# TRI ORIGIN EXPLORATION LTD.

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

## Notice to Reader

The accompanying unaudited condensed interim financial statements of Tri Origin Exploration Ltd. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended September 30, 2018 have not been reviewed by the Company's auditors.

# TRI ORIGIN EXPLORATION LTD.

**Condensed Interim Statements of Financial Position**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | September 30, 2018 | June 30, 2018 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | $ 287,856 | $ 519,016 |
| Accounts receivable | 19,130 | - |
| Prepaid | 8,596 | 10,884 |
| Investments (Note 4) | 172,927 | 122,942 |
| Total current assets | 488,509 | 652,842 |
| Exploration and evaluation assets (note 5) | 2,677,644 | 2,485,844 |
| Equipment (note 4) | 3,440 | 3,622 |
| **Total Assets** | $ 3,169,593 | $ 3,142,308 |
| **Equity and Liabilities** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (note 7) | $ 132,358 | $ 62,776 |
| Funds on deposit | 129,447 | 185,573 |
| Promissory note payable (note 8) | 100,000 | 200,000 |
| **Total Liabilities** | 361,805 | 448,349 |
| **Equity** | | |
| Share capital (note 9) | 22,044,715 | 22,044,715 |
| Equity portion of convertible debenture (note 10) | 17,393 | 17,393 |
| Contributed surplus | 2,068,483 | 2,068,483 |
| Deficit | (21,322,803) | (21,436,632) |
| Total equity | 2,807,788 | 2,693,959 |
| **Total Liabilities and Equity** | $ 3,169,593 | $ 3,142,308 |

Nature of operations and going concern (note 1)

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

Approved by the Board of Directors:

President and Director: Dr. Robert Valliant

Director: Mr. Jean-Pierre Janson

# TRI ORIGIN EXPLORATION LTD.

**Condensed Interim Statements of Loss and Comprehensive Loss**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended September 30, 2018 | Three Months Ended September 30, 2017 |
|---|---|---|
| **Expenses** | | |
| General and administrative costs (note 14) | $ 39,793 | $ 59,590 |
| Project generation and reclamation costs | 2,918 | - |
| Finance charges (note 15) | 3,375 | 6,049 |
| Write-off of exploration and reclamation costs | - | 1,691 |
| Loss before other items | (46,086) | (67,330) |
| **Other Items** | | |
| Unrealized loss on investments (note 4) | (21,625) | (62,485) |
| Gain from granting options on exploration and evaluation assets (note 4) | 171,610 | - |
| Other income (note 5) | 9,930 | 17,493 |
| Total other items | 159,915 | (44,992) |
| **Net income (loss) and comprehensive income (loss) for the period** | $ 113,829 | $ (112,322) |
| **Basic and diluted income (loss) per share** | $ 0.00 | $ (0.00) |
| **Weighted average number of shares outstanding** | 119,372,306 | 99,372,306 |

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# TRI ORIGIN EXPLORATION LTD.

**Condensed Interim Statements of Changes in Shareholders' Equity**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Share capital | Warrant reserve | Equity portion of convertible debenture | Contributed surplus reserve | Deficit | Total |
|---|---|---|---|---|---|---|
| Balance, June 30, 2017 | $ 21,479,092 | $ 185,950 | $ 17,393 | $ 1,811,637 | $ (21,183,197) | $ 2,310,875 |
| Expiration of warrants | - | (79,500) | - | 79,500 | - | - |
| Net loss for the year | - | - | - | - | (112,322) | (112,322) |
| Balance, September 30, 2017 | $ 21,479,092 | $ 106,450 | $ 17,393 | $ 1,891,137 | $ (21,262,819) | $ 2,198,553 |
| | | | | | | |
| Balance, June 30, 2018 | $ 22,044,715 | $ - | $ 17,393 | $ 2,068,483 | $ (21,436,632) | $ 2,693,959 |
| Net income for the period | - | - | - | - | 113,829 | 113,829 |
| Balance, September 30, 2018 | $ 22,044,715 | $ - | $ 17,393 | $ 2,068,483 | $ (21,322,803) | $ 2,807,788 |

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

# TRI ORIGIN EXPLORATION LTD.

**Condensed Interim Statements of Cash Flows**
**(Expressed in Canadian Dollars)**
**(Unaudited)**

| | Three Months Ended September 30, 2018 | 2017 |
|---|---|---|
| **Operating Activities** | | |
| Net income (loss) for the period | $ 113,829 | $ (112,322) |
| Amortization | 182 | 454 |
| Net realized and unrealized loss in investments | 21,625 | 62,485 |
| Gain from granting option on exploration and evaluation assets | (171,610) | - |
| Write-off of equipment | - | 1,691 |
| | (35,974) | (47,692) |
| Changes in non-cash working capital | | |
| Accounts receivable | (19,130) | 106 |
| Prepaid | 2,288 | 201 |
| Bank indebtedness | - | 16,932 |
| Accounts payable and accrued liabilities | 69,582 | (12,217) |
| Deposit for exploration funding | (56,126) | (66,020) |
| **Cash used in operating activities** | (39,360) | (108,690) |
| **Investing Activities** | | |
| Expenditures on exploration and evaluation assets | (191,800) | (4,707) |
| Proceeds from granting option on exploration and evaluation assets | 100,000 | - |
| **Cash used in investing activities** | (91,800) | (4,707) |
| **Financing Activities** | | |
| Proceeds from private placement, net | - | - |
| Repayment of promissory note | (100,000) | - |
| **Cash used in financing activities** | (100,000) | - |
| **Change in cash during the year** | (231,160) | (113,397) |
| **Cash, beginning of the period** | 519,016 | 113,397 |
| **Cash, end of the period** | $ 287,856 | $ - |

The notes to the unaudited condensed interim financial statements are an integral part of these statements.

## 1. Nature of operations and going concern

Tri Origin Exploration Ltd. (the "Company" or "TOE") was incorporated on June 6, 1989 under the Business Corporations Act (Ontario). The Company is a publicly held company engaged principally in the acquisition and exploration of mineral properties in the Canadian Shield, Canada.

The accompanying unaudited condensed interim financial statements of the Company have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as described in the following paragraph. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The Company has a net loss of $(113,829) for the three months ended September 30, 2018 (three months ended September 30, 2017 – loss of $112,322) and a deficit of $21,322,803 as at September 30, 2018 (June 30, 2018 - $21,436,632). The Company is in the exploration stage and is subject to risks and challenges similar to other companies in a comparable business. These risks include, but are not limited to, dependence on key individuals, successful exploration and the ability to secure adequate financing to meet the minimum capital required to successfully complete the projects and continue as a going concern. There is no assurance that these initiatives will be successful and as a result there is significant doubt regarding application of the going concern assumption.

On September 30, 2018, the Company had a working capital of $126,704 (June 30, 2018 – $204,493) and is not generating positive cash flows from operations. Working Capital includes a promissory note of $100,000 (June 30, 2018 - $200,000) payable by the Company which also may be convertible into shares of the Company. It also includes the Company's investment of $172,927 (June 30, 2018 - $122,942) that consists of marketable securities in shares of the Company's former subsidiary and any or all of the shares could be sold to generate cash to fund ongoing operations. Apart from this investment, there may not be sufficient cash to meet general and administration expenses plus planned project activities for the following twelve months. The operations of the Company have primarily been funded by the issuance of common shares and debt instruments. Continued operations of the Company are dependent on the Company's ability to complete equity financing and enter into funding agreements with third parties in order to continue exploration of its mineral property interests. Management's plan in this regard is to continue to seek industry partners for its projects and to secure additional funds through future equity financings, which may or may not be available or may not be available on reasonable terms.

## 2. Compliance and significant accounting policies

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 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"). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2018. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2019 could result in restatement of these unaudited condensed interim financial statements.

These unaudited condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on November 29, 2018.

## 2. Compliance and significant accounting policies (continued)

(b) Accounting policies adoptions and changes

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”)

IFRS 15 proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. On July 1, 2018, the Company adopted IFRS 15 and has determined that the adoption of this new standard does not have a significant impact on its financial statements.

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on July 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its consolidated financial statements on January 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on July 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

**(Expressed in Canadian Dollars)**

## 2. Compliance and significant accounting policies (continued)

IFRS 9 Financial Instruments ("IFRS 9") (continued)

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

| Classification | IAS 39 | IFRS 9 |
|---|---|---|
| Cash | Loans and receivables (amortized cost) | Amortized cost |
| Accounts receivable | Loans and receivables (amortized cost) | Amortized cost |
| Public investments | FVTPL | FVTPL |
| Investments | FVTPL | FVTPL |
| Accounts payable and accrued liabilities | Other financial liabilities (amortized cost) | Amortized cost |

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

**Recent accounting pronouncements**

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

**(Expressed in Canadian Dollars)**

## 3. Financial instruments

The Company's cash and bank indebtedness are measured at fair market value. Accounts receivable are measured at amortized cost. The investments of the Company are classified as financial assets at FVTPL and measured at fair value. Accounts payable and accrued liabilities, funds on deposit, promissory note payable and secured debenture are classified as other financial liabilities and measured at amortized cost.

The following table indicates the carrying value of the Company's financial assets and financial liabilities:

| | As at September 30, 2018 | | As at June 30, 2018 | |
|---|---|---|---|---|
| **Item** | **Cost $** | **Market value $** | **Cost $** | **Market value $** |
| Cash | - | 287,856 | - | 519,016 |
| Accounts receivable | 19,130 | - | - | - |
| Investments | - | 172,927 | - | 122,942 |
| Accounts payable | 132,358 | - | 62,776 | - |
| Deposit for exploration funding | 129,447 | - | 185,573 | - |
| Promissory note payable | 100,000 | - | 200,000 | - |

## 4. Investments

| | As at September 30, 2018 | As at June 30, 2018 |
|---|---|---|
| Investment in Heron Resources Ltd. | $ 123,808 | $ 122,942 |
| Investment in Metalstech Limited | 49,119 | - |
| | $ 172,927 | $ 122,942 |

**Investment in Heron Resources Ltd.**

At September 30, 2018, the Company owned 200,500 (June 30, 2017 – 416,569) common shares in Heron Resources Limited. The common shares trade on the Australian Securities Exchange.

For marketable securities traded in an active market, market value is based on quoted closing prices of the securities at the balance sheet date. The shares of Heron are valued based on the closing market prices on the Australian Securities Exchange ("ASX"), which was $0.62 ($0.66 Australian dollars) as of the close of September 30, 2018.

**Investment in Metals Tech Limited.**

Tri Origin entered into an agreement with MetalsTech Limited ("MTC") on the Company's Nipissing (now named Bay Lake North) cobalt property. MTC has agreed to make cash payments and share issuance to Tri Origin as well as complete exploration work commitments over a two year period to acquire a 100% interest in the Bay Lake North property (the "Considerations"). In addition, performance share issuances will be made to Tri Origin based on MTC's share price performance over the two year term and if resources are delineated within the first four years of exploration. If MTC completes the Considerations, Tri Origin will be granted a 1.75% net smelter return royalty ("NSR") on future production. If the Considerations are not met, all interest in the Bay Lake North property will be returned to Tri Origin. Tri Origin has received $100,000 and 750,000 fully-paid, ordinary shares of MTC to date. The Company recorded a gain from granting options on exploration and evaluation assets of $171,610 during the three months ended September 30, 2018.

The shares of MTC are valued based on the closing market prices on the Australian Securities Exchange ("ASX"), which was $0.07 ($0.07 Australian dollars) as of the close of September 30, 2018.

## 5. Exploration and evaluation assets

**North Abitibi Project**
North Abitibi is a gold exploration project located 150 kilometres north of Kirkland Lake, Ontario, in the Abitibi Greenstone Belt. The property consists of 187 single cell mining claim cells covering an area of approximately 47 square kilometres and 28 boundary cell mining claims covering an area of approximately 3 square kilometres for a total area of 50 square kilometres. Late in the 2010 fiscal year, Vista Gold Corp. ("Vista") transferred 100% interest in the North Abitibi mineral claims to Tri Origin which claims are subject to a back-in right held by Vista until the Company has spent $2,000,000, Vista Gold has the option to earn back a 51% interest in the property.

During the three months ended September 30, 2018, the Company spent $173,476 on exploration expenditures on the property (for the three months ended September 30, 2017 – $5,704). Total spending from inception to September 30, 2018 was $752,048, which does not include a re-imbursement of exploration expenditures of $64,320 made under the Ontario junior exploration assistance program ("JEAP").

**Sky Lake Project**
Sky Lake is a gold exploration project located 35 kilometres southwest of Pickle Lake in north western Ontario. It is comprised of 494 100% owned single cell mining claims covering an area of 123.5 square kilometres and 20 partially owned boundary cell mining claims covering an area of approximately 3 square kilometres. During the year ended June 30, 2017, Tri Origin entered into an option agreement with Barrick Gold to acquire a 96% interest in patent mining claims covering an area of 2 square kilometres located within the boundary of its Sky Lake property. To exercise the option, the Company is required to spend $500,000 on exploration on the patent claims over a 4 year period. During the 2018 fiscal year, the Company acquired 238 new mining cell claims through map staking to bring its total land holding to 128 square kilometres.

During the three months ended September 30, 2018, the Company spent $12,723 to conduct exploration on the property (for the three months ended September 30, 2017 - $59,936). Total spending from inception to September 30, 2018 was $1,602,653.

**South Abitibi Project (Sumitomo Alliance)**
During the latter part of fiscal 2015, a gold and base metal alliance agreement was entered into between Tri Origin and Sumac Mines Ltd (recently renamed Sumitomo Metal Mining Canada Ltd. ("Sumitomo")) Tri Origin, as operator of the Alliance, will acquire and explore properties in the southern part of the Abitibi Greenstone Belt of Ontario. A large property position of 798 single cell mining claims and 95 boundary cell mining claims covering an area of approximately 210 square kilometres is held by the Alliance in the Temagami-Cobalt region. The properties will be held as to a 50% Tri Origin and 50% Sumitomo interest. Sumitomo will provide funding for property acquisition and exploration up to a maximum of $4.5 million and as the project advances, individual property specific joint ventures may be entered into to advance successful projects.

Expenditures by TOE during the three months ended September 30, 2018 totalled $nil. Exploration funds provided by Sumitomo totalled approximately $49,400 during the period. The expenditures incurred by Sumitomo are not recorded in the Company's books. Approximately $2,200,000 has been spent by Sumitomo since the inception of the Alliance in late May, 2015 to September 30, 2018. As of September 30, 2018, the Company has on deposit a balance of $129,447 of Sumitomo funds advanced to Tri Origin to be spent on the project which is recorded in the Company's books.

During the three months ended September 30, 2018, the Company received $30,223 (three months ended September 30, 2017 - $69,761), from Sumitomo as a re-imbursement of expenses and for property management services. Funds received for property management services have been recorded in other income in the statements of loss and comprehensive loss.

Subsequent to the end of the quarter Sumitomo informed Tri Origin that it was withdrawing from the alliance agreement. This will leave Tri Origin with an unencumbered 100% interest in the South Abitibi project.

## 5. Exploration and evaluation assets (continued)

**Detour West Project**
Detour West is a gold exploration project located 180 kilometres north of Timmins, Ontario and 20 kilometres west of the Detour Lake Gold Mine. The property consists of 413 100%owner single cell mining claims and 8 partially owned boundary cell mining claims covering an area of approximately 104 square kilometres The claims tie directly onto mining claims held by Detour Gold Corporation the operator of the nearby Detour Lake Mine.

Expenditures at Detour West during the three months ended September 30, 2018 totalled $3,200 (for the three months ended September 30, 2017 - $3,386). Total spending from inception to September 30, 2018 by the Company was $316,576. This amount does not include an $87,702 expenditure re-imbursement received from JEAP during fiscal 2017.

**Red Lake Extension Project (RLX)**
RLX is a gold exploration project located 15 kilometres southeast of the town of Red Lake in northwestern Ontario. The Company holds 503 single cell and boundary cell mining claims totalling an area of approximately 120 square kilometres in the Red Lake Greenstone Belt. Expenditures at RLX during the three months ended September 30, 2018 totalled $nil (for the three months ended September 30, 2017 - $nil). Total spending from inception to September 30, 2018, by the Company was $3,054,450. During the year ended June 30, 2017, the Company completed an evaluation of the property and due to funds available and commitments to other projects, decided to allow the licenses to expire subsequent to year end and wrote off the $3,054,450 exploration and evaluation assets of RLX.

**Bay Lake North (formerly Nipissing Cobalt) Property**
On March 21, 2018, the Company announced that it holds 100% interest in the Nipissing Cobalt Property located at Bay Lake, 10 kilometres west of Cobalt in east central Ontario. The property consists of 550 single cell and boundary cell mining claims covering an area of approximately 225 square kilometres. The property hosts a number of cobalt occurrences and is underlain by Proterozoic sedimentary rock and Nipissing diabase sills which are the primary host rocks for cobalt mineralization throughout the region.

During the three months ended September 30, 2018, the Company announced that it had entered into an agreement with MetalsTech Ltd whereby MetalsTech could acquire the Bay Lake North property by making cash payments and share issuances to Tri Origin and meeting certain exploration commitments on the property over a two year term.

Expenditures at the Nipissing Cobalt Property during the three months ended September 30, 2018 totalled $nil (for the three months ended September 30, 2017 - $nil).

**Project Generation**
The Company continues to assess new areas for exploration. It is an objective of the Company to increase its portfolio of properties during the coming year. During the three months ended September 30, 2018, the Company spent $6,364 on project generation activities (for the three months ended September 30, 2017 - $nil).

**(Expressed in Canadian Dollars)**

## 5. Exploration and evaluation assets (continued)

| | North Abitibi | Sky Lake | Detour West | South Abitibi | Nipissing Cobalt | Project Generation | Total |
|---|---|---|---|---|---|---|---|
| **Balance, June 30, 2017** | **$ 549,110** | **$ 1,461,226** | **$ 267,339** | **$ 8,274** | **-** | **$ -** | **$ 2,285,949** |
| Acquisition | 4,782 | 14,287 | 2,400 | - | 6,391 | - | 27,860 |
| Drilling and analytical | - | 2,840 | - | 2,941 | - | - | 5,781 |
| Geological, geophysical and geochemical | 4,123 | 28,855 | 223 | - | - | - | 33,201 |
| Management and administration | 20,557 | 82,722 | 43,414 | 40,139 | 10,541 | - | 197,373 |
| Reimbursement | (64,320) | - | - | - | - | - | (64,320) |
| **Balance, June 30, 2018** | **$ 514,252** | **$ 1,589,930** | **$ 313,376** | **$ 51,354** | **16,932** | **$ -** | **$ 2,485,844** |
| Acquisition | 3,650 | 4,800 | - | - | 2,400 | - | 10,850 |
| Drilling and analytical | 146,397 | - | - | - | - | - | 146,397 |
| Geological, geophysical and geochemical | 4,228 | 4,206 | - | - | - | - | 8,434 |
| Management and administration | 19,202 | 3,717 | 3,200 | - | - | - | 26,119 |
| **Balance, September 30, 2018** | **$ 687,729** | **$ 1,602,653** | **$ 316,576** | **$ 51,354** | **16,932** | **$ -** | **$ 2,677,644** |

## 6. Equipment

| **Cost** | **Office equipment** | **Leasehold improvement** | **Computer software** | **Field equipment** | **Total** |
|---|---|---|---|---|---|
| Balance, June 30, 2018 and September 30, 2018 | $ 99,391 | $ 3,701 | $ 9,010 | $ 30,375 | $ 142,477 |

| **Accumulated depreciation** | **Office equipment** | **Leasehold improvement** | **Computer software** | **Field equipment** | **Total** |
|---|---|---|---|---|---|
| Balance, June 30, 2018 | $ 95,769 | $ 3,701 | $ 9,010 | $ 30,375 | $ 138,855 |
| Additions | 181 | - | - | - | 181 |
| Balance, September 30, 2018 | $ 95,489 | $ 3,391 | $ 9,010 | $ 29,001 | $ 136,891 |

| **Net book value** | **Office equipment** | **Leasehold improvement** | **Computer software** | **Field equipment** | **Total** |
|---|---|---|---|---|---|
| June 30, 2018 | $ 3,622 | $ - | $ - | $ - | $ 3,622 |
| September 30, 2018 | $ 3,902 | $ - | $ - | $ - | $ 3,902 |

(Expressed in Canadian Dollars)

## 7. Accounts payable and accrued liabilities

| | September 30, 2018 | June 30, 2018 |
|---|---|---|
| Trade payables | $ 93,408 | $ 21,714 |
| Accruals | 31,500 | 24,000 |
| Government remittances owing | 7,450 | 17,062 |
| Total | $ 132,358 | $ 62,776 |

## 8. Promissory note

**Promissory Note – Matures December 31, 2018**

On November 1, 2015, the Company closed a $300,000 private placement whereby the Company issued a $300,000 promissory note. The promissory note initially maturing on October 31, 2016, has been extended to December 31, 2018, and bears interest at a fixed rate of 8% per year payable monthly commencing November 30, 2015. Under the terms of the promissory note, the holder has the option to convert the note in full into common shares of Tri Origin at a price of $0.05 per share. The promissory note was entered into between Tri Origin and a private corporation controlled by the Company's president. During fiscal 2018, $100,000 of the promissory note had been repaid and during the quarter ended September 30, 2018 an additional $100,000 had been repaid leaving a balance of $100,000.

The Company used the residual value method to allocate the proceeds between the liability and equity components. Under this method, the fair value of the liability component of $282,607 was computed as the present value of future principal and interest payments discounted at a rate of 15% per annum. The residual value of $17,393 was attributed to the liability components and no value was placed on the conversion feature of the debenture. The residual value was credited to contributed surplus.

| | September 30, 2018 | June 30, 2018 |
|---|---|---|
| Face value of promissory note | $ 200,000 | $ 300,000 |
| Repayment | (100,000) | (100,000) |
| Total | $ 100,000 | $ 200,000 |

**(Expressed in Canadian Dollars)**

## 9. Share capital

**Authorized**

Unlimited common shares without par value.

**Issued and outstanding**

| | Shares | Amount |
|---|---|---|
| **Balance, June 30, 2017 and September 30, 2017** | **99,372,306** | **$ 21,479,092** |
| Private placement (i) | 20,000,000 | 600,000 |
| Share issue costs (i) | - | (34,377) |
| **Balance, June 30, 2018 and September 30, 2018** | **119,372,306** | **$ 22,044,715** |

(i) On April 4, 2018, the Company completed a non-brokered private placement financing to raise $600,000 through the issuance of 8,777,466 common shares ("Common Shares") and 11,222,534 flow-through shares ("Flow-Through Shares") at a price of $0.03 per Common Share and Flow-Through Share (the "Offering"). In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2019 in the amount of $336,676 which will be renounced to investors in December 2018. As of September 30, 2018 the Company had incurred a total of $155,694 in eligible exploration expenditures.

The Company incurred total share issue costs of $34,377 including a cash finder's fee of $12,780 was paid to finders in connection with proceeds raised by finders pursuant to the Offering.

## 10. Warrants

The movements in the number and estimated fair value of outstanding broker warrants and share purchase warrants are as follows:

| | Number of warrants outstanding | Weighted average exercise price ($) |
|---|---|---|
| Balance, June 30, 2017 | 10,860,000 | 0.09 |
| Expired | (5,300,000) | 0.07 |
| Balance, September 30, 2017 | 5,560,000 | 0.12 |
| Expired | (5,560,000) | 0.12 |
| Balance, June 30, 2018 and September 30, 2018 | - | - |

No warrants were outstanding as at September 30, 2018.

## 11. Stock options

The Company has a stock option plan available to directors, officers, employees and consultants of the Company. Currently, a maximum of 13,084,661 common shares may be issued under the Plan. The movements in the number of stock options are as follows

| | Number of options outstanding | Weighted average exercise price ($) |
|---|---|---|
| Balance, June 30, 2017 and September 30, 2017 | 4,550,000 | 0.06 |
| Expired | (500,000) | 0.10 |
| Granted | 3,700,000 | 0.05 |
| Balance, June 30, 2018 and September 30, 2018 | 7,750,000 | 0.05 |

**(Expressed in Canadian Dollars)**

## 11. Stock options (continued)

Options to purchase common shares outstanding at September 30, 2018 carry exercise prices and remaining terms to maturity as follows:

| Expiry date | Exercise price ($) | Options outstanding | Options exercisable | Remaining term to maturity (years) |
|---|---|---|---|---|
| February 19, 2019 | 0.05 | 1,500,000 | 1,500,000 | 0.39 |
| December 15, 2019 | 0.05 | 200,000 | 200,000 | 1.21 |
| June 25, 2020 | 0.05 | 2,200,000 | 2,200,000 | 1.74 |
| June 2, 2021 | 0.05 | 150,000 | 150,000 | 2.67 |
| May 25, 2023 | 0.05 | 3,500,000 | 3,500,000 | 4.65 |
| June 7, 2023 | 0.05 | 200,000 | 200,000 | 4.69 |
| | | 7,750,000 | 7,750,000 | 2.87 |

During the three months ended September 30, 2018, the Company did not grant any new options to employees, directors and consultants. During the three months ended September 30, 2018, The Company recognized a total expense of $nil (three months ended September 30, 2017 - $nil) and capitalized $nil (three months ended September 30, 2017 - $nil) to Exploration and Evaluation assets in respect of the options vesting during the period.

## 12. Financial risk factors

The Company's market risk exposures and the impact on the Company's financial instruments are summarized below:

**Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet current liabilities when due. As at September 30, 2018, the Company had $287,856 cash (June 30, 2018 - $519,016) to settle current liabilities of $361,805 (June 30, 2018 - $448,349). In addition, the Company owns marketable securities comprised of the shares of Heron Resources Ltd. and shares of Metalstech Limited, which have a market value of $172,927 as at September 30, 2018 (June 30, 2018 - $122,942). All of the Company's accounts payable have contractual maturities of less than 30 days and are subject to normal trade terms.

## 12. Financial risk factors (continued)

### Market risk

(a) Interest rate risk
The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds its exploration and administrative expenses using Canadian dollars.

The Company has investments in Heron Resources Ltd. and Metalstech Limited which are classified as a current asset. The investment is valued at fair value based on listed market quotations on the Australian Securities Exchange, with unrealized gains and losses recognized in income. As such, the investment is not subject to foreign currency risk.

(c) Market risk
The market value of the shares of Heron and Metalstech fluctuates daily as the shares are traded publicly on the ASX. The market value of the Company's investments is calculated by the Company at each of its balance sheet dates at the investment's market value as traded on the Australian Securities Exchange in Australian dollars and converted to Canadian dollars based on published Bank of Canada exchange rates.

(d) Price risk
The Company is a mineral exploration company whose projects may be impacted, and consequently exposed to price risk, by the prices of certain commodities including the prices for precious and base metals. The Company believes that, because it is an exploration stage company and has no producing mines currently, the effect of metal price fluctuations is indirect. The indirect effects of metal price fluctuations on the Company might include an impact on its ability to raise capital in the future and could cause continued exploration and development of the Company's properties to be impracticable.

(e) Sensitivity Analysis
The Company has designated its cash as a financial asset at FVTPL, which is measured at fair value.

As at September 30, 2018, the carrying amount of accounts receivable and prepaid expenses are measured at amortized cost, which equals fair market value. Accounts payable and the short term credit facility are classified as other financial liabilities and measured at amortized cost.

The Company does not hold significant balances in foreign currencies that give rise to exposure to foreign currency risk.

The Company's investments are recorded at market value. Sensitivity to a plus or minus 5% change in market value would affect net loss and comprehensive loss by plus or minus $8,646.

**(Expressed in Canadian Dollars)**

## 13. Capital management

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. In the management of capital, the Company considers its capital to be cash, investments, credit facilities and equity, comprising share capital, warrants, contributed surplus and deficit. The equity of the Company at September 30, 2018 totaled $2,807,788 (June 30, 2018 - $2,693,959). 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 issue new shares, and acquire or dispose of assets to adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including but not limited to source and use of capital and general industry conditions.

The Corporation's capital management objectives, policies and processes have remained unchanged during the three months ended September 30, 2018.

## 14. General and administrative expense

| | Three Months Ended September 30, 2018 | Three Months Ended September 30, 2017 |
|---|---|---|
| Salaries and benefits | $ 8,475 | $ 20,322 |
| Professional fees | 11,820 | 11,095 |
| Share control and listing fees | 3,368 | 1,120 |
| Travel | 49 | 376 |
| General office expenses | 15,899 | 26,223 |
| Amortization | 182 | 454 |
| Total | $ 39,793 | $ 59,590 |

## 15. Finance charges

| | Three Months Ended September 30, 2018 | Three Months Ended September 30, 2017 |
|---|---|---|
| Interest charges from unsecured debentures and promissory note | $ 3,375 | $ 6,049 |
| | $ 3,375 | $ 6,049 |

**(Expressed in Canadian Dollars)**

## 16. Related party transactions

The Company had the following related party transactions for the three months ended September 30, 2018. These transactions were in the normal course of operations and were measured at the exchange amount, which are the amounts agreed to by the related parties.

(a) The Company's office is located at 125 Don Hillock Drive, Unit 18 in Aurora, Ontario and rents the property on a month-to-month basis. This rental property is owned by a private Ontario corporation controlled by Tri Origin Exploration Ltd.'s President. During the three months ended September 30, 2018 the Company paid or accrued $14,705 (three months ended Septetmber 30, 2017 - $15,342) for this rental. Prepaid assets include $2,750 (June 30, 2018 - $2,750) related to rent paid in advance.

(b) The Chief Financial Officer is an employee of Marrelli Support Services Inc. ("MSSI"), a firm providing accounting services. During the three months ended September 30, 2018, the Company incurred $4,500 (three months ended September 30, 2017 - $4,500) for accounting services rendered by MSSI.

(c) As at September 30, 2018, the Company owed $nil (June 30, 2018 - $12,160) to the President and CEO of the Company for expenses incurred on behalf of the Company.

(c) Remuneration of directors and key management personnel of the Company were as follows:

| | Three Months Ended September 30, 2018 | Three Months Ended September 30, 2017 |
|---|---|---|
| Salaries and benefits | $ 47,400 | $ 47,400 |
| Total | $ 47,400 | $ 47,400 |

Key management personnel include the President and Chief Financial Officer and companies controlled by the Chief Executive Officers. Accrued salaries and fees payable as of September 30, 2018 are $nil (June 30, 2018 - $nil).