CENTENERA MINING CORPORATION
(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
January 31, 2018
(Unaudited)
(Expressed in Canadian Dollars)

Corporate Head Office

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(Expressed in Canadian dollars)
January 31, 2018 and 2017

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NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The condensed consolidated interim financial statements of the Company for the quarter ended January 31, 2018 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

CENTENERA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	January 31, 2018	October 31, 2017
ASSETS		
Current		
Cash and cash equivalents	$ 1,013,533	$ 838,013
Receivables	22,487	20,037
Prepaids	201,528	113,265
Total Current Assets	1,237,548	971,315
Equipment (note 4)	15,379	15,116
Exploration and Evaluation Assets (note 5)	1,303,063	936,532
Total Assets	$ 2,555,990	$ 1,922,963
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 115,122	$ 95,750
Total Liabilities	115,122	95,750
Shareholders' Equity		
Share capital (note 6)	7,979,598	6,935,499
Reserves	1,512,200	894,113
Deficit	(7,050,930)	(6,002,399)
Total Shareholders' Equity	2,440,868	1,827,213
Total Liabilities and Shareholders' Equity	$ 2,555,990	$ 1,922,963

"Keith Henderson" Director   *"Stephen Pearce"* Director

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

CENTENERA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	For the three months ended January 31, 2018	For the three months ended January 31, 2017
Administrative Expenses		
Amortization	$ 1,142	$ 1,218
Bank charges	2,463	1,760
Consulting fees (note 7)	116,730	93,072
Investor relations and promotion	49,925	6,237
Impairment loss on exploration and evaluation assets (note 5)	4,565	-
Impairment loss on VAT receivable	67,195	11,169
Office and general	35,249	35,140
Professional fees	33,680	45,824
Property investigation costs	-	713
Regulatory and transfer agent	5,913	9,331
Salaries and benefits (note 7)	87,749	67,411
Stock based compensation (notes 6)	618,087	48,285
Travel	5,533	9,502
Loss Before Other Items	(1,028,231)	(329,662)
Other Items		
Interest expense	(34)	(55)
Interest income	-	2,055
Foreign exchange	(20,266)	(6,177)
Loss and comprehensive loss for the period	$ (1,048,531)	$ (333,839)
Basic and diluted loss per share		
– basic and diluted	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding		
– basic and diluted	68,883,592	56,442,964

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

CENTENERA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Share Capital					
	Shares	Amount	Deficit	Reserves	Total Shareholders' Equity
Balance, October 31, 2016	**56,442,964**	**$ 5,400,849**	**$ (4,123,627)**	**$ 820,628**	**$ 2,097,850**
Share based compensation (note 6)	-	-	-	48,285	48,285
Net loss for the period	-	-	(333,839)	-	(333,839)
Balance, January 31, 2017	**56,442,964**	**$ 5,400,849**	**$ (4,457,466)**	**$ 868,913**	**$ 1,812,296**
Shares issued for cash					
Exercise of warrants	9,665,625	1,441,875	-	-	1,441,875
Shares issued for non-cash					
Property acquisition	430,000	77,195	-	-	77,195
Finders fees – property acquisition	70,818	15,580	-	-	15,580
Share-based compensation (note 6)	-	-	-	25,200	25,200
Loss for the year	-	-	(1,544,933)	-	(1,544,933)
Balance, October 31, 2017	**66,609,407**	**$ 6,935,499**	**$ (6,002,399)**	**$ 894,113**	**$ 1,827,213**
Shares issued for cash					
Private Placement	5,750,556	1,035,100	-	-	1,035,100
Share issue costs	-	(13,051)	-	-	(13,051)
Shares issued for non-cash					
Property acquisition	100,000	21,000	-	-	21,000
Property acquisition - finders warrants	5,000	1,050			1,050
Finders fee - warrants	-	-	-	3,680	3,680
Share based compensation (note 6)	-	-	-	614,407	614,407
Net loss for the period	-	-	(1,048,531)	-	(1,048,531)
Balance, January 31, 2018	**72,464,963**	**$ 7,979,598**	**$ (7,050,930)**	**$ 1,512,200**	**$ 2,440,868**

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

CENTENERA MINING CORPORATION
(An Exploration Stage Company)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	For the three months ended January 31, 2018	For the three months ended January 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (1,048,531)	$ (333,839)
Items not affecting cash:		
Impairment loss on exploration and evaluation assets	4,565	-
Share-based compensation	618,087	48,285
Unrealized foreign exchange loss (gain)	-	-
Amortization	1,142	1,218
Changes in non-cash working capital items:		
Receivables	(2,450)	(17,386)
Prepaids	19,372	-
Accounts payable and accrued liabilities	(88,263)	1,327
Net cash inflow (outflow) from operating activities	(496,078)	(300,395)
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(349,046)	(115,180)
Purchase of property, plant and equipment	(1,405)	(6,490)
Net cash outflow from investing activities	(350,451)	(121,670)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	1,035,100	-
Share issuance costs	(13,051)	-
Net cash inflow from financing activities	1,022,049	-
Change in cash for the period	175,520	(422,065)
Cash, beginning of the period	838,013	1,418,545
Cash, end of the period	$ 1,013,533	$ 996,480

Supplemental disclosure with respect to cash flows (note 8)

1. NATURE OF OPERATIONS AND GOING CONCERN

Centenera Mining Corporation (the "Company") was incorporated under the laws of the Province of British Columbia, Canada on January 9, 2006. The Company's principal business activity is the exploration and evaluation of mineral properties located in Argentina. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "CT".

The head office and principal address of the Company is Suite 2300 – 1177 West Hastings Street, Vancouver, BC, V6E 2K3, Canada. The registered and records offices of the Company are located at Suite 415 – 1040 West Georgia Street, Vancouver, BC, V6E 4H1, Canada.

As at January 31, 2018 the Company has working capital of $1,122,426 (October 31, 2017 – $875,565) and an accumulated deficit of $7,058,930 (October 31, 2017 - $6,002,399).

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or proceeds from the disposition thereof.

These condensed consolidated interim financial statements have been prepared under the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have financial resources to sustain operations in the long-term. There is no assurance that future financings will be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

The Board of Directors of the Company approved the condensed consolidated interim financial statements on March 25, 2018.

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for assets and liabilities recorded at fair value. Intercompany balances and transactions are eliminated on consolidation. The presentation and functional currency of the Company is the Canadian dollar.

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PREPARATION *(Cont'd…)*

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended October 31, 2017.

Principles of consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries as follows:

Subsidiary	Proportion of Ownership Interest	Country of Incorporation	Principle Activity
Cardero Argentina S.A.	100%	Argentina	Exploration
1054749 B.C. Ltd.	100%	Canada	Holding

The Company consolidates its subsidiaries on the basis that it controls the subsidiary through its ability to govern its financial and operating activities.

All intercompany transactions and balances are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amount of expenses during the period. Actual results could differ from these estimates.

The preparation of condensed consolidated interim financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the condensed consolidated interim financial statements.

Mineral property impairment

At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted or planned and results of exploration and evaluation activities on the exploration and evaluation assets. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects

2. BASIS OF PREPARATION *(Cont'd…)*

Mineral property impairment *(cont'd…)*

current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit ("CGU")) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short- and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Functional currency determination

The functional and presentation currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiaries is the Canadian dollar, based on management's assessment of whether a specific subsidiary is a standalone operation or integrated with the operations of the parent company. Should management's judgment about the nature of a subsidiary differ from its actual nature, a material difference in the cumulative translation adjustment and or foreign exchange gain could result.

Share-based payments

Share-based payments are determined using the Black-Scholes option pricing model based on estimated fair values of all share-based awards at the date of grant and are expensed to net loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option/warrant. Changes in these input assumptions can significantly affect the fair value estimate.

3. SIGNIFICANT ACCOUNTING POLICIES

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards ("IAS") Board or International Financial Reporting Standards Interpretation Committee ("IFRIC") that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

- IFRS 9 *Financial Instruments*: New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company does not expect any impact to the financial statements from the adoption of this standard.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES *(Cont'd…)*

New standards and interpretations not yet adopted *(cont'd…)*

- IFRS 16 *Leases*: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. At present, the Company has no leases, other than an informal arrangement with a related party for shared office space. As such, the Company does not expect any impact to the financial statements from the adoption of this standard.

4. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment
Cost	
Balance, October 31, 2017	19,987
Additions	1,405
Balance, January 31, 2018	$ 21,392
Accumulated depreciation	
Balance, October 31, 2017	4,871
Depreciation for the period	1,142
Balance, January 31, 2018	$ 6,013
Carrying amounts	
At October 31, 2017	$ 15,116
At January 31, 2018	$ 15,379

5. EXPLORATION AND EVALUATION ASSETS

Title to Mineral Property Interests

Title to mineral property interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfer and may be affected by undetected defects.

5. EXPLORATION AND EVALUATION ASSETS *(Cont'd…)*

Crosby Property – Argentina

Prior to the Company completing the reverse take-over ("RTO") with Cardero Argentina during the year ended October 31, 2015, the Company entered into a property option agreement (the "Option Agreement") dated September 18, 2009 (the "Acceptance Date"), whereby the Company obtained an option to acquire certain exploration properties, located in the Jujuy Province, Argentina, including certain exploration permits, licenses and applications comprising the Crosby property (the "Crosby Property"), from Davcha Resources International Limited ("DRI"), a private British Columbia company.

To exercise the option the Company must issue and allot to DRI 950,000 common shares, of which 850,000 have been issued to date. The remaining 100,000 common shares must be issued upon the Company receiving a bankable feasibility report ("BFR") on one of the properties within eight years of the Acceptance Date. Provided that if the BFR is not received within the said eight years, the total consideration will be reduced to 850,000 shares (issued) of the Company.

The Company assumed and subsequently earned DRI's option to acquire a 94% interest in the Crosby Property, subject to a 2% net smelter royalty ("NSR"), in consideration for assuming DRI's obligation to pay the underlying property owner US$215,000 (paid), agreeing to reimburse approximately Australian $169,105 (paid) in exploration costs and advances incurred by the property optionor, and the assumption of certain other obligations of DRI under the Option Agreement. The Company acquired the remaining 6% from a third party immediately prior to the RTO for a cash payment of $35,000.

During the year ended October 31, 2017, the Company determined that the carrying value of its interest in the Crosby Property was impaired as no additional expenditures are planned for the property. As a result, the Company wrote off cumulative costs incurred to date on the Crosby Property of $540,758 as an impairment loss, determined in accordance with Level 3 of the fair value hierarchy. During the period end January 31, 2018 the Company incurred expenditures on the property and was recorded as an impairment loss of $4,565 (2017 - $Nil).

Organullo Property – Argentina

Pursuant to an agreement dated October 1, 2004 between the Company and an Argentinean individual, the Company purchased a 100% interest in eight mines in Salta Province, Argentina, in consideration of the issuance of 70,000 common shares. The Organullo property is in good standing.

Mina Angela Property – Argentina

The Company entered into an acquisition agreement in April 2004, pursuant to which the Company acquired a 100% interest in mineral concessions in Chubut Province, Argentina, subject to a 1% NSR to the vendor, in consideration of aggregate cash payments to the vendor of US$400,000 (paid). The Company owns the property 100%.

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(Cont'd…)*

El Quemado – Argentina

The Company entered into an option agreement to acquire a 100% interest in the El Quemado tantalum-niobium bismuth-lithium pegmatite project in Salta Province, Argentina. In consideration the Company will issue 2,500,000 common shares as follows:

Date issued	Centenera Shares
September 20, 2016 (issued)	100,000
March 15, 2017 (issued)	165,000
September 15, 2017 (issued)	265,000
March 15, 2018 (issued Note 11)	540,000
September 15, 2018	1,430,000
Total	2,500,000

Upon issuance of the 2,500,000 common shares the Company will be deemed to have exercised the option and will have earned a 100% legal and beneficial interest in the project, subject to a 2% NSR to be granted to the vendor. The Company will have a right to buy one-half of the NSR for US$750,000. If the Company abandons the project after exercising the option, the project shall revert back to the vendor, subject to a 1% NSR to be granted to the Company.

El Penon – Argentina

The Company entered into a property option agreement to acquire a 100% interest in the El Penon gold project. The project is in the San Juan Province, Argentina. The option can be exercised by the Company by paying US$15,000 (paid) upon the execution and delivery of a letter of intent and by issuing 2,050,000 common shares of the Company. The common shares will be issued as follows:

Date issued	Centenera Shares
January 11, 2018 (issued)	100,000
January 11, 2019	200,000
January 11, 2020	300,000
January 11, 2021	500,000
January 11, 2022	950,000
Total	2,050,000

Upon exercise of the option the Company shall be deemed to have granted a 1% NSR royalty, which shall run with the property and constitute a direct interest in the property. The Company has the right to purchase 50% of the royalty by paying US$500,000, in which case the NSR will be reduced to 0.5%. A finder's fee of 102,500 shares, issuable over a five-year period, will be payable regarding the property option agreement. The common shares will be issued as follows:

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(Cont'd…)*

Date issued	Centenera Shares
January 11, 2018 (issued)	5,000
January 11, 2019	10,000
January 11, 2020	15,000
January 11, 2021	25,000
January 11, 2022	47,500
Total	102,500

Esperanza – Argentina

The Company entered into an option agreement to acquire a 100% interest in the Esperanza copper-gold porphyry deposit located in the San Juan Province.

Under the option the Company has the right to earn a 100% interest in the project through the payment of US$2,306,000 and the issuance of common shares in the Company valued at US$500,000 (at the time of issuance) to the vendor, as follows:

Date issued	Cash Payment (US)	Value of Shares (US)
Effective date (paid)	$ 80,000	$ -
December 15, 2017 (paid)	83,000	-
June 15, 2018	90,000	-
December 15, 2018	105,000	-
June 15, 2019	106,000	-
December 15, 2019	118,000	-
June 15, 2020	120,000	-
December 15, 2020	142,000	-
June 15, 2021	142,000	-
December 15, 2021	420,000	250,000
December 15, 2022	900,000	250,000
Total	$ 2,306,000	$ 500,000

Upon completion of the option payments and share issuances the Company will be deemed to have exercised the option and will have earned an undivided 100% legal and beneficial interest in and to the project, subject to a 2% NSR to be granted to the vendor. The Company will have a right to buy back 0.5% of the NSR for US$1,000,000, at which time the NSR payable to the vendor shall be 1.5%. A finder's fee in the amount of US$172,800, payable in shares ("Finders Shares") over six years. The number of Finder's Shares to be issued to the finder shall be calculated using the "market price" of the Shares (within the meaning of applicable TSX-V policies, without discount) on the TSX-V as at the last trading date immediately preceding the payment date set out in the table below, which price shall be the deemed issuance price for each tranche of Finder's Shares issued hereunder:

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(Cont'd…)*

Date issued	Amount (US)	Finders Shares Issued
Within 10 business days of effective date (paid and issued)	$15,580	70,818
December 15, 2018	6,466	-
June 15, 2019	6,528	-
December 15, 2019	7,267	-
June 15, 2020	7,390	-
December 15, 2020	8,745	-
June 15, 2021	8,745	-
December 15, 2021	41,260	-
June 15, 2022	70,820	-
Total	$172,801	70,818

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS *(Cont'd…)*

	Organullo	Mina Angela	Crosby	El Quemado	El Penon	Esperanza	Total
Balance, October 31, 2016	**70,960**	**12,846**	**540,758**	**60,500**	**-**	**-**	**685,064**
Acquisition costs							
Cash payments	-	-	-	-	20,160	224,264	244,424
Shares issued	-	-	-	77,195	-	15,580	92,775
Total acquisition costs	-	-	-	77,195	20,160	239,844	337,199
Deferred exploration costs							
Claim maintenance	22,951	7,804	-	36,039	966	32,820	100,580
Consulting	-	-	-	64,142	-	33,452	97,594
Field	13,025	1,891	-	51,443	7,385	62,260	136,004
Geochemistry	-	-	-	38,947	13,954	6,781	59,682
Reports	3,097	-	-	966	523	18,336	22,922
Geophysical	-	-	-	-	-	38,245	38,245
Total exploration costs for the year	39,073	9,695	-	191,537	22,828	191,894	455,027
Impairment	-	-	(540,758)	-	-	-	(540,758)
Balance, October 31, 2017	**$ 110,033**	**$ 22,541**	**$ -**	**$ 329,232**	**$ 42,988**	**$ 431,738**	**$ 936,532**
Acquisition costs							
Cash payments	-	-	-	-	-	101,682	101,682
Shares issued	-	-	-	-	22,050	-	22,050
Total acquisition costs	-	-	-	-	22,050	101,682	123,732
Deferred exploration costs							
Claim maintenance	8,546	3,394	-	7,180	840	4,405	24,365
Consulting	-	-	-	-	-	1,225	1,225
Drilling	-	-	-	-	-	35,969	35,969
Field	-	-	-	-	665	180,575	181,240
Total exploration costs for the year	8,546	3,394	-	7,180	1,505	222,174	242,799
Balance, January 31, 2018	**$ 118,579**	**$ 25,935**	**-**	**$ 336,412**	**$ 66,543**	**$ 755,594**	**$ 1,303,063**

6. SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of voting common shares without nominal or par value.

b. Share issuances

During the period ended January 31, 2018, the Company issued the following shares.

The Company completed a non-brokered private placement of 5,750,556 units at a price of $0.18 per unit for gross proceeds of $1,035,100. Each unit consists of one common share of the Company and one warrant. Each warrant entitles the holder thereof to purchase an additional common share for $0.30 until June 29, 2019. The Company also paid cash finder's fees in the amount of $7,875 and issued 51,625 finders warrants valued at $3,680 using Black-Scholes model. Each finders warrant entitles the holder to acquire an additional common share of the Company at a price of $0.18 until June 29, 2019.

The Company issued 105,000 common shares for property acquisition at a deemed cost of $22,050.

During the year ended October 31, 2017, the Company issued the following shares:

The Company issued 9,665,625 common shares pursuant to the exercise of warrants for gross proceeds of $1,441,875.

The Company issued 500,818 common shares for property acquisition at a deemed cost of $92,775.

During the year ended October 31, 2016, the Company issued the following shares:

The Company issued 46,875 common shares pursuant to the exercise of warrants for gross proceeds of $5,625.

The Company completed a private placement of 7,900,000 common shares at $0.16 per share for gross proceeds of $1,264,000. The Company incurred share issuance costs of $103,369 of which $76,196 was paid in cash and the Company issued 286,608 broker warrants valued at $27,173 using the Black-Scholes model.

The Company completed a private placement of 1,548,000 common shares at $0.25 per share for gross proceeds of $387,000. The Company incurred share issuance costs of $10,123.

The Company issued 3,250,000 common shares pursuant to the exercise of options for gross proceeds of $227,500.

The Company issued 100,000 common shares for property acquisition at a deemed cost of $41,500.

c. Escrow Shares

At January 31, 2018, there were 3,561,568 (October 31, 2017 – 7,123,135) shares held in escrow with the Company's registrar and transfer agent. These shares are being released from escrow in equal tranches of 3,561,567 common shares beginning on December 19, 2015 and every six months thereafter.

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES *(Cont'd…)*

d. Stock options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time-to-time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company's issued and outstanding common shares at the time the options are granted. Such options will be exercisable for a period of up to five years from the date of grant. Vesting of stock options is at the discretion of the Board of Directors.

Stock option transactions are summarized as follows:

	January 31, 2018		**October 31, 2017**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of the period	800,000	$ 0.25	3,775,000	$ 0.25
Granted	6,010,000	$ 0.20	800,000	$ 0.25
Exercised	-	$ -	-	$ -
Expired	(400,000)	$ 0.25	(3,775,000)	$ 0.25
Options outstanding, end of the period	6,410,000	$ 0.20	800,000	$ 0.25

The weighted average remaining contractual life of options outstanding at January 31, 2018 was 4.53 (October 31, 2017 - 0.31) years.

Stock options outstanding are as follows:

Number of Options	**Exercise Price**	**Expiry Date**
6,010,000	0.20	November 22, 2022
400,000	0.25	May 9, 2018
6,410,000		

The Company uses the Black-Scholes option pricing model to value stock options granted and warrants issued. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values. For purposes of the calculation and disclosures, the following weighted average assumptions were used:

	January 31, 2018	**October 31, 2017**
Risk-free interest rate	1.68%	0.68%
Expected life of options	5.00	1.00
Annualized volatility	203.90%	159.4%
Dividend rate	-	0 %
Forfeiture rate	0%	0%

(Expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES *(Cont'd…)*

d. Stock options *(cont'd…)*

Share-based payments payment charges for the period ended January 31, 2018 totalled $614,407 (January 31, 2017 - $48,285).

e. Warrants

The following common share purchase warrants entitle the holders thereof to purchase one common share for each warrant. Warrants transactions are as follows:

	October 31, 2017		**October 31, 2017**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of the period	-	$ -	10,802,233	$ 0.15
Warrants exercised	-	$ -	(9,665,625)	$ 0.15
Warrants expired	-	$ -	(1,136,608)	$ 0.21
Warrants issued	5,750,556	$ 0.30	-	$ -
Broker warrants issued private placement	51,625	$ 0.18	-	$ -
Warrants outstanding, end of the period	5,801,181	$ 0.30	-	$ -

The weighted average remaining contractual life of warrants outstanding at January 31, 2018 was 1.41 (October 31, 2017 - Nil) years.

Warrants outstanding are as follows:

Number of Warrants	**Exercise Price**	**Expiry Date**
5,750,556	0.30	June 29, 2019
51,625	0.18	June 29, 2019
51,625		

7. RELATED PARTY TRANSACTIONS

During the periods ended January 31, 2018 and 2017, the Company entered the following transactions with related parties:

Management compensation
Key management personnel compensation is comprised of the following:

For the three months ended January 31		**2018**		**2017**
Salaries and benefits to CEO	$	37,500	$	37,500
Consulting fees to CFO *		15,000		15,000
Directors' fees (included in salaries and benefits)		7,406		7,030
Stock-based compensation to CEO, CFO and directors		449,815		
	$	509,721	$	59,530

(Expressed in Canadian dollars)

7. RELATED PARTY TRANSACTIONS *(Cont'd…)*

Management compensation *(cont'd)*

Transactions with other related parties

For the three months ended January 31		2018		2017
Consulting fees to a Corporate Secretary	$	6,000	$	6,000
Office expenses to Marvel Office Management Ltd. a company with directors in common		11,054		9,391
	$	17,054	$	15,391

*Amount above is paid to a personal service corporation for personnel that is acting as key management of the Company.

Investment from associate

As at January 31, 2018, Cardero Resource Corp. owned 26.16% of the Company's issued common shares. At January 31, 2018, the Company owned 100% of Cardero Argentina's issued common shares except for one share held by Hendrik van Alphen (a director of both Cardero and the Company). Cardero is a public company with common shares listed on the TSX.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the period ended January 31, 2018 there was stock based compensation in the amount of $614,407 (January 31, 2017 - $48,285).

During the period ended January 31, 2018 the Company issued 105,000 (January 31, 2017 - $Nil) common shares for property acquisition at a deemed cost of $22,050 (January 31, 2017 - $Nil).

9. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL

Fair value

The fair value of the Company's financial instruments including receivables and accounts payable and accrued liabilities approximate their carrying amounts due to their short-term nature and capacity for prompt liquidation. Cash is carried at its fair value calculated in accordance with level 1 of the fair value of the value hierarchy.

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

9. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL *(Cont'd…)*

Fair Value Hierarchy

Financial instruments that are measured after 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 which include cash and cash equivalents and marketable securities;
- 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).

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. Cash deposits are maintained with Canadian financial institutions of reputable credit and are redeemable on demand.

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 is engaged in ongoing evaluation of opportunities to improve its financial position which includes, but is not limited to, additional equity financings, obtaining exploration partners and/or the sale of assets. At January 31, 2018, the Company has working capital of $1,122,426 (October 31, 2017 - $875,565).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no outstanding debt subject to variable interest. Accordingly, the Company does not believe it is exposed to significant interest rate risk.

9. FINANCIAL RISK MANAGEMENT AND MANAGEMENT OF CAPITAL *(Cont'd…)*

Financial risk management *(Cont'd…)*

Foreign exchange risk

The Company is exposed to foreign currency risk to the extent that monetary financial instruments are denominated in United States and Argentinean currencies. The Company's operating expenses are incurred primarily in Canadian dollars; its exploration programs are primarily in Argentina and are denominated in either United States dollars or Argentine pesos. The fluctuation of the Canadian dollar will, consequently, have an impact upon the reported profitability of the Company and may also affect the value of the Company's assets and liabilities. The Company continuously monitors this exposure to determine if any mitigation strategies become necessary. The Company's sensitivity analysis suggests that a consistent 5% change in the rate of exchange in the foreign jurisdictions where it has assets employed would change foreign exchange gain or loss by $8,159 (2017 - $12,630).

Price risk

The Company is exposed to price risk with respect to commodity prices, particularly those included in its exploration and evaluation asset portfolio. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Management of capital

The Company's objectives in managing its capital (items included in shareholders 'equity (deficiency)) are to fund acquisition, exploration and development of its exploration and evaluation assets and to meet its administrative and corporate activities to ensure that the Company continues as a going concern.

The Company is an exploration stage company and is currently unable to self-finance its operations. The Company has historically relied on equity financings to raise sufficient funds to carry out its exploration and acquisition activities and pay its administrative costs. Therefore, the Company intends to raise additional funds as required to carry out its planned activities.

The Company manages the capital structure and makes appropriate adjustments to it based upon 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 debt and acquire or dispose of assets. To manage its capital requirements management has put into place a planning and budgeting process.

The Company is not subject to any externally imposed capital requirements or restrictions and there were no changes to the Company's approach to managing capital during the period ended January 31, 2018.

(Expressed in Canadian dollars)

10. SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral resources industry, and in two geographical segments, Canada and Argentina. The significant asset categories identifiable with these geographical areas are as follows:

		January 31, 2018	
	Canada	Argentina	Total
Exploration and evaluation assets	$ -	$ 1,303,063	$ 1,303,063
Property, plant and equipment	7,559	7,820	15,379
Cash and cash equivalents	970,351	43,182	1,013,533
Receivables and prepaids	82,684	141,331	224,015
Total Assets	$ 1,060,594	$ 1,495,396	$ 2,555,990

		October 31, 2017	
	Canada	Argentina	Total
Exploration and evaluation assets	$ -	$ 936,532	$ 936,532
Equipment	6,708	8,408	15,116
Cash	826,508	11,505	838,013
Receivables and prepaids	40,847	92,455	133,302
Total Assets	$ 874,063	$ 1,048,900	$ 1,922,963

For the period ended January 31	2018	2017
Net loss for the period - Canada	$ 889,628	$ 255,911
Net loss for the period - Argentina	158,903	77,928
Net loss for the period	$ 1,048,531	$ 333,839

11. SUBSEQUENT EVENTS

The Company granted 700,000 stock options to a director of the Company. The options are exercisable to purchase common shares of the company on or before February 21, 2021, at a price of 20 cents per share.

The Company issued 540,000 common shares as part of the option agreement on the El Quemedo property in Argentina.