TORQ RESOURCES

(Formerly Stratton Resources Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF THE COMPANY'S CONSOLIDATED
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

For the nine months ended September 30, 2018

Dated: November 27th, 2018

1.1. Date and presentation

This Management Discussion and Analysis ("MD&A") of Torq Resources Inc. (formerly Stratton Resources Inc.) has been prepared by management to assist the reader to assess material changes in the interim financial condition and results of operations of the Company as at September 30, 2018 and for the nine months then ended. This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for the three and nine months ended September 30, 2018 and 2017. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2017, except as outlined in note 2 of the September 30, 2018 condensed consolidated interim financial statements. All financial information has been prepared in accordance with IFRS and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is November 27, 2018.

1.1.2 Forward-looking statements and risk factors

This MD&A may contain "forward-looking statements" which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company, including but not limited to statements with respect to the Company's plans or future financial or operating performance, the estimation of mineral reserves and resources, conclusions of economic assessments of projects, the timing and amount of estimated future production, costs of future production, future capital expenditures, costs and timing of the development of deposits, success of exploration activities, permitting time lines, requirements for additional capital, sources and timing of additional financing, realization of unused tax benefits and future outcome of legal and tax matters.

The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect", "budget", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, these statements. These uncertainties are factors that include but are not limited to risks related to international operations; risks related to general economic conditions and credit availability; actual results of current exploration activities, unanticipated reclamation expenses; fluctuations in prices of base and precious metals; fluctuations in foreign currency exchange rates, increases in market prices of mining consumables; accidents, labour disputes, title disputes, claims and limitations on insurance coverage and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, changes in national and local government regulation of mining operations, tax rules and regulations, and political and economic developments in countries in which the Company operates, as well as other factors. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's web site at www.torqresources.com.

The Company's management reviews periodically information reflected in forward-looking statements. The Company has and continues to disclose in its Management's Discussion and Analysis and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.2 Over-all performance

1.2.1 Description of business

Torq is a junior exploration company focused on the acquisition, exploration and development of mineral resource properties. On March 15, 2017, the Company changed its name from Stratton Resources Inc. to Torq Resources Inc. The Company is incorporated under the Business Corporations Act (British Columbia) and is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange (the "Exchange") as a Tier 2 mining issuer, and its shares trade under the symbol TORQ.V. On September 18, 2017, the Company commenced trading on the OTCQX under the US symbol TRBMF.

Corporate Mission Statement

The Company has $12.9 million in cash as at September 30, 2018 and a highly experienced management and technical team. The Company's primary objective is to identify and acquire undervalued advanced stage exploration projects with the goal of maximizing shareholder value. Several opportunities are currently under review.

Subsidiary	Place of incorporation	Beneficial Interest
Stratton Resources (Canada) Ltd.	BC, Canada	100%
Torq USA Inc.	Nevada, USA	100%
Rush Valley Exploration Inc.	Nevada, USA	100%
Gecon OOD	Bulgaria	100%

1.2.2 Newfoundland projects

On October 28, 2016, the Company entered into an option agreement with Wildwood Exploration Inc. to acquire the rights to approximately 119,000 hectares in Newfoundland, Canada (the " Wildwood Option"). Effective October 19, 2018, the Company terminated the Wildwood Option and elected not to proceed with further exploration at its mineral properties in Newfoundland. As at September 30, 2018, The Company has written off the acquisition costs capitalized in relation to these mineral properties.

1.2.3 Utah Exploration Projects

Speedway

Effective March 15, 2018, the Company acquired the Speedway gold project, which is located in northwestern Utah, approximately 7 km from the Nevada border, and about 50 km from Newmont's Long Canyon mine. The Speedway property, which is held through a mineral lease agreement, consists of approximately 1,080 hectares of prospective terrain which hosts a large gold-in-bedrock anomaly.

Under the terms of the Speedway Agreement (the "Lease Agreement"), the Company paid US$25,000 upon signing and will be required to pay steadily escalating annual lease payments as well as the underlying claim fees. There is no required work commitment and the Lease Agreement can be terminated at any time after one year. The Lease Agreement may be bought-out at any time for US$1,000,000 subject to a buyable 2% royalty to the underlying owner.

West Mercur

On May 8, 2018, the Company entered a share exchange agreement with Rush Valley Exploration ("RVX") and its three principal shareholders (the "Mercur Agreement") to acquire a 100% interest in RVX and the West Mercur gold project. The project consists of approximately 4,000 hectares of mineral rights in western Utah and is located about 60 km southwest of Salt Lake City, 5 km west of the historic Mercur gold mine, and 20 km southwest from Bingham Canyon - one of the top producing copper and gold mines in the world.

Under the terms of the Mercur Agreement, to acquire RVX, the Company could pay US$2.4 million in a combination of cash and common shares to RVX's shareholders, at any time within a two-year period. Prior to the date of execution, the Company had advanced a total of $398,074 of interim funding that has been used to cover a shortfall in RVX's working capital.

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.2.3 Utah Exploration Projects (continued)

On October 1, 2018, the Company provided written notice to RVX that it would be terminating the Mercur Agreement effective November 30, 2018. As a result, the Company has recorded an impairment against the value of these mineral properties as at September 30, 2018.

2018 Utah Exploration Programs

During Q2 and Q3, 2018, the Company conducted initial exploration programs at both Speedway and West Mercur. These initial programs included regional scale geologic mapping and systematic rock sampling to determine the structural and stratigraphic controls on gold mineralization. A detailed soil geochemical survey was also conducted across both project areas with the goal of identifying the centers of gold mineralization.

The results from the program at West Mercur failed to produce sufficient evidence to warrant further investment in the project and thus effective September 30, 2018, the Company has ceased all exploration.

The results from the program at Speedway are still under review and the next stage of exploration has yet to be determined.

1.2.4 Project investigation costs

The Company is continually reviewing and evaluating new projects globally on its path to establishing a tier-one mineral portfolio. The table below shows the nature of the project investigation costs incurred during the three and nine months ended September 30, 2018 and 2017 and includes all costs incurred within Bulgaria and other project investigation activities in the United States, Canada, Europe, Mexico and South America.

	Three months ended September 30,		Nine months ended September 30,	
	2018	**2017**	**2018**	**2017**
Assays	$ 2,172	$ 30,873	$ 4,917	$ 55,173
Equipment, vehicles rent and field supplies	529	10,992	4,985	28,195
Geological consulting, salaries and wages	91,531	148,915	264,222	345,358
Project support costs	4,270	4,320	18,870	12,785
Share-based compensation	47,279	318,508	226,612	318,508
Travel, meals, accommodation	18,600	24,210	51,963	58,466
	$ 164,381	**$ 537,818**	**$ 571,569**	**$ 818,485**

1.3 Selected annual information

The following represents selected information of the Company for the three most recently completed financial years:

	2017 (Restated)	**2016 (Restated)**	**2015**
Loss for the year	$ (4,439,520)	$ (1,049,551)	$ (460,357)
Total comprehensive loss for the year	(4,442,809)	(1,050,575)	(460,357)
Basic and diluted loss per share	(0.06)	(0.02)	(0.01)
Working capital	15,654,448	5,553,663	(414,442)
Total assets	16,390,511	6,403,516	223,518
Total long term liabilities	151,049	218,472	-
Shareholder's equity	(16,037,743)	(5,551,371)	(414,442)

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

Cash dividends per share	-	-	-

1.3 Selected annual information (continued)

The Company generated no revenues from operations during the fiscal periods ended December 31, 2017, 2016 and 2015, other than interest income of $146,577, $10,872 and $1,714 respectively.

Due to a voluntary change in accounting policy (see section 1.12) the Company has restated certain 2017 and 2016 amounts. The change in policy did not have any impact on the 2015 figures.

1.4 Results of operations

Three months ended September 30, 2018 and 2017 (Q3 2018 vs Restated Q3 2017)

Loss for the three months ended September 30, 2018 was $2,325,021 or $0.03 loss per share compared to a loss of $1,803,787 or $0.02 loss per share for the three months ended September 30, 2017.

Significant variances are discussed as follows:

- For the three months ended September 30, 2018, the Company incurred $596,462 in exploration and evaluation costs compared to $336,141 for the same quarter in the prior year. The current year period included the cost of the Company's exploration programs at both its Newfoundland and Utah projects where in 2017, the Company was only actively working in Newfoundland.
- For the three months ended September 30, 2018, the Company recorded $336,527 in fees, salaries and other employee benefits which included share-based compensation expense of $149,561. Fees, salaries and other employee benefits recorded for Q3 2017 was $820,416 which included share-based compensation expense of $703,518.
- Investor relations and marketing costs increased in Q3 2018 to $104,279 from $28,832 in Q3 2017. The increase relates to management's attendance at additional conferences and investor relations engagements to help communicate the Company's story as it has continued to increase its exploration activities as well as its mineral property investigation and acquisition activities.
- Total project investigation costs for the three months ended September 30, 2018 were $164,381 compared to $537,818 in the comparative period. The current period costs are inclusive of $47,279 in share-based compensation expense compared to $318,508 in the comparative period.
- During Q3 2018 the Company recognized an impairment totaling $1,074,919 on its mineral properties due to the decision to stop pursuing its exploration activities in Newfoundland and in Utah at the West Mercur project. There was no impairment recorded in Q3 2017.

Nine months ended September 30, 2018 and 2017 (YTD 2018 vs Restated YTD 2017)

Loss for the nine months ended September 30, 2018 was $4,311,196 or $0.06 loss per share compared to a loss of $2,832,563 or $0.04 loss per share for the nine months ended September 30, 2017.

The significant variances for the comparable nine-month periods are consistent with those discussed for the three month periods above.

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.4 Results of operations (continued)

Summary of Project Costs

During the nine months ended September 30, 2018, the Company spent $624,994 on mineral property acquisition costs and $1,179,835 on exploration and evaluation costs on its projects as outlined below:

	Newfoundland	Utah	Total
Acquisition costs			
Balance as at December 31, 2017	$ 534,344	$ -	$ 534,344
Direct acquisition costs	50,000	558,830	608,830
Other acquisition costs	-	16,164	16,164
Impairment of mineral properties	(584,344)	(490,575)	(1,074,919)
Currency translation adjustment	-	(255)	(255)
Balance as at September 30, 2018	**$ -**	**$ 84,164**	**$ 84,164**

Exploration and evaluation expenditures for the nine months ended September 30, 2018

	Newfoundland	Utah	Total
Aircraft and travel	$ 6,946	$ 78,797	$ 85,743
Assays	155,314	82,536	237,850
Environmental and permitting	-	165,319	165,319
Equipment rental and maintenance	-	7,852	7,852
Project support cost	5,525	12,957	18,482
Wages and consultants	66,984	487,884	554,868
Share-based compensation	137,166	42,687	179,853
Government grants received	(70,131)	-	(70,131)
Total for the nine months ended September 30, 2018	**$ 301,804**	**$ 878,031**	**$ 1,179,835**

1.5 Summary of quarterly results

The Company is a mineral exploration company and currently has no producing properties or operating income. However, the Company records interest earned on cash balances held at financial institutions, which depends upon cash balances available to fund its acquisition and exploration activities and administrative expenses. A summary of quarterly results is shown below:

Quarter ended	Interest and other income	Loss	Total Comprehensive loss	Loss per share
	$	$	$	$
September 30, 2018	62,834	2,325,021	2,331,529	0.03
June 30, 2018	70,306	1,123,261	1,120,506	0.01
March 31, 2018	59,986	862,914	862,178	0.01
December 31, 2017[1]	56,922	1,606,957	1,604,358	0.02
September 30, 2017[1]	46,020	1,803,787	1,803,787	0.02
June 30, 2017[1]	27,823	661,746	665,483	0.01
March 31, 2017[1]	15,812	367,030	369,191	0.01
December 31, 2016[1]	9,998	953,854	954,878	0.02

[1] Certain figures have been restated for the change in accounting policy (see section 1.12)

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.5 Summary of quarterly results (continued)

Up until September 30, 2016, the loss and comprehensive loss for each quarter was relatively low due to management's efforts to minimize administration expenses. Starting in Q4 2016, the Company's loss increased substantially over prior quarters, in part due to the inclusion of the Gecon start-up costs, but after decreasing in Q1 2017, the upward trend in the Company's loss continued throughout 2017 as a result of the increased project investigation activities and support costs. Additionally, on August 30, 2017, the Company issued an initial option grant to employees and consultants resulting in share-based compensation being recorded in Q3 2017 and subsequent quarters-to-date which significantly increased the loss for those periods over previous periods. The loss for Q1 and Q2 2018 has dropped off in comparison to the last two quarters in 2017 due to the timing of the exploration programs at the Newfoundland projects which happened in Q3 and Q4 2017. The substantial increase in the current quarter loss is in relation to the impairment loss recorded against the Company's Newfoundland and West Mercur mineral properties.

1.6 Liquidity and capital resources

As at September 30, 2018, the Company had cash of $12,910,819 and working capital of $12,869,630 compared to cash of $15,444,707 and working capital of $15,654,448 as at December 31, 2017. The cash balance of $12,910,819 as at September 30, 2018 is sufficient to meet the cash requirements for the Company's operating expenses and maintaining its mineral interests for the foreseeable future as well as continue with its project investigation activities. The Company does not foresee the requirement to raise additional capital in the next twelve months but may do so if the Company's operations materially change.

<u>Common share issuances</u>

On February 27, 2017, the Company closed a private placement for gross proceeds of $13,195,000 (the "February 2017 Placement") pursuant to which the Company issued an aggregate of 20,300,000 common shares at a price of $0.65 per common share. Share issue costs related to the February 2017 Private Placement, which included commissions and professional and regulatory fees, totalled $447,036.

<table>
<tr><th colspan="2">Intended Use of Proceeds of
February 2017 Private Placement</th><th colspan="2">Actual Use of Proceeds to
September 30, 2018</th><th>(Over)/under
expenditure</th></tr>
<tr><td>Offering Expenses</td><td>$447,036</td><td>Offering Expenses</td><td>$ 447,036</td><td>-</td></tr>
<tr><td rowspan="2">Project Acquisition and exploration</td><td rowspan="2">$10,747,964</td><td>Acquisition of Newfoundland project and exploration</td><td>-</td><td rowspan="2">$ 10,747,964</td></tr>
<tr><td>Other project investigation costs</td><td>-</td></tr>
<tr><td>Administration and general working capital</td><td>$2,000,000</td><td>Administration and general working capital</td><td>$ 296,555</td><td>$ 1,703,445</td></tr>
<tr><td>Total</td><td>$13,195,000</td><td>Total</td><td>$ 743,591</td><td>$ 12,451,409</td></tr>
<tr><td colspan="2">Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones</td><td colspan="3">Up until September 30, 2018, the Company's expenditures were primarily from existing treasury including the proceeds from the August 2016 Placement, other than $296,555 to cover administration and working capital changes.</td></tr>
</table>

On August 30, 2016, the Company closed a private placement for gross proceeds of $7,000,000 (the "August 2016 Placement") pursuant to which the Company issued an aggregate of 20,000,000 common shares at a price of $0.35 per common share. Share issue costs related to the Private Placement, which included professional and regulatory fees, totalled $43,612.

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.6 Liquidity and capital resources (continued)

Intended Use of Proceeds of August 2016 Private Placement		Actual Use of Proceeds from September 1, 2016 to September 30, 2018		(Over)/under Expenditure
Offering Expenses	$43,612	Offering Expenses	$43,612	-
Project Acquisition and exploration	$4,956,388	Acquisition of Newfoundland project and exploration	$2,112,594	$459,410
		Other project acquisition, exploration and investigation costs (including Gecon, Speedway and West Mercur)	$2,384,384	
Administration and general working capital	$2,000,000	Administration and general working capital	$ 2,000,000	$ -
Total	$7,000,000	Total	$6,540,590	$ 459,410
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones		The Company has only expended a portion of the funds raised through the placement. During Q3 2018 other project costs include mineral property acquisition, exploration and investigation costs related to Speedway, West Mercur and project investigation costs.		

1.7 Off-balance sheet arrangements

The Company has not engaged in any off-balance-sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.8 Related party transactions

All transactions with related parties have occurred in the normal course of operations. All amounts payable and receivable are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Universal Mineral Services Ltd. [1]				
Included in the statement of loss and comprehensive loss:				
Bank charges	$ 992	$ 445	$ 2,058	$ 1,551
Fees, salaries and other employee benefits	80,976	42,759	222,806	126,200
Office, rent and administration	43,133	34,377	113,804	104,256
Project investigation costs	34,784	27,348	55,099	80,068
Regulatory, transfer agent and shareholder information	-	6,856	119	7,851
Investor relations and marketing	7,583	1,708	15,986	2,245
Exploration and evaluation costs				
Newfoundland	13,360	12,948	55,548	57,619
Utah	45,260	-	137,512	-
Included on the statement of financial position:				
Mineral property acquisition costs				
Utah Projects	-	-	5,542	-
Other prepaid and deferred amounts	5,057	-	33,585	-
Total transactions for the periods	**$ 231,145**	**$ 126,441**	**$ 642,059**	**$ 379,790**

1. Universal Mineral Services Ltd., ("UMS") is a private company with two directors and one officer in common that, pursuant to an agreement dated December 30, 2015, provides office space and administrative services to the Company on a cost recovery basis.

   The outstanding balance owing at September 30, 2018 was $95,043 (December 31, 2017 - $43,194). In addition, the Company had $150,000 on deposit with UMS as at September 30, 2018 (December 31, 2017 - $50,000).

<u>Key management compensation</u>

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being the Company's three executives and two directors:

	Three months ended September 30, 2018	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Short-term benefits	$ 107,941	$ 60,000	$ 231,736	$ 173,735
Share-based compensation	100,701	594,582	494,424	594,582
	$ 208,642	**$ 654,582**	**$ 726,160**	**$ 768,317**

1.9 Subsequent events

See Section 1.2

1.10 Proposed transactions

None

1.11 Critical accounting estimates

This section is not required as the Company is a Venture Issuer, as the term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*.

1.12 Changes in accounting policies

Revenue Recognition

Effective January 1, 2018, the Company adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programs, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The adoption of this standard did not impact the Company's financial statements, as currently the Company does not earn revenues.

Financial instruments

Effective January 1, 2018, the Company adopted IFRS 9 – Financial Instruments ("IFRS 9") which replaces IAS 39 – Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The adoption of this standard did not impact the Company's financial statements as currently the Company does not hold any financial instruments for which the underlying accounting was impacted.

Change in accounting policy for exploration and evaluation costs

Effective January 1, 2018, the Company elected to change its accounting policy for exploration and evaluation costs incurred subsequent to the acquisition of a mineral property interest. Previously the Company had capitalized these costs as part of mineral property interests in accordance with IFRS 6 which allows for mining exploration companies to either capitalize or expense such costs.

Management determined that expensing exploration and evaluation costs would provide more relevant information to many of its financial statement users, as it would allow for comparisons to be drawn against its Canadian peers, many of which choose to expense such costs. Management believes that the new policy will assist users' review and analysis of the Company's financial statements as the statement of loss and comprehensive loss more fully reflects the activities and related expenditures for any given period.

The Company will continue to capitalize the costs incurred to acquire the right to explore a mineral property until the right is lost or the value of the mineral property is determined to be impaired.

See note 2 (a) of the Company's September 30, 2018 condensed consolidated interim financial statements for the Company's revised accounting policy on exploration and evaluation costs and mineral property interests.

As a result of this voluntary change in accounting policy, the Company has restated certain prior period amounts within the September 30, 2018 condensed consolidated interim financial statements to be in accordance with this new policy. The impact on prior period amounts is outlined below:

Results of Operations for the Nine Months Ended September 30, 2018 Expressed in Canadian Dollars

1.12 Changes in accounting policies (continued)

Change in accounting policy for exploration and evaluation costs (continued)

Statements of Financial Position

As at January 1, 2017	As previously reported	Adjustment	Restated
Mineral property interests	$ 605,232	$ (389,052)	$ 216,180
Deficit	$ 35,201,369	$ 389,052	$ 35,590,421

As at December 31, 2017	As previously reported	Adjustment	Restated
Mineral property interests	$ 2,166,106	$ (1,631,762)	$ 534,344
Deficit	$ 38,398,179	$ 1,631,762	$ 40,029,941

Statements of Loss and Comprehensive Loss

Three months ended September 30, 2017	As previously reported	Adjustment	Restated
Exploration and evaluation costs	$ -	$ 336,141	$ 336,141
Loss for the period	$ 1,467,646	$ 336,141	$ 1,803,787
Comprehensive loss	$ 1,467,646	$ 336,414	$ 1,803,787
Loss per share (basic and diluted)	$ 0.02	$ 0.00	$ 0.02

Nine months ended September 30, 2017	As previously reported	Adjustment	Restated
Exploration and evaluation costs	$ -	$ 678,808	$ 678,808
Loss for the period	$ 2,153,755	$ 678,808	$ 2,832,563
Comprehensive loss	$ 2,159,643	$ 678,808	$ 2,838,451
Loss per share (basic and diluted)	$ 0.03	$ 0.01	$ 0.04

Statement of Cash Flows

Three months ended September 30, 2017	As previously reported	Adjustment	Restated
Loss for the period	$ (1,467,646)	$ (336,141)	$ (1,803,787)
Share-based compensation	$ 1,022,021	$ 158,064	$ 1,180,085
Changes in non-cash working capital			
Accounts payable and accrued liabilities	$ 51,571	$ (325,227)	$ (273,656)
Cash used in operating activities	$ (398,283)	$ (503,304)	$ (901,587)
Exploration and evaluation costs	$ (503,304)	$ 503,304	$ -
Cash (used in) provided by investing activities	$ (457,284)	$ 503,304	$ 46,020

Nine months ended September 30, 2017	As previously reported	Adjustment	Restated
Loss for the period	$ (2,153,755)	$ (678,808)	$ (2,832,563)
Share-based compensation	$ 1,022,021	$ 158,064	$ 1,180,085
Changes in non-cash working capital			
Prepaid expenses and deposits	$ 189,868	$ (50,000)	$ 139,868
Accounts payable and accrued liabilities	$ 31,122	$ (505,065)	$ (473,943)
Cash used in operating activities	$ (1,176,838)	$ (1,075,809)	$ (2,252,647)
Exploration and evaluation costs	$ (1,100,809)	$ 1,100,809	$ -
Acquisition of mineral property interests	$ -	$ (25,000)	$ (25,000)
Cash (used in) provided by investing activities	$ (1,043,996)	$ 1,075,809	$ 31,813

1.12 Changes in accounting policies (continued)

Leases

In January 2016, the IASB published a new accounting standard, IFRS 16 – Leases ("IFRS 16") which supersedes IAS 17 – Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15, has also been applied. The Company does not have any material lease agreements and does not expect the adoption of this standard to materially impact its consolidated financial statements.

1.13 Financial instruments and other instruments

As at September 30, 2018 the Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities and the Gecon financial liability. The fair values of these financial assets and liabilities, with the exception of the Gecon liability, approximate their fair values due to their short-term maturity.

As at September 30, 2018, the financial instruments measured at fair value included the Gecon Financial Liability which is classified under level 3 of the fair value hierarchy. The Gecon Financial Liability was remeasured at September 30, 2018 with the change in fair value for the period then ended recognized in the statement of loss and comprehensive loss.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and market risks. Details of the primary risks to which the Company is exposed as at September 30, 2018 are laid out in the notes to the Company's September 30, 2018 condensed consolidated interim financial statements.

Gecon Investment Agreement

Effective November 16, 2016, pursuant to an investment agreement, the Company acquired a beneficial interest in 100% of the capital of a Bulgarian shell company, Gecon OOD ("Gecon"), for the purposes of establishing mineral exploration operations in the country. Pursuant to the investment agreement between the Company and Gecon's former shareholder, the Company will pay a minimum of USD 50,000 and a maximum of USD 200,000 at any time within a 3-year period of signing the investment agreement in exchange for its beneficial interest in Gecon.

The Gecon financial liability is remeasured at every balance sheet date with the change in fair value recognized in the statement of loss and comprehensive loss.

1.14 Other requirements

1.14.1 Capital structure

Authorized share capital consists of: Unlimited number of common shares without par value.

Issued share capital:

As at November 27, 2018, there are 77,324,164 common shares of the Company issued and outstanding.

As at September 30, 2018, there were 77,324,164 common shares of the Company issued and outstanding.

As at November 27, 2018 there were 6,551,250 share purchase options and nil warrants outstanding.

As at September 30, 2018 there were 6,558,750 share purchase options and nil warrants outstanding.

1.14.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The condensed consolidated interim financial statements as at and for the three and nine months ended September 30, 2018 have been prepared by management in accordance with IFRS and in accordance with accounting policies set out in the notes to the annual audited consolidated financial statements for the years ended December 31, 2017 and 2016.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Note: As a Venture Issuer, the Company is not required to certify the design and evaluation of the issuer's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") and has not completed such an evaluation; and there are inherent limitations on the ability of Management to design and implement on a cost effective basis DC&P and ICFR for the Company which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports required under securities legislation.

Additional disclosures pertaining to the Company's Management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.

On behalf of the Board of Directors,

"Michael Kosowan"
Michael Kosowan
President and Chief Executive Officer
November 27, 2018