



**FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED JANUARY 31, 2018 AND 2017**

**WABI EXPLORATION INC.**  
**Statements of Financial Position**  
**(Expressed in Canadian Dollars)**

As at	January 31, 2018	April 30, 2017
	\$	\$
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 9)	14,346	2,692
Sundry receivable (Note 3)	2,043	1,296
Prepaid expenses	11,433	-
<b>TOTAL ASSETS</b>	<b>27,822</b>	<b>3,988</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 4)	35,553	140,934
Advances payable (Note 10)	125,220	119,877
Accrued interest on convertible debenture	4,227	3,738
Convertible debenture (Note 5)	65,000	65,000
<b>TOTAL LIABILITIES</b>	<b>230,000</b>	<b>329,549</b>
<b>SHAREHOLDERS' DEFICIENCY</b>		
Share capital	2,465,839	2,330,207
Contributed surplus	33,985	-
Equity portion of convertible debenture (Note 5)	10,292	10,292
Deficit	(2,712,294)	(2,666,060)
<b>TOTAL SHAREHOLDERS' DEFICIENCY</b>	<b>(202,178)</b>	<b>(325,561)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>	<b>27,822</b>	<b>3,988</b>

**GOING CONCERN** (Note 1)  
**CONTINGENCIES** (Note 11)  
**SUBSEQUENT EVENTS** (Note 14)

**APPROVED ON BEHALF OF THE BOARD:**

Signed, "Peter M. Clausi" \_\_\_\_\_ Director

Signed, "Edward Stringer" \_\_\_\_\_ Director

See accompanying notes to the financial statements.

**WABI EXPLORATION INC.**  
**Statements of Operations and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

For the periods ended January 31,	Three months ended,		Nine months ended,	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>EXPENSES</b>				
<b>Exploration expenditures</b>				
Claims renewal fee	-	-	1,265	1,264
Geological technical consulting	-	-	1,706	-
Field supplies	-	-	96	-
	-	-	3,067	1,264
<b>General and administrative expenses</b>				
Shareholder relations	5,941	2,211	13,801	17,036
Office and general	1,620	1,500	6,682	4,511
Professional fees	5,778	-	13,139	1,271
Share-based compensation	-	-	33,985	-
Interest on convertible debenture	163	163	489	488
Interest and bank charges	7	18	71	118
	13,509	3,892	68,167	23,424
Other income (expense)	-	-	25,000	-
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>13,509</b>	<b>3,892</b>	<b>46,234</b>	<b>24,688</b>
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding - basic and diluted	21,965,573	19,477,450	21,427,783	19,477,450

See accompanying notes to the financial statements.

**WABI EXPLORATION INC.**  
**Statements of Cash Flows**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

For the periods ended January 31,	2018 \$	2017 \$
<b>Operating activities:</b>		
Net loss for the period	(46,234)	(24,688)
Items not affecting cash and cash equivalents		
Share-based payments	33,985	-
Net change in non-cash working capital balances:		
Sundry receivable	(747)	390
Accounts payable and accrued liabilities	(105,381)	4,697
Interest on convertible debenture	489	488
Prepaid expense	(11,433)	-
Cash used in operating activities	(129,321)	(19,114)
<b>Financing activities:</b>		
Advances payable	5,343	20,442
Issuance of commons share, net of issue costs	135,632	-
Cash provided by financing activities	140,975	20,442
Increase in cash	11,654	1,329
Cash, beginning of period	2,692	933
Cash, end of period	14,346	2,261
<b>Supplemental Information:</b>		
Interest paid	-	-
Taxes paid	-	-

See accompanying notes to the financial statements.

**WABI EXPLORATION INC.**  
**Statements of Changes in Equity**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

	Number of Shares	Capital Stock \$	Equity Portion of Convertible Debenture \$	Contributed Surplus \$	Retained Earnings (Deficit) \$	Total Equity \$
<b>Balance April 30, 2016</b>	19,477,450	2,330,207	10,292	-	(2,628,221)	(287,722)
Loss and comprehensive loss		-	-	-	(24,688)	(24,688)
<b>Balance January 31, 2017</b>	19,477,450	2,330,207	10,292	-	(2,652,909)	(312,410)
Loss and comprehensive loss		-	-	-	(13,151)	(13,151)
<b>Balance April 30, 2017</b>	19,477,450	2,330,207	10,292	-	(2,666,060)	(325,561)
Debt conversion	2,202,123	115,612	-	-	-	115,612
Shares issued for cash	286,000	20,020	-	-	-	20,020
Share-based payments		-	-	33,985	-	33,985
Loss and comprehensive loss		-	-	-	(46,234)	(46,234)
<b>Balance January 31, 2018</b>	21,965,573	2,465,839	10,292	33,985	(2,712,294)	(202,178)

See accompanying notes to the financial statements.

# WABI EXPLORATION INC.

## Notes to the Financial Statements

For the three and nine months ended January 31, 2018 and 2017

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

Wabi Exploration Inc. (the "Company") is a Canadian junior resource company, which holds a 0.5% Net Smelter Royalty ("NSR") in the Georgia Lake and Conway Properties located in the Thunder Bay Mining District, Ontario. The Company is incorporated and domiciled in Ontario, Canada. The registered address of the Company and its principal place of business is 855 Brant Street, Burlington ON L7R 2J6. The Company's shares are listed on the Canadian Securities Exchange ("CSE").

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of the property, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at January 31, 2018, the Company had not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable, and ultimately to generate profitable future operations. As at January 31, 2018, the Company had a working capital deficiency of \$202,178 (April 30, 2017 - \$325,561) as well as cumulative losses totaling \$2,271,294 (2017 - \$2,666,060). The Company had been able to settle its liabilities as they come due through advances received from a former officer and director. There is no guarantee that these advances will continue in the future. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the financial statements.

### 2. BASIS OF PREPARATION

#### (i) Statement of Compliance

These unaudited condensed interim financial statements ("interim financial statements") of Wabi Exploration Inc. as at and for the three and nine months ended January 31, 2018, have been prepared in accordance with IAS 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

These interim financial statements of the Company for the three and nine months ended January 31, 2018 and 2017 were approved and authorized for issue by the Board of Directors on March 19, 2018.

#### (ii) Basis of presentation and functional currency

These interim financial statements were prepared under the historical cost basis, except for certain assets which are measured at fair value as explained in the accounting policies set out in Note 3 of the audited annual financial statements for the years ended April 30, 2017 and 2016. In addition, these interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**2. BASIS OF PREPARATION – continued**

The financial statements are presented in Canadian Dollars, which is the functional currency of the Company.

**(iii) Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

**Income taxes and recoverability of potential deferred tax assets**

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

**Share-based payments**

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

**Contingencies**

See Note 11.

**Assets' carrying values and impairment charges**

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**3. SUNDRY RECEIVABLE**

	January 31, 2018	April 30, 2017
GST/HST receivable	\$ 2,043	\$ 1,296

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	January 31, 2018	April 30, 2017
Accounts payable and accrued liabilities	\$ 35,553	\$ 140,934
Accrued interest on convertible debt	4,227	3,738
	<b>\$ 39,780</b>	<b>\$ 144,672</b>

**5. CONVERTIBLE DEBENTURE**

In August 2011, due to then current global financial conditions and limited alternate sources of financing, a former officer executed a promissory note in the amount of \$65,000 in the form of a convertible debenture. The debenture is convertible into common shares of the Company at a price of \$0.05 per common share, was originally due August 3, 2012, is unsecured and bears interest at 1% per annum. The convertible debenture has been extended by one year on an annual basis since August 2012, and the debenture is now due on August 3, 2018. The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, which is classified as equity.

**6. CAPITAL STOCK**

(a) As at January 31, 2018 and April 30, 2017, the Company's authorized number of common shares was unlimited without par value.

(b) **Common Shares**

**Issued**

21,965,573 Common Shares	Shares #	Amount \$
Balance, May 1, 2016 and April 30, 2017	19,477,450	2,330,207
Debt conversion <sup>(1)</sup>	2,202,123	115,612
Shares issued for cash	286,000	20,020
Balance, January 31, 2018	<u>21,965,573</u>	<u>2,465,839</u>

(i) On June 19, 2017, the Company issued 2,202,123 common shares in exchange for debt reduction of \$115,612 including \$29,280 owing to a related party.

**Shares reserved for issuance - Convertible Debenture**

The Company has 1,300,000 reserved for issuance at a price of \$0.05 per share on or before August 3, 2018 under the terms of the convertible debenture (see Note 6).

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**7. SHARE-BASED PAYMENTS RESERVE**

**Warrants**

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

	Number of Warrants		Weighted Average Exercise Price
<b>Balance, January 31, 2016 and 2017</b>	-	\$	0.00
Warrants issued	286,000	\$	0.07
Warrants exercised	-	\$	0.00
<b>Balance, January 31, 2018</b>	286,000	\$	0.07

**Options**

The Company's Stock Option Plan ("the Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options.

A summary of the status of the stock option plan and changes for the period ended January 31, 2018 are presented below:

**During the year**

Grant date	Expiry date	Exercise Price	Opening Balance	Granted	Exercised	Expired	Closing Balance	Vested and Exercisable
September 21, 2017	September 21, 2022	\$0.07	-	400,000	-	-	400,000	400,000
				400,000	-	-	400,000	400,000
Weighted average exercise price				\$0.07	-	-	\$0.07	\$0.07

The weighted average remaining contractual life of options outstanding at January 31, 2018 was 4.64 years.

**8. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its properties. The capital of the Company consists of shareholder's loan, capital stock and share-based payments reserve. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has a royalty interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**8. CAPITAL MANAGEMENT – continued**

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management as at and during the periods ended January 31, 2018 or 2017. The Company is not subject to capital requirements imposed by a lending institution.

**9. FINANCIAL INSTRUMENTS**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Financial assets and liabilities as at January 31, 2018 and April 30, 2017 were as follows:

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	Cash, loans and receivables	Other liabilities	Total
As at January 31, 2018	\$	\$	\$
Cash	14,346	-	14,346
Accounts payable and accrued liabilities	-	(35,553)	(35,553)
Accrued interest on convertible debenture	-	(4,227)	(4,227)
Advance from related party	-	(125,220)	(125,220)
Convertible debenture	-	(65,000)	(65,000)
	14,346	(230,000)	(215,654)

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	Cash, loans and receivables	Other liabilities	Total
As at April 30, 2017	\$	\$	\$
Cash	2,692	-	2,692
Accounts payable and accrued liabilities	-	(140,934)	(140,934)
Accrued interest on convertible debenture	-	(3,738)	(3,738)
Advance from related party	-	(119,877)	(119,877)
Convertible debenture	-	(65,000)	(65,000)
	2,692	(329,549)	(326,857)

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**Financial Instrument Risk Factors**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures as at and during the periods ended January 31, 2018 and 2017.

**Credit Risk**

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**9. FINANCIAL INSTRUMENTS – continued**

**Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2018, the Company had cash, sundry receivable and prepaid expenses of \$27,822 (April 30, 2017 - \$3,988) to settle current liabilities of \$230,000 (April 30, 2017 - \$329,549). As such, liquidity risk for the Company should be considered high. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except for the convertible debenture and accrued interest on convertible debenture described in Note 6, and the advances payable described in Note 10.

**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 its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at January 31, 2018, no amounts were held in short-term deposit certificates.

**b. Foreign currency risk**

The Company's functional currency is the Canadian Dollar and major purchases are transacted in Canadian Dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk. The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

**c. Price risk**

The Company may be indirectly exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the property underlying the Company's royalty holding. Price risk is remote since the property underlying the royalty is not currently a revenue producing property.

**Fair value**

Fair value estimates are made at the reporting date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, convertible debenture and accounts payable and accrued liabilities on the statement of financial position approximate fair value because of the limited term of the instruments. It is not possible to determine if the advances from related party are at fair value as there is no comparable market value for such a loan.

At January 31, 2018 the Company had no financial instruments that are carried at fair value.

**10. RELATED PARTY DISCLOSURES**

The amounts due to related parties of the Company at the period end date, as disclosed in the table below, arose as a result of transactions entered into with the related parties in the ordinary course of business.

	<u>January 31, 2018</u>	<u>April 30, 2017</u>
Officers and directors	\$ 5,594	\$ 119,877

**WABI EXPLORATION INC.**  
**Notes to the Financial Statements**  
**For the three and nine months ended January 31, 2018 and 2017**

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**10. RELATED PARTY DISCLOSURES – continued**

The amount advanced from related party relates to a loan from a former officer which was transferred to an arms-length party subsequent to April 30, 2017, which is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount.

An amount of \$2,000 was paid or accrued to the former CFO for management services during the period ended January 31, 2018 (January 31, 2017 – \$3,000). Also included in accounts payable is an additional \$3,594 (April 30, 2017 - \$86,231), which relates to legal services rendered by a lawyer who previously acted as the Company’s Corporate Secretary. These services were incurred for general corporate matters, attending to filings, and for attendance at board and committee meetings. No amount was paid to the Corporate Secretary for legal services during the three and nine months ended January 31, 2018 and 2017. All services were provided in the normal course of business and were made on terms equivalent to prevailing market rates for arm’s length transactions.

*Compensation of key management personnel of the Company*

The remuneration of directors and other members of key management personnel during the recent three and nine month periods and its prior year comparative period was as follows:

For the periods ended January 31,	Three months ended,		Nine months ended,	
	2018	2017	2018	2017
Salaries including bonuses	\$ -	\$ 1,500	\$ 2,000	\$ 3,000
Share-based payments	21,241	-	21,241	-
Total remuneration	\$ 21,241	\$ 1,500	\$ 23,241	\$ 3,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

**11. ENVIRONMENTAL CONTINGENCIES**

The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**12. EXPLORATION AND EVALUATION PROPERTY**

In July 2015, the Company obtained a Free Miner’s Certificate for the Province of British Columbia, and during the period from August to October 2015 staked four claims in the Copper Mountain area of Princeton, B.C. During the 2017 fiscal year the Company forfeited one of the claims. No work was planned or performed on these claims during the nine months ended January 31, 2018.

**13. NET SMELTER ROYALTY**

In December 2014, Wabi acquired from its President and CEO (the “Assignor”) the right, title and interest in a 0.5% Net Smelter Royalty (“NSR”) in the Georgia Lake and Conway Properties located in the

# **WABI EXPLORATION INC.**

## **Notes to the Financial Statements**

**For the three and nine months ended January 31, 2018 and 2017**

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### **13. NET SMELTER ROYALTY – continued**

Thunder Bay Mining District, Ontario. Pursuant to the terms of the agreement, the Company issued an aggregate of 500,000 common shares to the Assignor as consideration for the value of the NSR. The transaction was approved by the CSE.

### **14. SUBSEQUENT EVENTS**

On February 27, 2018, at the Annual General Meeting of the Company, the shareholders approved a resolution to change the name of the Company to Getchell Gold Corp. and approved a resolution to consolidate the Company's issued and outstanding shares on a one for six basis. The resolutions are expected to be implemented during the Company's next fiscal quarter.

On February 27, 2018, the Company and Buena Vista Gold Inc. extended the termination date of the previously announced Arrangement Agreement.

On March 5, 2018, the Company issued a promissory note to Buena Vista Gold Inc. and received cash proceeds in the amount of \$25,000.

On March 12, 2018, the Company entered into an agreement to sell the Company's exploration and evaluation property and net smelter royalty. Consideration for the sale is the extinguishment of the convertible debenture including accrued interest thereon, and the extinguishment of advances payable. The transaction will be effective on the date of the closing of the Arrangement Agreement.