gold Project to partners for further exploration work which would lead to a drill program. Further mapping and sampling and geophysical surveys are slated for the BP project in order to define drill targets. At Horsethief, the Company is actively engaged with potential partners and is preparing for a drill program.

Peru

During 2017, management focused on marketing the drill-ready Yanac Copper Project. Several site visits were completed with potential partners who are reviewing the targets generated from work completed by Cliffs Natural Resources Inc. ("Cliffs") under an exploration alliance. Cliffs' work outlined a 900 by 900 metre area of anomalous copper and molybdenum-in-rock geochemistry within a larger area of porphyry-style alteration. Yanac is road accessible and is located 60 km inland from the Pacific coast and within 80 km of port facilities.

Alianza completed a geological review of the La Estrella gold-silver project in 2017, with a renewed focus on silver mineralization. Drilling at La Estrella has outlined disseminated gold-silver mineralization over an area 1,800 by 500 metres in size, with intersections such as 0.40 g/t gold and 30.40 g/t silver over 215 metres (including 43.5 m of 1.13 g/t gold and 101.78 g/t silver). A subsequent Induced Polarization (IP) survey indicated the target area may extend to 2,500 metres in length with a second, untested target 1,200 by 400 metres in size identified northwest of the drilled area. A high-grade silver target may also exist at La Estrella, with the latest drilling intersecting 11 metres of 311.2 g/t silver and 0.59 g/t gold. These results have not been followed up and future programs will focus on identifying controls on higher grades of gold, and particularly silver mineralization.

Management has been marketing the project to prospective partners and will continue to do so in 2018.

The Company acquired five early-stage properties through staking that have potential for zinc mineralization. These projects are being assessed for their potential and prioritized for further exploration in 2018.

Alianza continues to hold its 1.08% NSR royalty on the Pucarana project adjoining the Orcopampa (Chipmo) Gold Mine in Central Peru. Compania de Minas Buenaventura has produced over 4.8 million ounces of gold at this operation since production started in 1967. Current development is trending towards Pucarana, and management believes that mineralization may continue onto the Pucarana property.

Yukon Territory, Canada

Alianza has been actively assessing the next stages of work for its five Yukon projects. Alianza's Yukon projects target precious and base metals and varied deposit types, including carbonate-replacement (Tim Property, high-grade silver, lead, zinc in southern Yukon), VMS (Mor Property, gold-silver-base metal drill intersections in southern Yukon), gold (White River, high grade gold-silver+copper in southwest Yukon) and porphyry copper-gold (Prospector Mountain, central Yukon). Management is prioritizing these projects for option/jv and where appropriate, programs to upgrade targets to drill-ready status in 2018.

The Company's most advanced Yukon project is the Goz Creek Zinc Project, 180 km northeast of Mayo, YT. Goz Creek is a Mississippi Valley Type ("MVT") zinc-silver target where drilling in 2008 intersected 13.55% zinc and 29.88 g/t silver over 40.68 metres. A historical resource estimate from the 1970s estimated almost 2.9 million tons grading 11.25% zinc. The Company does not consider this historical resource estimate current and it should not be relied upon. Significant potential for expansion is evident but it is unlikely that Alianza will perform any exploration at the project until the Yukon Government settles the land-use issues present in the Peel Watershed region of Yukon, where the project is located. Management feels the potential value of the historic resource and its excellent exploration potential is worth holding until the government resolves the outstanding land-use issues.

INTERIM PERIOD FINANCIAL CONDITION

Capital Resources

On March 6, 2018, the Company issued 2,000,000 common shares to Equity at a price of $0.085 per share for a total consideration of $170,000 to pay for Haldane property.

During the six months ended March 31, 2018, the Company issued common shares pursuant to the exercise of 155,000 finder's warrants for cash proceeds of $15,500.

On March 14, 2018, the Company granted a total of 850,000 stock options at an exercise price of $0.10 per share for a period of five years to its directors, officers, employees and consultants.

On April 20, 2018, the Company issued 100,000 common shares as part of the acquisition cost for the claims contiguous to the Haldane property.

On April 25, 2018, the Company completed a non-brokered private placement by issuing 5,000,000 units ("Unit") at a price of $0.10 per Unit for gross proceeds of $500,000 and 2,500,000 flow-through shares ("FT Share") at a price of $0.10 per FT Share for gross proceeds of $250,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 24 month period at a price of $0.15. In connect with the financing, the Company paid $24,000 as a cash finder's fee and issued 240,000 finder's warrants, each of which is exercisable into one common share at a price of $0.10 for a period of 24 months. The FT Shares will be eligible for a tax deduction for Canadian income tax payers for the year 2018 and the proceeds will be spent on qualifying exploration expenditures on Alianza's projects in the Yukon Territory, specifically on the recently-acquired Haldane Silver Property in the Keno Hill District.

The Company is also in the process of filing an application for a grant of up to $40,000 under the Yukon Mineral Exploration Program. The Company may receive all or none of these funds.

These funds will be used to continue the execution of the Company's prospect generation business model. This includes additional work at existing projects in Nevada and Yukon and reconnaissance exploration of new acquisitions from Alianza's generative work in Peru.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from equity issuances and the potential exercise of warrants, finders' warrants and options, along with the planned developments within the Company will allow its efforts to continue throughout 2018. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at March 31, 2018, the Company had working capital deficiency of $383,779 (September 30, 2017 – $60,806). As at March 31, 2018, cash totaled $5,363, a decrease of $31,955 from $37,318 as at September 30, 2017. The decrease was due to: (a) the exploration and evaluation assets expenditures of $29,817; (b) operating activities of $15,071; while being offset by (c) net proceeds from the financing activities of $13,400.

Operations

For the three months ended March 31, 2018 compared with the three months ended March 31, 2017:

Excluding the non-cash depreciation of $759 (2017 - $711) and share-based payments of $70,890 (2017 - $Nil), the Company's general and administrative expenses amounted to $141,899 (2017 - $173,800), a decrease of $31,901. The change in the expenses was mainly due to decrease in accounting and legal fees of $23,887 (2017 - $47,473) as the Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

For the six months ended March 31, 2018 compared with the six months ended March 31, 2017:

Excluding the non-cash depreciation of $1,526 (2017 - $1,433) and share-based payments of $70,890 (2017 - $Nil), the Company's general and administrative expenses amounted to $288,702 (2017 - $374,926), a decrease of $86,224. The change in the expenses was mainly due to decreases in: (a) accounting and legal fees of $60,352 (2017 - $100,180) and (b) wages, benefits and consulting fees of $109,274 (2017 - $122,647) as the Company has been monitoring its use of cash and has been actively seeking ways to reduce its operating expenses.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.

COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As a result of the administrative practices with respect to mining taxation in Mexico, there can be significant uncertainty, in regards to when, or if, taxes are payable and the amount that may ultimately be payable. As at September 30, 2015, Mexican claim taxes totalling approximately $766,000 had been levied. Of this amount, $563,000 relates to properties that were held by Minera Tarsis, S.A. de C.V., which the Company has applied to wind up, and $203,000 relates to properties being acquired. On February 16, 2016, the Company sold all its Mexican properties to Almadex, and reduced the claim taxes to $173,783. These taxes will never be paid in full and any amount that will, or might, be payable cannot realistically be determined at this time. Accordingly, these taxes have been disclosed as a contingent liability, and not recognized as a liability or provision.

As of the date of the MD&A, the Company has no outstanding commitments.

Other than disclosed in this MD&A – Quarterly Highlights, the Company does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR January 26, 2018, in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors *Exploration risks, Market risks* and *Financing risk* which we believe are the most significant risks faced by Alianza. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company's outstanding share data as at March 31, 2018:

	Issued and Outstanding	
	March 31, 2018	May 15, 2018
Common shares outstanding	37,441,668	45,041,668
Stock options	3,507,000	3,507,000
Warrants	18,069,732	20,069,732
Finder's options	199,700	439,700
Warrants associated with finder's options	86,800	86,800
Fully diluted common shares outstanding	59,304,900	69,144,900

QUALIFIED PERSON

Jason Weber, BSc., P.Geo is the Qualified Persons as defined under National Instrument 43-101 responsible for the technical disclosure in this document. Mr. Weber is the President and Chief Executive Officer of Alianza and prepared the technical information contained in this MD&A – Quarterly Highlights.

Cautionary Statements

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.

ALIANZA MINERALS LTD.

Condensed Consolidated Interim Financial Statements

For the six months ended March 31, 2018 and 2017

325 Howe Street, Suite 410, Vancouver B.C. V6C 1Z7, Canada, TSXV: ANZ; Tel: 604-687-3520

CONTENTS

NOTICE OF NO AUDITOR REVIEW OF

INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ALIANZA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Presented in Canadian Dollars)

	Note		March 31, 2018 (Unaudited)		September 30, 2017 (Audited)
Assets					
Current assets					
Cash		$	5,363	$	37,318
Deferred financing costs			15,000		-
Receivables			52,218		44,724
Prepaid expenses			853		12,353
			73,434		94,395
Non-current assets					
Equipment	4		7,728		8,945
Exploration and evaluation assets	5		2,539,040		2,278,107
Investment in associates - royalty interest	6		560,501		559,683
			3,107,269		2,846,735
Total assets		$	3,180,703	$	2,941,130
Current liabilities					
Accounts payable and accrued liabilities		$	145,280	$	79,521
Due to related parties	9		311,933		75,680
			457,213		155,201
Shareholders' equity					
Share capital	7		16,153,728		15,954,681
Reserves	7, 8		2,669,020		2,614,049
Accumulated other comprehensive loss			(2,658)		(44,645)
Deficit			(16,096,600)		(15,738,156)
			2,723,490		2,785,929
Total shareholders' equity and liabilities		$	3,180,703	$	2,941,130

Nature of operations and going concern (Note 1)

Events after the reporting period (Note 15)

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on May 15, 2018.

On behalf of the Board of Directors:

Director "Jason Weber" *Director "Mark T. Brown"*

See accompanying notes to the condensed consolidated interim financial statements

ALIANZA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited, presented in Canadian Dollars)

	Note	Three months ended March 31 2018	Three months ended March 31 2017	Six months ended March 31 2018	Six months ended March 31 2017
Expenses					
Accounting and legal fees	9	$ 23,887	$ 47,473	$ 60,352	$ 100,180
Depreciation	4	759	711	1,526	1,433
Investor relations and shareholder information	9	20,526	22,930	40,357	47,016
Office facilities and administrative services	9	4,500	4,500	9,167	9,000
Office expenses		9,380	11,690	23,817	29,568
Property investigation expenses		563	9,091	20,100	29,160
Share-based payments	9	70,890	-	70,890	-
Transfer agent, listing and filing fees		6,687	12,252	11,669	16,266
Travel		3,824	4,318	13,966	21,089
Wages, benefits and consulting fees	9	72,532	61,546	109,274	122,647
		(213,548)	(174,511)	(361,118)	(376,359)
Interest income and other income		13	221	2,254	695
Foreign exchange gain		270	2,913	420	1,363
Net loss for the period		$ (213,265)	$ (171,377)	$ (358,444)	$ (374,301)
Other comprehensive income (loss)					
Exchange difference arising on the translation of foreign subsidiary		30,656	39,318	41,987	94,768
Total comprehensive loss for the period		$ (182,609)	$ (132,059)	$ (316,457)	$ (279,533)
Basic and diluted loss per common share		$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted		35,997,224	29,683,572	35,712,987	28,965,891

See accompanying notes to the condensed consolidated interim financial statements

ALIANZA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, presented in Canadian Dollars)

		Share Capital		Reserves			Accumulated Other Comprehensive Income (Loss)		
	Note	Number of shares	Amount	Equity settled employee benefits	Warrants	Finders' warrants	Foreign exchange reserve	Deficit	Total equity
Balance, September 30, 2016 (Audited)		**28,279,078**	**$ 15,151,899**	**$ 1,720,915**	**$ 597,205**	**$ 263,975**	**$ (13,439)**	**$ (14,454,716)**	**$ 3,265,839**
Private placement	7(b)(i)	5,000,000	625,000	-	-	-	-	-	625,000
Share issue costs		-	(44,044)	-	-	8,072	-	-	(35,972)
Net loss		-	-	-	-	-	94,768	(374,301)	(279,533)
Balance, March 31, 2017 (Unaudited)		**33,279,078**	**15,732,855**	**1,720,915**	**597,205**	**272,047**	**81,329**	**(14,829,017)**	**3,575,334**
Private placement	7(b)(ii)	1,785,715	205,357	-	44,643	-	-	-	250,000
Share issue costs		-	(28,505)	-	-	2,025	-	-	(26,480)
Exercise of finder's warrants	7(b)(iii)	221,875	44,974	-	-	(22,786)	-	-	22,188
Net loss		-	-	-	-	-	(125,974)	(909,139)	(1,035,113)
Balance, September 30, 2017 (Audited)		**35,286,668**	**15,954,681**	**1,720,915**	**641,848**	**251,286**	**(44,645)**	**(15,738,156)**	**2,785,929**
Purchase of exploration and evaluation assets	7(b)(iv)	2,000,000	170,000	-	-	-	-	-	170,000
Share issue costs		-	(2,372)	-	-	-	-	-	(2,372)
Exercise of finder's warrants	7(b)(v)	155,000	31,419	-	-	(15,919)	-	-	15,500
Share-based payments		-	-	70,890	-	-	-	-	70,890
Net loss		-	-	-	-	-	41,987	(358,444)	(316,457)
Balance, March 31, 2018 (Unaudited)		**37,441,668**	**$ 16,153,728**	**$ 1,791,805**	**$ 641,848**	**$ 235,367**	**$ (2,658)**	**$ (16,096,600)**	**$ 2,723,490**

See accompanying notes to the condensed consolidated interim financial statements

ALIANZA MINERALS LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited, presented in Canadian Dollars)

	Six months ended March 31 2018	2017
Cash flows from (used in) operating activities		
Net loss for the period	$ (358,444)	$ (374,301)
Items not affecting cash:		
Depreciation	1,526	1,433
Share-based payments	70,890	-
Changes in non-cash working capital items:		
Receivables	(7,494)	(11,918)
Prepaid expenses	11,500	(1,108)
Accounts payable and accrued liabilities	45,970	(11,216)
Due to related parties	220,981	(157,427)
Net cash (used in) operating activities	(15,071)	(554,537)
Cash flows from (used in) investing activities		
Exploration and evaluation assets	(29,817)	(176,741)
Net cash (used in) investing activities	(29,817)	(176,741)
Cash flows from (used in) financing activities		
Proceeds from exercise of finder's warrants	15,500	625,000
Share issue costs	(2,100)	(48,435)
Net cash provided by financing activities	13,400	576,565
Effect of exchange rate changes on cash	(467)	(4,739)
Change in cash for the period	(31,955)	(159,452)
Cash, beginning of the period	37,318	421,699
Cash, end of the period	$ 5,363	$ 262,247

Supplemental disclosure with respect to cash flows (Note 10)

See accompanying notes to the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Alianza Minerals Ltd. (the “Company” or “Alianza”) was incorporated in Alberta on October 21, 2005 under the Business Corporations Act of Alberta and its registered office is Suite 410, 325 Howe Street, Vancouver, BC, Canada, V6C 1Z7. On April 25, 2008 the Company filed for a certificate of continuance and is continuing as a BC Company under the Business Corporations Act (British Columbia).

The Company is an exploration stage company and is engaged principally in the acquisition and exploration of mineral properties. The recovery of the Company’s investment in its exploration and evaluation assets is dependent upon the future discovery, development and sale of minerals, upon the ability to raise sufficient capital to finance these activities, and/or upon the sale of these properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent on obtaining additional financing through the issuance of common shares or obtaining joint venture or property sale agreements for one or more properties.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the condensed consolidated interim statement of financial position. The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

Adverse financial market conditions and volatility increase the uncertainty of the Company’s ability to continue as a going concern given the need to both manage expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds. Accordingly, these material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

As at March 31, 2018, the Company had working capital deficiency of $383,779 (September 30, 2017: $60,806) and shareholders’ equity of $2,723,490 (September 30, 2017: $2,785,929).

2. BASIS OF PREPARATION

Statement of Compliance

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

2. BASIS OF PREPARATION - continued

Basis of preparation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for marketable securities classified as available-for-sale, which are stated at fair value through other comprehensive income (loss). In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of these condensed consolidated interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation.

New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the March 31, 2018 reporting period. The Company has not early adopted the following new and revised standards, amendments and interpretations that have been issued but are not yet effective:

- IFRS 9 (Amended 2010) Financial Instruments (effective January 1, 2018)
- IFRS 16 Leases (effective January 1, 2019)

The Company anticipates that the application of the above new and revised standards, amendments and interpretations will have no material impact on its results and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended September 30, 2017.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended September 30, 2017. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six month period ended March 31, 2018 are not necessarily indicative of the results that may be expected for the current fiscal year ending September 30, 2018.

(Unaudited, presented in Canadian Dollars)

4. EQUIPMENT

	Office equipment and furniture	Vehicles and other field equipment	Total
Cost			
As at September 30, 2016	$ 6,234	$ 10,898	$ 17,132
Assets acquired	1,702	-	1,702
Foreign exchange movement	(294)	(1,163)	(1,457)
As at September 30, 2017	7,642	9,735	17,377
Foreign exchange movement	983	3,893	4,876
As at March 31, 2018	$ 8,625	$ 13,628	$ 22,253
Accumulated depreciation			
As at September 30, 2016	$ 4,065	$ 2,976	$ 7,041
Depreciation for the year	1,037	1,785	2,822
Foreign exchange movement	(301)	(1,130)	(1,431)
As at September 30, 2017	4,801	3,631	8,432
Depreciation for the period	664	862	1,526
Foreign exchange movement	934	3,633	4,567
As at March 31, 2018	$ 6,399	$ 8,126	$ 14,525
Net book value			
As at September 30, 2017	$ 2,841	$ 6,104	$ 8,945
As at March 31, 2018	**$ 2,226**	**$ 5,502**	**$ 7,728**

5. EXPLORATION AND EVALUATION ASSETS

The Company follows the prospect generator model whereby it acquires projects on attractive terms, adds value through preliminary exploration efforts and then vends or options the project for further advancement.

Although the Company has taken steps to verify title to its unproven mineral right interests, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

The Company has properties in Nevada, USA (the “USA Properties”), in Peru (the “Peru Properties”) and in the Yukon Territory of Canada (the “Canada Properties”). Following are summary tables of exploration and evaluation assets and brief summary descriptions of each of the exploration and evaluation assets:

(Unaudited, presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Exploration and Evaluation Assets for the period ended March 31, 2018

	USA				Canada		Peru		
	Horsethief	Bellview	BP	Others	Haldane	Others	Yanac	Others	**Total**
Balance at September 30, 2017	**$ 158,020**	**$ 83,942**	**$ 216,126**	**$ 22,830**	**$ -**	**$ 1,174,169**	**$ 410,630**	**$ 212,390**	**$ 2,278,107**
Additions during the period									
Acquisition costs:									
Property acquisition	-	-	-	-	170,000	-	-	-	170,000
	-	-	-	-	170,000	-	-	-	170,000
Exploration expenditures:									
Camp, travel and meals	2,229	-	-	-	-	-	-	2,386	4,615
Field supplies and maps	282	-	-	-	-	-	-	-	282
Geological consulting	11,063	-	-	-	1,050	-	-	15,948	28,061
Legal and accounting	-	-	-	-	4,418	-	-	4,286	8,704
Office and administrative fees	-	-	-	-	-	-	211	5,816	6,027
Rent	514	-	-	-	-	-	-	1,403	1,917
	14,088	-	-	-	5,468	-	211	29,839	49,606
Net additions	14,088	-	-	-	175,468	-	211	29,839	219,606
Foreign currency translation	-	-	-	-	-	-	4,434	36,893	41,327
Balance at March 31, 2018	**$ 172,108**	**$ 83,942**	**$ 216,126**	**$ 22,830**	**$ 175,468**	**$ 1,174,169**	**$ 415,275**	**$ 279,122**	**$ 2,539,040**

(Unaudited, presented in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS – continued

Exploration and Evaluation Assets for the year ended September 30, 2017

	USA				Peru		Canada	
	BP	Bellview	Horsethief	Others	Yanac	Others		**Total**
Balance at September 30, 2016	**$ 112,750**	**$ 31,411**	**$ 15,149**	**$ 21,193**	**$ 510,781**	**$ 628,492**	**$ 1,174,169**	**$ 2,493,945**
Additions during the year								
Acquisition costs:								
Claim staking	12,960	-	8,867	-	-	-	-	21,827
	12,960	-	8,867	-	-	-	-	21,827
Exploration expenditures:								
Camp, travel and meals	4,527	4,527	12,906	-	1,830	539	-	24,329
Field supplies and maps	109	109	109	-	-	-	-	327
Geological consulting	32,130	32,131	86,552	-	7,437	21,736	-	179,986
Insurance	-	-	-	-	899	-	-	899
Legal and accounting	2,356	730	1,045	249	2,226	7,585	-	14,191
Licence and permits	46,010	9,751	24,982	3,295	5,648	34,294	-	123,980
Office and administrative fees	-	-	-	-	8,497	7,985	-	16,482
Rent	1,335	1,334	1,336	-	346	1,538	-	5,889
Reporting, drafting, sampling and analysis	3,949	3,949	7,074	-	103	-	-	15,075
	90,416	52,531	134,004	3,544	26,986	73,677	-	381,158
Less:								
Recovered exploration expenditures	-	-	-	(1,907)	-	-	-	(1,907)
Write-down of properties	-	-	-	-	(114,319)	(469,457)	-	(583,776)
Net additions / (subtractions)	103,376	52,531	142,871	1,637	(87,333)	(395,780)	-	(182,698)
Foreign currency translation	-	-	-	-	(12,818)	(20,322)	-	(33,140)
Balance at September 30, 2017	**$ 216,126**	**$ 83,942**	**$ 158,020**	**$ 22,830**	**$ 410,630**	**$ 212,390**	**$ 1,174,169**	**$ 2,278,107**

5. EXPLORATION AND EVALUATION ASSETS – continued

USA

On January 27, 2015, the Company signed a binding agreement to acquire eight gold properties in Nevada, USA from Sandstorm Gold Ltd. ("Sandstorm") by issuing 150,000 shares to Sandstorm and granting a net smelter returns royalty ranging from 0.5% to 1.0%. The Company also granted Sandstorm a right of first refusal on any future metal streaming agreements on these properties. In 2015 and 2016, the Company dropped four of the gold properties. The properties retained are:

- Horsethief
- Bellview
- East Walker
- Ashby

a) *Horsethief*

The Horsethief property is located in Lincoln County, northeast of Pioche. A 2% NSR is payable to a previous owner of the property from production from some claims on the property while a 1% NSR is payable to Sandstorm on all the claims on the property.

In 2017, the Company acquired new ground by staking an additional 33 BLM lode mining claims at the Horsethief property.

As of March 31, 2018, the Company had spent $172,108 on advancing this property.

b) *Bellview*

The Bellview property is located in White Pine County, near the Bald Mountain Gold Mine. A 2% NSR is payable to a previous owner of the property and a 1% NSR is payable to Sandstorm from production from all the claims on the property.

As of March 31, 2018, the Company had spent $83,942 on advancing this property.

c) *BP*

On June 10, 2013, the Company purchased from Almaden Minerals Ltd. ("Almaden") the BP property in Nevada, USA. A 2% NSR is payable to Almadex Minerals Limited ("Almadex") on future production on the property after Almaden transferred the NSR right to Almadex.

In 2017, the Company acquired new ground by staking an additional 48 BLM lode mining claims at the BP property.

As of March 31, 2018, the Company had spent $216,126 on advancing this property.

5. EXPLORATION AND EVALUATION ASSETS – continued

USA – continued

d) *Others - Ashby*

On August 2, 2017, the Company signed an exploration lease agreement to lease the Ashby gold property to Nevada Canyon Gold Corp. ("Nevada Canyon"). Under the terms of the agreement, Nevada Canyon made a US$1,000 payment on signing, will make annual payments of US$2,000 and will grant a 2% Net Smelter Royalty ("NSR") on future production from the Lazy 1-3 claims comprising the Ashby property. Nevada Canyon will also be responsible for all claim fees and certain reclamation work to be undertaken on the property. The initial term of the lease is 10 years and can be extended for an additional 20 years.

e) *Others – East Walker*

The East Walker property is located in Lyon County, west of Hawthorne. A 2% NSR is payable to a previous owner of the property from production from some claims on the property.

As of March 31, 2018, the Company had spent $18,440 on advancing this property.

Canada

a) Haldane

On March 6, 2018, the Haldane property was purchased from Equity Exploration Consultants Ltd. ("Equity"), and is located in Yukon Territory, Canada. Equity has a 2% NSR royalty on the Haldane property.

The Company purchased the Haldane property from Equity for the following consideration:

- issue 2 million shares to Equity upon receipt of TSX-Venture approval (shares issued);
- make two staged cash payments of $50,000 each to Equity by June 30, 2018 and June 30, 2019;
- make a final $100,000 cash payment or issue the number of shares of equivalent value at the Company's election, on June 30, 2019; and
- make bonus share payments to Equity:
  - issue 250,000 shares to Equity upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects) of 5 million oz silver-equivalent at 500g/t silver-equivalent;
  - 500,000 shares to be issued upon the decision to commence construction of a mine or processing plant.

Subsequent to March 31, 2018, the Company issued 100,000 common shares to acquire additional claims contiguous to the Haldane property. See Note 15(a).

5. EXPLORATION AND EVALUATION ASSETS – continued

Canada – continued

b) Others

In 2010, the Company acquired the White River property through staking. The White River property is located in the Yukon, northwest of Whitehorse.

On July 23, 2007, the Company purchased from Almaden certain properties in the Yukon and Almaden assigned the 2% NSR royalty on future production from these mineral claims to Almadex:

- Goz Creek – located 180 kilometers north east of Mayo, Yukon.
- MOR – located 35 kilometers east of Teslin, Yukon and is 1.5 kilometers north of the paved Alaska Highway.
- Tim – located 72 kilometers west of Watson Lake, Yukon and 12 kilometers northeast of the Silvertip/Midway deposit.

On June 10, 2008, the Company signed another agreement with Almaden to acquire a 100% interest in the Prospector Mountain gold-silver-copper property, located in central Yukon. Almaden assigned the 2% NSR over any minerals produced from the property to Almadex. Half of the NSR may be purchased by the Company at any time after the production commences for fair value as determined by an independent valuator. The Company will also issue to Almadex 50,000 fully paid common shares upon receipt of a positive bankable feasibility study for the property.

Peru

On April 29, 2015, the Company acquired the Yanac, Isy and La Estrella properties in Peru.

- Yanac – located in Chincha region of the Department of Ica, south-central Peru.
- Isy – located in the Department of Ayucucho, Peru (dropped in June 2017).
- La Estrella – located 130 kilometers south of Huancayo in the Department of Huancavelica, Peru.

a) *Yanac*

On February 27, 2013, Cliffs Natural Resources Exploration Inc., a wholly owned subsidiary of Cliffs Natural Resources Inc. ("Cliffs") and the Company's wholly-owned subsidiary entered into a Limited Liability Company Membership Agreement ("agreement") in respect of the Yanac property. In December 2015, Cliffs' interest in Yanac was acquired by 50 King Capital Exploration Inc. ("50 King"), a private company, which took over all previous obligations of Cliffs.

On July 6, 2016, 50 King terminated the agreement, retaining only a 0.5% net smelter royalty ("NSR") on the Yanac property based on prior expenditures and transferred the ownership of the property back to the Company.

During the year ended September 30, 2017, the Company reduced the size of the Yanac property and La Estrella property and dropped the Isy property and wrote off $583,776.

6. INVESTMENT IN ASSOCIATES – ROYALTY INTEREST

On April 29, 2015, the Company acquired a 36% interest in Pucarana S.A.C. ("Pucarana"), an exploration company in Peru holding the Pucarana property.

On May 22, 2015, Pucarana signed an Assignment Agreement with Compania de Minas Buenaventura S.A.A. ("Buenaventura") whereby Pucarana assigned to Buenaventura the rights to the Pucarana property. In consideration, Buenaventura granted a 3% NSR royalty to Pucarana that is then distributed as to 60% to Alamos Gold Inc. (1.8% NSR), 36% to the Company (1.08% NSR) and 4% to Gallant Minerals Ltd (0.12% NSR).

Prior to the Company's investment in Pucarana, the Company had capitalized, as exploration and evaluation assets, $566,782 in exploration and evaluation expenditures incurred on its Pucarana property. This amount, with minor adjustments, has been carried forward as the cost of the Company's 36% investment. The investment is accounted for using the equity method. To date, no dividends have been received from the associate. As at March 31, 2018, summarized financial information for the associate is as follows:

- Current assets - $77 (September 30, 2017 - $1,760)
- Non-current assets - $54,591 (September 30, 2017 - $52,212)
- Current liabilities - $274 (September 30, 2017 - $326)
- Non-current liabilities - $78,648 (September 30, 2017 - $76,109)

To date, there is no profit or loss from continuing operations.

7. SHARE CAPITAL

a) Authorized:

As at March 31, 2018, the authorized share capital is comprised of an unlimited number of common shares without par value and an unlimited number of preferred shares issuable in series. All issued shares are fully paid.

b) Issued:

During the year ended September 30, 2017, the Company:

i) Completed a non-brokered private placement on March 6, 2017 by issuing 5,000,000 units ("Unit") at a price of $0.125 per Unit for gross proceeds of $625,000. Each Unit consists of one common share and a half non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share for a 3 year period at a price of $0.20. In connection with the financing, the Company paid $21,700 as a cash finder's fee and issued 173,600 finder's warrants, each of which is exercisable into one Unit at a price of $0.125 for a period of 18 months. Each finder's warrant consists of one common share and one half non-transferable warrant exercisable for a 3 year period at a price of $0.20. The value of the finder's warrants was determined to be $8,072 and was calculated using the Black-Scholes option pricing model. Under the residual value approach, no value was assigned to the warrant component of the Units. The Company incurred additional share issue costs of $19,272 in connection with this financing.

7. SHARE CAPITAL – continued

b) Issued – continued

ii) Completed a non-brokered private placement on August 16, 2017 by issuing 1,785,715 units (“Unit”) at a price of $0.14 per Unit for gross proceeds of $250,000. Each Unit consists of one common share and a half non-transferable warrant. Each whole warrant entitles the holder to purchase one additional common share for a 3 year period at a price of $0.20. In connection with the financing, the Company paid $3,654 as a cash finder’s fee and issued 26,100 finder’s warrants, each of which is exercisable into one common share at a price of $0.14 for a period of 3 years. The value of the finder’s warrants was determined to be $2,025 and was calculated using the Black-Scholes option pricing model. Under the residual value approach, $44,643 was assigned to the warrant component of the Units. The Company incurred additional share issue costs of $17,826 in connection with this financing.

iii) During the year ended September 30, 2017, the Company issued common shares pursuant to the exercise of 221,875 finder’s warrants for cash proceeds of $22,188.

During the six months ended March 31, 2018, the Company:

iv) Issued 2,000,000 common shares to Equity at a price of $0.085 per share for a total consideration of $170,000 to pay for Haldane property (see Note 5).

v) Issued common shares pursuant to the exercise of 155,000 finder’s warrants for cash proceeds of $15,500.

8. STOCK OPTIONS AND WARRANTS

a) Stock option compensation plan

The Company grants stock options to directors, officers, employees and consultants pursuant to the Company’s Stock Option Plan (the “Plan”). The number of options that may be issued pursuant to the Plan are limited to 10% of the Company’s issued and outstanding common shares and to other restrictions with respect to any single participant (not greater than 5% of the issued common shares) or any one consultant (not greater than 2% of the issued common shares).

Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than one quarter of the options vesting in any 3 month period.

Vesting provisions may also be applied to other option grants, at the discretion of the directors. Options issued pursuant to the Plan will have an exercise price as determined by the directors, and permitted by the TSX-V, at the time of the grant. Options have a maximum expiry date of 5 years from the grant date.

(Unaudited, presented in Canadian Dollars)

8. STOCK OPTIONS AND WARRANTS – continued

a) Stock option compensation plan – continued

Stock option transactions and the number of stock options for the six months ended March 31, 2018 are summarized as follows:

Expiry date	Exercise price	September 30, 2017	Granted	Exercised	Expired / cancelled	March 31, 2018
February 25, 2019	$0.25	22,500	-	-	-	22,500
April 29, 2020	$0.25	1,264,500	-	-	-	1,264,500
April 29, 2021	$0.25	100,000	-	-	-	100,000
September 30, 2021	$0.15	1,270,000	-	-	-	1,270,000
March 14, 2023	$0.10	-	850,000	-	-	850,000
Options outstanding		2,657,000	850,000	-	-	3,507,000
Options exercisable		2,657,000	850,000	-	-	3,507,000
Weighted average exercise price		$0.20	$0.10	$Nil	$Nil	$0.18

As at March 31, 2018, the weighted average contractual remaining life of options is 3.31 years (September 30, 2017 – 3.29 years). The weighted average fair value of stock options granted during the six months ended March 31, 2018 was $0.08 (2017 - $Nil).

Stock option transactions and the number of stock options for the year ended September 30, 2017 are summarized as follows:

Expiry date	Exercise price	September 30, 2016	Granted	Exercised	Expired / cancelled	September 30, 2017
May 7, 2017	$0.25	4,500	-	-	(4,500)	-
February 25, 2019	$0.25	22,500	-	-	-	22,500
April 29, 2020	$0.25	1,264,500	-	-	-	1,264,500
April 29, 2021	$0.25	100,000	-	-	-	100,000
September 30, 2021	$0.15	1,270,000	-	-	-	1,270,000
Options outstanding		2,661,500	-	-	(4,500)	2,657,000
Options exercisable		2,661,500	-	-	(4,500)	2,657,000
Weighted average exercise price		$0.20	$Nil	$Nil	$0.25	$0.20

The weighted average assumptions used to estimate the fair value of options for the six months ended March 31, 2018 and 2017 were as follows:

	March 31, 2018	March 31, 2017
Risk-free interest rate	1.25%	n/a
Expected life	5 years	n/a
Expected volatility	166.63%	n/a
Expected dividend yield	nil	n/a

(Unaudited, presented in Canadian Dollars)

8. STOCK OPTIONS AND WARRANTS – continued

b) Warrants

The continuity of warrants for the six months ended March 31, 2018 is as follows:

Expiry date		Exercise price	September 30, 2017	Issued	Exercised	Expired	March 31, 2018
October 3, 2017		$0.40	687,000	-	-	(687,000)	-
October 9, 2017		$0.40	755,500	-	-	(755,500)	-
December 24, 2017		$1.00	300,000	-	-	(300,000)	-
April 29, 2018	*	$0.40	3,000,000	-	-	-	3,000,000
March 8, 2020		$0.15	7,221,875	-	-	-	7,221,875
April 7, 2020		$0.15	3,100,000	155,000	-	-	3,255,000
September 28, 2019		$0.20	1,200,000	-	-	-	1,200,000
March 6, 2020		$0.20	2,500,000	-	-	-	2,500,000
August 16, 2020		$0.20	892,857	-	-	-	892,857
Outstanding			19,657,232	155,000	-	(1,742,500)	18,069,732
Weighted average exercise price			$0.23	$0.15	$Nil	$0.50	$0.20

*Subsequent to March 31, 2018, 3,000,000 warrants expired.

As at March 31, 2018, the weighted average contractual remaining life of warrants is 1.64 years (September 30, 2017 – 1.95 years).

The continuity of warrants for the year ended September 30, 2017 is as follows:

Expiry date	Exercise price	September 30, 2016	Issued	Exercised	Expired	September 30, 2017
December 16, 2016	$1.50	483,666	-	-	(483,666)	-
March 17, 2017	$1.50	266,667	-	-	(266,667)	-
May 15, 2017	$1.00	1,200,000	-	-	(1,200,000)	-
September 11, 2017	$1.00	900,000	-	-	(900,000)	-
October 3, 2017	$0.40	687,000	-	-	-	687,000
October 9, 2017	$0.40	755,500	-	-	-	755,500
December 24, 2017	$1.00	300,000	-	-	-	300,000
April 29, 2018	$0.40	3,000,000	-	-	-	3,000,000
March 8, 2020	$0.15	7,000,000	221,875	-	-	7,221,875
April 7, 2020	$0.15	3,100,000	-	-	-	3,100,000
September 28, 2019	$0.20	1,200,000	-	-	-	1,200,000
March 6, 2020		-	2,500,000	-	-	2,500,000
August 16, 2020		-	892,857	-	-	892,857
Outstanding		18,892,833	3,614,732	-	(2,850,333)	19,657,232
Weighted average exercise price		$0.37	$0.20	$Nil	$1.13	$0.23

(Unaudited, presented in Canadian Dollars)

8. STOCK OPTIONS AND WARRANTS – continued

c) Finder's warrants

The continuity of finder's warrants for the six months ended March 31, 2018 is as follows:

Expiry date		Exercise price	September 30, 2017	Issued	Exercised	Expired	March 31, 2018
October 7, 2017	(2)	$0.10	155,000	-	(155,000)	-	-
March 28, 2018	(3)	$0.125	20,000	-	-	(20,000)	-
September 6, 2018	(4)	$0.125	173,600	-	-	-	173,600
August 16, 2020		$0.14	26,100	-	-	-	26,100
Outstanding			374,700	-	(155,000)	(20,000)	199,700
Weighted average exercise price			$0.12	$Nil	$0.10	$0.125	$0.13

As at March 31, 2018, the weighted average contractual remaining life of finder's warrants is 0.69 years (September 30, 2017 – 0.67 years).

The continuity of finder's warrants for the year ended September 30, 2017 is as follows:

Expiry date		Exercise price	September 30, 2016	Issued	Exercised	Expired	September 30, 2017
September 8, 2017	(1)	$0.10	223,750	-	(221,875)	(1,875)	-
October 7, 2017	(2)	$0.10	155,000	-	-	-	155,000
March 28, 2018	(3)	$0.125	20,000	-	-	-	20,000
September 6, 2018	(4)	$0.125	-	173,600	-	-	173,600
August 16, 2020		$0.14	-	26,100	-	-	26,100
Outstanding			398,750	199,700	(221,875)	(1,875)	374,700
Weighted average exercise price			$0.10	$0.13	$0.10	$0.10	$0.12

(1) The finder's warrants are exercisable into units, with each unit consisting of one common share and one warrant exercisable at $0.15 until March 8, 2020.

(2) The finder's warrants are exercisable into units, with each unit consisting of one common share and one warrant exercisable at $0.15 until April 7, 2020. On October 4, 2017, 155,000 finder's warrants were exercised resulting in 155,000 common shares and 155,000 warrants issued.

(3) The finder's warrants are exercisable into units, with each unit consisting of one common share and one half warrant exercisable at $0.20 until September 28, 2019.

(4) The finder's warrants are exercisable into units, with each unit consisting of one common share and one half warrant exercisable at $0.20 until March 6, 2020.

The weighted average assumptions used to estimate the fair value of finder's warrants for the six months ended March 31, 2018 and 2017 were as follows:

	March 31, 2018	March 31, 2017
Risk-free interest rate	n/a	0.58%
Expected life	n/a	1.5 years
Expected volatility	n/a	78.35%
Expected dividend yield	n/a	nil

(Unaudited, presented in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

For the six months ended March 31, 2018

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jason Weber Chief Executive Officer, Director	$ 60,000	$ Nil	$ Nil	$ Nil	$ 16,680	$ 76,680
Winnie Wong Chief Financial Officer	$ Nil	$ Nil	$ Nil	$ Nil	$ 8,340	$ 8,340
Marc G. Blythe Director (c)	$ Nil	$ Nil	$ Nil	$ Nil	$ 4,170	$ 4,170
Mark T. Brown Director (a)	$ Nil	$ Nil	$ Nil	$ Nil	$ 12,510	$ 12,510
Craig Lindsay Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 4,170	$ 4,170
John Wilson Director	$ Nil	$ Nil	$ Nil	$ Nil	$ 4,170	$ 4,170

For the six months ended March 31, 2017

	Short-term employee benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	Total
Jason Weber Chief Executive Officer, Director	$ 60,000	$ Nil	$ Nil	$ Nil	$ Nil	$ 60,000

Related party transactions and balances

		Six months ended		Balance due	
	Services	March 31, 2018	March 31, 2017	As at March 31, 2018	As at September 30, 2017
Amounts due to:					
Jason Weber	Consulting fee and share-based payment	$ 76,680	$ 60,000	$ 22,818	$ 80
Pacific Opportunity Capital Ltd. (a)	Accounting, financing, and shareholder communication services	$ 83,385	$ 92,025	$ 289,115	$ 75,600
TOTAL:				$ 311,933	$ 75,680

(a) The president of Pacific Opportunity Capital Ltd., a private company, is a director of the Company.

(Unaudited, presented in Canadian Dollars)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the six months ended March 31, 2018 were as follows:

- As at March 31, 2018, a total of $42,550 in exploration and evaluation asset costs was included in accounts payable and accrued liabilities;
- As at March 31, 2018, a total of $15,000 in deferred financing costs and a total of $20,772 in share issue costs were included in due to related parties; and
- The Company recorded $170,000 in share capital related to the issue of common shares pursuant to the acquisition of exploration and evaluation costs.

The significant non-cash investing and financing transactions during the six months ended March 31, 2017 were as follows:

- As at March 31, 2017, a total of $11,717 in exploration and evaluation asset costs was included in accounts payable and accrued liabilities; and
- The Company recorded $8,072 in share issue costs related to the issue of finder's warrants pursuant to the private placement financing completed.

11. SEGMENTED INFORMATION

The Company has one reportable operating segment, that being the acquisition and exploration of mineral properties. Geographical information is as follows:

	March 31, 2018	September 30, 2017
Non-current assets		
USA	495,006	480,918
Peru	1,261,418	1,189,982
Canada	1,350,845	1,175,835
	$ 3,107,269	$ 2,846,735

12. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, market risk and commodity price risk.

(a) Currency risk

The Company's property interests in Peru and USA make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. The Company's exploration program, some of its general and administrative expenses and financial instruments denoted in a foreign currency are exposed to currency risk. A 10% change in the Peruvian nuevo sol and US dollar over the Canadian dollar would change the results of operations by approximately $6,800.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to the liquidity of its cash. The Company limits exposure to credit risk by maintaining its cash with a large Canadian financial institution.

12. FINANCIAL INSTRUMENTS – continued

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company does not have sufficient cash to settle its current liabilities, and further funding will be required to meet the Company's short-term and long-term operating needs. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period.

(d) Market risk

Market risks to which the Company is exposed include unfavorable movements in commodity prices, interest rates, and foreign exchange rates. As at March 31, 2018, the Company has no producing assets and holds the majority of its cash in secure, Canadian dollar-denominated deposits. Consequently, its exposure to these risks has been significantly reduced, but as the Company redeploys its cash, exposure to these risks may increase. The objective of the Company is to mitigate exposure to these risks while maximizing returns.

The Company may from time-to-time own available-for-sale marketable securities, in the mineral resource sector. Changes in the future pricing and demand of commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further develop and to determine the commercial viability of its resource properties. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis.

i) Interest rate risk

As at March 31, 2018, the Company's exposure to movements in interest rates was limited to potential decreases in interest income from changes to the variable portion of interest rates for its cash. Market interest rates in Canada are at historically low levels, so management does not consider the risk of interest rate declines to be significant, but should such risks increase the Company may mitigate future exposure by entering into fixed-rate deposits. A 1% change in the interest rate, with other variables unchanged, would not significantly affect the Company.

ii) Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company may maintain cash and other financial instruments, or may incur revenues and expenditures in currencies other than the Canadian dollar. Significant changes in the currency exchange rates between the Canadian dollar relative to these foreign currencies, which may include but are not limited to US dollars and Peruvian nuevo sol, could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

(Unaudited, presented in Canadian Dollars)

12. FINANCIAL INSTRUMENTS – continued

(e) Commodity price risk

The ability of the Company to develop its mineral properties and the future profitability of the Company are directly related to the market price of minerals such as gold, zinc, lead and copper. The Company's input costs are also affected by the price of fuel. The Company closely monitors mineral and fuel prices to determine the appropriate course of action to be taken by the Company.

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

Level 2 – inputs other than quoted prices included in 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy.

As at March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 5,363	$ -	$ -	$ 5,363

As at September 30, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 37,318	$ -	$ -	$ 37,318

13. MANAGEMENT OF CAPITAL RISK

The Company considers items included in shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the 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 the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 90 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations. The Company's approach to managing capital remains unchanged from the year ended September 30, 2017.

14. CONTINGENT LIABILITIES

As a result of the administrative practices with respect to mining taxation in Mexico, there can be significant uncertainty, in regards to when, or if, taxes are payable and the amount that may ultimately be payable. As at September 30, 2015, Mexican claim taxes totalling approximately $766,000 had been levied. Of this amount, $563,000 ($193,000 for 2014 and $370,000 for 2015) related to properties that were held by Minera Tarsis, S.A. de C.V., which the Company had applied to wind up, and $203,000 ($63,000 for 2014 and $140,000 for 2015) related to properties being acquired. On February 16, 2016, the Company sold all its Mexican properties, Yago, Mezquites and San Pedro, to Almadex, and reduced the claim taxes to $173,783. These taxes will never be paid in full and any amount that will, or might, be payable cannot realistically be determined at this time. Accordingly, these taxes have been disclosed as a contingent liability, and not recognized as a liability or provision.

15. EVENTS AFTER THE REPORTING PERIOD

(a) On April 12, 2018, the Company purchased the Nur, Clarkston and Fara claims from the estate of Yukon prospector John Peter Ross (the “Estate”) for the following consideration:

- issue 100,000 shares to the Estate upon receipt of TSX-Venture approval (shares issued);
- make cash payment of $10,000 to the Estate by June 30, 2018;
- make cash payment of $20,000 and issue 125,000 shares to the Estate by April 12, 2019;
- make cash payment of $20,000 and issue 125,000 shares to the Estate by April 12, 2020;
- make cash payment of $25,000 and issue 150,000 shares to the Estate by April 12, 2021; and
- make bonus share payments to the Estate as follows:
    - issue 250,000 shares to the Estate upon the public disclosure of a Measured Mineral Resource (as such term is defined in National Instrument 43-101- Standards of Disclosure for Mineral Projects) of 5 million oz silver-equivalent at 500g/t silver-equivalent;
    - 500,000 shares to be issued upon the decision to commence construction of a mine or processing plant.

The Nur, Clarkston and Fara claims are contiguous to and grouped with the Company’s Haldane property.

(b) On April 25, 2018, the Company completed a non-brokered private placement by issuing 5,000,000 units (“Unit”) at a price of $0.10 per Unit for gross proceeds of $500,000 and 2,500,000 flow-through shares (“FT Share”) at a price of $0.10 per FT Share for gross proceeds of $250,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a 24 month period at a price of $0.15. In connect with the financing, the Company paid $24,000 as a cash finder’s fee and issued 240,000 finder’s warrants, each of which is exercisable into one common share at a price of $0.10 for a period of 24 months.