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**MANITOU GOLD INC.**  
**CONDENSED CONSOLIDATED INTERIM**  
**FINANCIAL STATEMENTS**  
**THREE AND NINE MONTHS ENDED**  
**SEPTEMBER 30, 2018**  
**(EXPRESSED IN CANADIAN DOLLARS)**  
**(UNAUDITED)**

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**Notice To Reader**

The accompanying unaudited condensed consolidated interim financial statements of Manitou Gold Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian Dollars)****Unaudited**

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	<b>As at September 30, 2018</b>	<b>As at December 31, 2017</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 740,061	\$ 1,081,692
Amounts receivable and other assets (note 3)	435,675	35,830
<b>Total assets</b>	<b>\$ 1,175,736</b>	<b>\$ 1,117,522</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 4 and 10)	\$ 46,139	\$ 98,708
<b>Total liabilities</b>	<b>46,139</b>	<b>98,708</b>
<b>Shareholders' equity</b>		
Share capital (note 5)	16,866,019	15,267,415
Warrants (note 6)	554,415	340,467
Contributed surplus (note 7)	409,519	389,721
Deficit	(16,700,356)	(14,978,789)
<b>Total shareholders' equity</b>	<b>1,129,597</b>	<b>1,018,814</b>
<b>Total shareholders' equity and liabilities</b>	<b>\$ 1,175,736</b>	<b>\$ 1,117,522</b>

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

Nature of Operations and Going Concern (note 1)

Commitments and Contingencies (note 11)

Subsequent Events (note 13)

**Approved on behalf of the Board:**

"Richard Murphy" \_\_\_\_\_ Director (Signed)

"Guy Mahaffy" \_\_\_\_\_ Director (Signed)

## Manitou Gold Inc.

### Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
<b>General and administrative expense</b>				
Exploration and evaluation expenditures (note 9) \$	140,567	\$ 81,167	\$ 1,480,792	\$ 133,846
Option-based payments (note 7)	24,298	326,035	24,298	385,221
Office and general (note 10)	125,824	90,845	269,471	227,845
Professional fees (note 10)	16,143	10,468	49,517	25,117
Project generation and evaluation	30,000	-	30,000	-
Total general and administrative expense	336,832	508,515	1,854,078	772,029
Loss before interest and other income	(336,832)	(508,515)	(1,854,078)	(772,029)
Other income	-	15,000	900	15,000
<b>Net loss and comprehensive loss for the period</b> \$	<b>(336,832)</b>	<b>\$ (493,515)</b>	<b>\$ (1,853,178)</b>	<b>\$ (757,029)</b>
<b>Net loss and comprehensive loss per share - basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of shares outstanding - basic and diluted (note 8)</b>	<b>93,496,526</b>	<b>67,885,335</b>	<b>83,860,685</b>	<b>64,230,246</b>

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**Manitou Gold Inc.****Condensed Consolidated Interim Statements of Cash Flows****(Expressed in Canadian Dollars)****Unaudited**

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	<b>Nine Months Ended September 30, 2018</b>	<b>Nine Months Ended September 30, 2017</b>
<b>Operating activities</b>		
Net loss for the period	\$ (1,853,178)	\$ (757,029)
Adjustments for:		
Option-based payments (note 7)	24,298	385,221
Shares issued on acquisition of property rights (note 9)	440,000	-
Changes in non-cash working capital items:		
Amounts receivable and other assets	(399,845)	(34,197)
Amounts payable and other liabilities	(52,569)	20,205
<b>Net cash used in operating activities</b>	<b>(1,841,294)</b>	<b>(385,800)</b>
<b>Financing activities</b>		
Issuance of share capital	1,380,400	642,515
Cost of issue	(1,237)	(10,950)
Warrants exercised (note 6)	120,500	-
<b>Net cash provided by financing activities</b>	<b>1,499,663</b>	<b>631,565</b>
<b>Net change in cash</b>	<b>(341,631)</b>	<b>245,765</b>
<b>Cash, beginning of period</b>	<b>1,081,692</b>	<b>332,641</b>
<b>Cash, end of period</b>	<b>\$ 740,061</b>	<b>\$ 578,406</b>

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

## Manitou Gold Inc.

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

Unaudited

#### Equity attributable to shareholders

	Share Capital	Warrants	Contributed Surplus	Deficit	Total
<b>Balance, December 31, 2016</b>	<b>\$ 13,971,792</b>	<b>\$ 188,353</b>	<b>\$ 106,500</b>	<b>\$ (13,947,661)</b>	<b>\$ 318,984</b>
Issue of units (note 5(b))	642,515	-	-	-	642,515
Cost of issue (note 5(b))	(10,950)	-	-	-	(10,950)
Warrant valuation (note 5(b))	(153,404)	153,404	-	-	-
Expiration of options	-	-	(102,000)	102,000	-
Option-based payments (note 7)	-	-	385,221	-	385,221
Net loss for the period	-	-	-	(757,029)	(757,029)
<b>Balance, September 30, 2017</b>	<b>\$ 14,449,953</b>	<b>\$ 341,757</b>	<b>\$ 389,721</b>	<b>\$ (14,602,690)</b>	<b>\$ 578,741</b>
<b>Balance, December 31, 2017</b>	<b>\$ 15,267,415</b>	<b>\$ 340,467</b>	<b>\$ 389,721</b>	<b>\$ (14,978,789)</b>	<b>\$ 1,018,814</b>
Issue of units (note 5(b))	1,380,400	-	-	-	1,380,400
Cost of issue (note 5(b))	(11,976)	10,739	-	-	(1,237)
Warrant valuation (note 5(b))	(372,006)	372,006	-	-	-
Shares issued for property acquisition (note 9)	440,000	-	-	-	440,000
Warrants exercised (note 6)	162,186	(41,686)	-	-	120,500
Warrants expired (note 6)	-	(127,111)	-	127,111	-
Stock options expired (note 7)	-	-	(4,500)	4,500	-
Option-based payments (note 7)	-	-	24,298	-	24,298
Net loss for the period	-	-	-	(1,853,178)	(1,853,178)
<b>Balance, September 30, 2018</b>	<b>\$ 16,866,019</b>	<b>\$ 554,415</b>	<b>\$ 409,519</b>	<b>\$ (16,700,356)</b>	<b>\$ 1,129,597</b>

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

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# **Manitou Gold Inc.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**Three and Nine months Ended September 30, 2018**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **1. Nature of Operations and Going Concern**

Manitou Gold Inc. (the "Company") was incorporated under the Business Corporations Act (Ontario) and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's registered office is located at The Canadian Venture Building, 82 Richmond St East, Toronto, Ontario, M5C 1P1.

These unaudited condensed consolidated interim financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

The Company is at an exploration stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities. The Company has incurred losses in previous periods, with a current net loss of \$1,853,178 for the nine months ended September 30, 2018 (nine months ended September 30, 2017 - loss of \$757,029) and has an accumulated deficit of \$16,700,356 as at September 30, 2018 (December 31, 2017 - \$14,978,789). The Company had working capital of \$1,129,597 at September 30, 2018 (December 31, 2017 - \$1,018,814).

However, the existing funds may not be sufficient to explore potential exploration project acquisitions and in due course, further funding will be required. In the event that the Company is unable to secure further financing it may not be able to complete the development of its projects. See note 5(b)(iii).

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, 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. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

Due to continuing operating losses and limited working capital, the Company's ability to continue as a going concern is dependent on its ability to obtain additional sources of financing to successfully explore, evaluate and develop mineral projects and ultimately, to achieve profitable operations. The success of these endeavours cannot be predicted at this time. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. The unaudited condensed consolidated interim financial statements do not reflect adjustments to the carrying values and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern, and such adjustments may be material.

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# Manitou Gold Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

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## 2. Significant Accounting Policies

### Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee. These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 21, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended December 31, 2017, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed consolidated interim financial statements. These adjustments could be material.

### Changes in Accounting Policy

#### IFRS 9 - Financial Instruments ("IFRS 9")

Effective January 1, 2018, the Company adopted IFRS 9. In July 2014, the IASB issued the final publication of the IFRS 9 standard, which supersedes IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. The Company has adopted IFRS 9 on a retrospective basis, however, this guidance had no impact to the Company's consolidated financial statements.

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit and loss (FVTPL).

The new hedge accounting guidance had no impact on the Company's consolidated financial statements.

Below is a summary showing the classification and measurement bases of the Company's financial instruments as at January 1, 2018 as a result of adopting IFRS 9, along with comparison to IAS 39.

<b>Classification</b>	<b>IAS 39</b>	<b>IFRS 9</b>
Cash	Loans and receivables	Amortized cost
Cash equivalents	FVTPL	FVTPL
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost

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# Manitou Gold Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

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### 2. Significant Accounting Policies (continued)

#### Changes in accounting policy (continued)

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

As a result of the adoption of IFRS 9, the accounting policy for financial instruments as disclosed in the Company's December 31, 2017 consolidated financial statements has been updated as follows:

##### Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

##### Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i. those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- ii. those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i. amortized cost;
- ii. FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii. FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

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## 2. Significant Accounting Policies (continued)

### Changes in accounting policy (continued)

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

#### Classification and Measurement (continued)

The Company's financial asset consists of cash, which is classified as subsequently measured at amortized cost, and cash equivalents, which is classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in net loss. The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in net loss.

#### Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

## Recent Accounting Pronouncements

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. Earlier adoption is permitted. The Company is currently assessing the impact of this pronouncement.

## 3. Amounts Receivable and Other Assets

	As at September 30, 2018	As at December 31, 2017
Sales tax receivable - (Canada)	\$ 9,983	\$ 26,054
Prepaid expenses	425,692	9,776
Total	\$ 435,675	\$ 35,830

## Manitou Gold Inc.

Notes to Condensed Consolidated Interim Financial Statements  
Three and Nine months Ended September 30, 2018  
(Expressed in Canadian Dollars)  
Unaudited

### 4. Amounts Payable and Other Liabilities

	As at September 30, 2018	As at December 31, 2017
Falling due within the period		
Trade payables	\$ 21,868	\$ 82,928
Accrued liabilities	24,271	15,780
<b>Total</b>	<b>\$ 46,139</b>	<b>\$ 98,708</b>

### 5. Share Capital

#### (a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### (b) Common shares issued

At September 30, 2018, the issued share capital amounted to \$16,866,019. The changes in issued share capital for the periods presented were as follows:

	Number of Shares	Amount
<b>Balance at December 31, 2016</b>	<b>62,372,411</b>	<b>\$ 13,971,792</b>
Issue of units (i)(ii)	7,559,000	642,515
Cost of issue - cash	-	(10,950)
Warrant valuation (i)(ii)	-	(153,404)
<b>Balance at September 30, 2017</b>	<b>69,931,411</b>	<b>\$ 14,449,953</b>
<b>Balance at December 31, 2017</b>	<b>76,288,876</b>	<b>\$ 15,267,415</b>
Issue of units and shares (iii)	17,355,800	1,380,400
Cost of issue	-	(11,976)
Warrant valuation (iii)	-	(372,006)
Shares issued for property acquisition (note 9)	4,000,000	440,000
Warrants exercised	1,700,000	162,186
<b>Balance at September 30, 2018</b>	<b>99,344,676</b>	<b>\$ 16,866,019</b>

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

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#### 5. Share Capital (Continued)

##### (b) Common shares issued (continued)

(i) On July 21, 2017, the Company closed the First Tranche of a non-brokered private placement (the "Offering") pursuant to which it has issued an aggregate of 7,059,000 units ("Security Units") at a price of \$0.085 per Security Unit to raise aggregate gross proceeds of \$600,015. Each Security Unit consists of one common share of the Company and one half of one common share purchase warrant (a "Warrant Security"). Each whole Warrant Security entitles the holder thereof to acquire one additional common share of the Company at \$0.13 until July 21, 2019. Insiders of the Company subscribed for an aggregate 359,000 Security Units in the Offering, being Mr. Ron Arnold, former Director of the Company, subscribing for 295,000 Security Units and Mr. Patrice Dubreuil, President of the Company, subscribing for 64,000 Security Units. No finder's fees were paid in the First Tranche. All of the securities issued and issuable in the First Tranche were subject to a statutory hold period expiring on November 22, 2017.

The Security Warrants issued were assigned a value of \$143,957 using the Black-Scholes valuation model (3,529,500 Security Warrants). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.25%;
- Expected life: 2 years;
- Expected volatility: 159% based on historical trends; and
- Weighted average share price: \$0.065.

(ii) On September 18, 2017, the Company announced that it has closed the second and final tranche (the "Second Tranche") of its Offering, to raise additional gross proceeds of \$42,500. In connection with the completion of the Second Tranche, the Company issued 500,000 Security Units at a price of \$0.085 per Security Unit. No finder's fees were paid in the Second Tranche. All of the securities issued and issuable in the Second Tranche are subject to a statutory hold period expiring on January 19, 2018.

The Security Warrants issued were assigned a value of \$9,447 using the Black-Scholes valuation model (250,000 Security Warrants). The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 1.57%;
- Expected life: 2 years;
- Expected volatility: 151% based on historical trends; and
- Weighted average share price: \$0.065.

# Manitou Gold Inc.

## Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

### 5. Share Capital (Continued)

(b) Common shares issued (continued)

(iii) On July 31, 2018, the Company announced that it has closed a non-brokered private placement ("July 2018 Offering") pursuant to which the Company issued 17,255,000 units ("Units") at a price of \$0.08 per Unit to raise gross proceeds of \$1,380,400. Each Unit consists of one common share of the Company and one-half of one share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at \$0.15 until July 31, 2021. Mr. Patrice Dubreuil, President of the Company, subscribed for 425,000 Units.

In connection with the completion of the July 2018 Offering, the Company issued an aggregate of 100,800 finder's units ("Finder's Units") and 100,800 broker warrants ("Broker Warrants") to certain eligible finder's assisting in the July 2018 Offering. The Finder's Units bear the same terms and conditions as the Units. Each Broker Warrant entitles the holder thereof to acquire one Unit at an exercise price of \$0.08 until July 31, 2021.

The warrants issued were assigned a value of \$374,179 (8,627,500 warrants included in Units - \$372,006 and 50,400 warrants included in Finder's Units - \$2,173) using the Blacks-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 2.10%;
- Expected life: 3 years; and
- Expected volatility: 157% based on historical trends.

The 100,800 Broker Warrants issued were assigned a value of \$8,566 using the Blacks-Scholes valuation model. The underlying weighted average assumptions used in the estimation of fair value in the Black-Scholes valuation model are as follows:

- Risk free rate: 2.10%;
- Expected life: 3 years;
- Expected volatility: 157% based on historical trends; and
- Weighted average share price: \$0.10.

### 6. Warrants

The following table reflects the continuity of warrants for the periods ended September 30, 2018 and 2017:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance at December 31, 2016</b>	<b>7,700,000</b>	<b>\$ 0.07</b>
Warrants granted (note 5(b))	3,779,500	0.13
<b>Balance at September 30, 2017</b>	<b>11,479,500</b>	<b>\$ 0.09</b>
<b>Balance at December 31, 2017</b>	<b>10,765,333</b>	<b>\$ 0.09</b>
Warrants granted (note 5(b))	8,778,700	0.15
Warrants exercised	(1,700,000)	0.07
Warrants expired	(5,200,000)	0.08
<b>Balance at September 30, 2018</b>	<b>12,644,033</b>	<b>\$ 0.14</b>

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

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#### 6. Warrants (Continued)

The Company had the following warrants outstanding at September 30, 2018:

Number of Warrants	Weighted Average Exercise Price	Expiry Date
3,382,000	\$0.13	July 21, 2019
250,000	0.085	September 18, 2019
233,333	0.15	December 28, 2019
8,677,900	0.15	July 31, 2021
100,800 (i)	0.08	July 31, 2021
<b>12,644,033</b>	<b>\$0.14</b>	

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(i) Exercisable into a Unit, comprised of one common share and one half purchase warrant exercisable at \$0.15 for a period of twenty-four months.

#### 7. Stock Options

The Company has a formal stock option plan (the "Plan"). At the annual and special meeting held on June 20, 2018, the Company passed a resolution amending the existing stock option plan of the Company to provide for the issuance thereunder of such number of common shares of the Company as is equal to 10% of the aggregate number of common shares of the Company issued and outstanding from time to time. As at September 30, 2018, the Company has 3,684,468 options available for issuance. The following table reflects the continuity of stock options for the periods ended September 30, 2018 and 2017:

	Number of Options	Weighted Average Exercise Price
<b>Balance at December 31, 2016</b>	<b>4,250,000</b>	<b>\$ 0.10</b>
Stock options granted (i)(ii)	5,950,000	0.10
Stock options expired	(4,000,000)	0.10
<b>Balance at September 30, 2017</b>	<b>6,200,000</b>	<b>\$ 0.10</b>
<b>Balance at December 31, 2017</b>	<b>6,200,000</b>	<b>\$ 0.10</b>
Stock options granted (iii)(iv)	300,000	0.10
Stock options expired	(250,000)	0.10
<b>Balance at September 30, 2018</b>	<b>6,250,000</b>	<b>\$ 0.10</b>

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## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

#### 7. Stock Options (Continued)

(i) On April 9, 2017, the Company granted 1,000,000 stock options to an officer of the Company exercisable at a price of \$0.10 per common share. The options vest immediately and expire in two years. The grant date fair value of \$59,186 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.08, expected dividend yield of 0%, expected volatility of 168% which is based on historical volatility of the Company's share price, risk-free rate of return of 0.76% and an expected maturity of 2 years. For the three and nine months ended September 30, 2018, \$nil was expensed to option-based payments (three and nine months ended September 30, 2017 - \$nil and \$59,186, respectively).

(ii) On July 7, 2017, the Company granted 4,950,000 stock options with an exercise price of \$0.10 per common share which vested immediately and have an expiry date of July 7, 2019. The grant date fair value of \$326,035 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.09, expected dividend yield of 0%, expected volatility of 160% which is based on historical volatility of the Company's share price, risk-free rate of return of 1.16% and an expected maturity of 2 years. For the three and nine months ended September 30, 2018, \$nil was expensed to option-based payments (three and nine months ended September 30, 2017 - \$326,035).

(iii) On August 13, 2018, the Company granted 100,000 stock options to a consultant of the Company exercisable at a price of \$0.10 per common share. The options vest immediately and expire in five years. The grant date fair value of \$8,430 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.09, expected dividend yield of 0%, expected volatility of 166% which is based on historical volatility of the Company's share price, risk-free rate of return of 2.22% and an expected maturity of 5 years. For the three and nine months ended September 30, 2018, \$8,430 was expensed to option-based payments (three and nine months ended September 30, 2017 - \$nil).

(iv) On September 26, 2018, the Company granted 200,000 stock options to a consultant of the Company exercisable at a price of \$0.10 per common share. The options vest immediately and expire in five years. The grant date fair value of \$15,868 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.085, expected dividend yield of 0%, expected volatility of 165% which is based on historical volatility of the Company's share price, risk-free rate of return of 2.32% and an expected maturity of 5 years. For the three and nine months ended September 30, 2018, \$15,868 was expensed to option-based payments (three and nine months ended September 30, 2017 - \$nil).

The Company had the following stock options outstanding as of September 30, 2018:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Expiry Date
1,000,000	1,000,000	0.10	0.52	April 9, 2019
4,950,000	4,950,000	0.10	0.77	July 7, 2019
100,000	100,000	0.10	4.87	August 13, 2023
200,000	200,000	0.10	4.99	September 26, 2023
<b>6,250,000</b>	<b>6,250,000</b>	<b>0.10</b>	<b>0.93</b>	

## Manitou Gold Inc.

### Notes to Condensed Consolidated Interim Financial Statements

Three and Nine months Ended September 30, 2018

(Expressed in Canadian Dollars)

Unaudited

#### 8. Net Loss per Common Share

The calculation of basic and diluted loss per share for the three and nine months ended September 30, 2018 was based on the loss attributable to common shares of \$336,832 and \$1,853,178, respectively (three and nine months ended September 30, 2017 - loss of \$493,515 and \$757,029, respectively) and the weighted average number of common shares outstanding of 93,496,526 and 83,860,685, respectively (three and nine months ended September 30, 2017 - 67,885,335 and 64,230,246, respectively) for basic and diluted loss per share. Diluted loss per share did not include the effect of warrants and options for the three and nine months ended September 30, 2018 and three and nine months ended September 30, 2017, as they are anti-dilutive.

#### 9. Exploration and Evaluation Expenditures Incurred

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Kenwest	\$ 66,011	\$ 65,657	\$ 486,398	\$ 118,336
Goudreau	74,556	15,510	341,054	15,510
Gaffney	-	-	340	-
Rockstar (i)	-	-	653,000	-
	<b>\$ 140,567</b>	<b>\$ 81,167</b>	<b>\$ 1,480,792</b>	<b>\$ 133,846</b>

For details on the exploration and evaluation expenditures see the attached schedules at the end of these statements.

(i) On March 20, 2018, the Company entered into a binding purchase agreement with Argo Gold Inc. (the "Vendor") to purchase the property known as the "Rockstar" Property, comprised of 16 unpatented mining claims located in Jacobson and Riggs Townships, Ontario (collectively, the "Rockstar Property"). On April 4, 2018, as a consideration for the acquisition of a 100% interest in the Rockstar Property, the Company made a cash payment of \$200,000 and issued an aggregate of 4,000,000 common shares to the Vendor valued at \$440,000 at \$0.11 per share. In addition, the Company has granted a 1% NSR to the Vendor at closing, one-half of which may be purchased by the Company for \$500,000. The Property is also subject to an existing 2% NSR in favour of a third party, one-half of which may be purchased by the Company for \$1,000,000. All securities issued in connection with the acquisition are subject to a statutory hold period expiring on August 5, 2018.

(ii) On September 19, 2018, the Company entered into a letter agreement to acquire the Midas Gold Property, which is located in the Goudreau-Localsh deformation zone ("GLDZ"), comprised of mining claims covering a total area of over 5,500 acres along the GLDZ. In consideration for the 100% purchase of the Midas Property, the Company will issue 2,250,000 common shares of the Company, pay \$50,000 on closing and grant the vendors a 0.5% NSR on the property. The NSR is subject, at any time to a 100% buy back from the vendors for a cash consideration of \$500,000. There is an underlying 2.0% NSR payable to the original vendors, half of which (1.0%) can be repurchased at any time for cash consideration of \$1,000,000. The acquisition was closed subsequent to September 30, 2018 (see note 13).

(iii) On September 25, 2018, the Company entered into a letter agreement to acquire the Dog Lake Property, which is located in the GLDZ, comprised of 82 mining claims covering a total area of over 3,800 acres along the GLDZ. In consideration for the 100% purchase of the Dog Lake Property, the Company will issue 800,000 common shares of the Company and pay \$5,000 on closing. There is an underlying 2.0% NSR payable to the underlying vendor. The Company has agreed with the underlying vendor, who holds the NSR, to allow for the purchase by the Company of half (1.0%) of the underlying 2% NSR at any time for cash consideration of \$1,000,000. The acquisition was closed subsequent to September 30, 2018 (see note 13).

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## **Manitou Gold Inc.**

### **Notes to Condensed Consolidated Interim Financial Statements**

**Three and Nine months Ended September 30, 2018**

**(Expressed in Canadian Dollars)**

**Unaudited**

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#### **10. Related Party Balances and Transactions**

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The noted transactions below are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

During the three and nine months ended September 30, 2018, the Company paid professional fees and disbursements of \$13,380 and \$48,186, respectively (three and nine months ended September 30, 2017 - \$14,455 and \$44,749, respectively) to Marrelli Support Services Inc., DSA Corporate Services Inc., and DSA Filing Services Limited, together known as the "Marrelli Group", for:

- (i) Carmelo Marrelli, President of the Marrelli Group, to act as the Chief Financial Officer ("CFO") of the Company;
- (ii) Bookkeeping services;
- (iii) Regulatory filing services; and
- (iv) Corporate secretarial services.

These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at September 30, 2018, the Marrelli Group was owed \$1,297 (December 31, 2017 - \$5,840).

Salaries paid to key management personnel for the three and nine months ended September 30, 2018 totaled \$78,806 and \$235,004, respectively (three and nine months ended September 30, 2017 - \$51,387 and \$137,938, respectively). Option-based payments to key management personnel for the three and nine months ended September 30, 2018 totaled \$nil (three and nine months ended September 30, 2017 - \$326,035 and \$385,221, respectively). Key management personnel are comprised of the Company's Chief Executive Officer ("CEO"), the President and the Company's CFO. As at September 30, 2018, key management personnel (excluding the CFO) were owed \$nil (December 31, 2017 - \$nil). The Board of Directors do not have employment or service contracts with the Company. Directors and officers are entitled to stock options for their services.

To the knowledge of the directors and officers of the Company, as at September 30, 2018 and December 31, 2017, no person or corporation beneficially owns or exercises control or direction over common shares of the Company carrying more than 10% of the voting rights attached to all the common shares of the Company.

See note 11 for details regarding change of control provisions with related parties.

#### **11. Commitments and Contingencies**

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with government agencies, suppliers, consultants, and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

##### **Environmental Contingencies**

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company 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.

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# **Manitou Gold Inc.**

## **Notes to Condensed Consolidated Interim Financial Statements**

**Three and Nine months Ended September 30, 2018**

**(Expressed in Canadian Dollars)**

**Unaudited**

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### **11. Commitments and Contingencies (continued)**

#### **Employment Agreement**

Pursuant to an executive employment agreement with the CEO, in the event of termination, the CEO is entitled to 12 months' base salary plus a further month's salary for each completed year of service since May 1, 2015. In the event of termination, the CEO is entitled to receive payment of \$210,000. In the event of a change of control of the Company, the CEO is entitled to receive a payment equal to 24 months' base salary in the sum of \$360,000.

Pursuant to an executive employment agreement with the President, in the event of termination, the President is entitled to three months base salary. In the event of termination, the President is entitled to receive payment of \$33,750. In the event of a change of control of the Company, the President is entitled to receive a payment equal to 12 months' base salary in the sum of \$135,000.

#### **Flow Through Expenditures**

In connection with the flow-through share financing closed in December 2017, the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of \$780,000 by December 31, 2018. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures. As at September 30, 2018, the Company has incurred qualifying exploration expenditures exceeding the required amount.

### **12. Segmented Information**

The Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada. As the operations comprise a single reporting segment, amounts disclosed in the unaudited condensed consolidated interim financial statements also represent segment amounts.

### **13. Subsequent Event**

On October 22, 2018, the Company announced the closing of acquisition of both the Dog Lake and Midas Properties.

In consideration for the 100% purchase of the Dog Lake Property, the Company made a cash payment of \$5,000 and issued 800,000 common shares of the Company.

In consideration for the 100% purchase of the Midas Property, the Company made a cash payment of \$50,000, issued 2,250,000 common shares of the Company, and granted the vendors a 0.5% NSR on the property. An aggregate of 2,000,000 of the common shares issued in consideration of the purchase are subject to escrow, with 500,000 such shares subject to a voluntary hold period expiring on August 20, 2019; 500,000 such shares subject to a voluntary hold period expiring on February 20, 2020; 500,000 such shares subject to a voluntary hold period expiring on August 20, 2020; and 500,000 such shares subject to a voluntary hold period expiring on February 20, 2021. The NSR is subject, at any time to a 100% buy back from the vendors for cash consideration of \$500,000.

All shares issued in connection with the Dog Lake and Midas property acquisitions are subject to a statutory hold period expiring February 20, 2019.

## Manitou Gold Inc.

### Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures

(Expressed in Canadian Dollars)

Nine Months Ended September 30, 2018

Unaudited

	Rockstar	Gaffney	Goudreau	Kenwest	Total
<b>Acquisition costs</b>					
Cash payment (note 9)	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000
Share issuances (note 9)	440,000	-	-	-	440,000
Property taxes/carrying costs	-	340	-	3,360	3,700
	640,000	340	-	3,360	643,700
<b>Exploration expenditures</b>					
Analysis and lab work	-	-	69,185	44,298	113,483
Claim staking	-	-	5,460	-	5,460
Consultants	-	-	300	23,700	24,000
Drilling	-	-	-	285,301	285,301
Field preparation	-	-	91,045	-	91,045
Field supplies and consumables	-	-	17,602	8,588	26,190
First Nation's carrying costs	13,000	-	-	-	13,000
Legal	-	-	1,421	-	1,421
Line cutting	-	-	11,815	-	11,815
Mine engineering	-	-	-	161,809	161,809
Travel and accommodation	-	-	36,653	9,649	46,302
Wages and benefits	-	-	150,868	49,693	200,561
Exploration rebate	-	-	(43,295)	(100,000)	(143,295)
	13,000	-	341,054	483,038	837,092
Total exploration and evaluation expenditures	\$ 653,000	\$ 340	\$ 341,054	\$ 486,398	\$ 1,480,792

## Manitou Gold Inc.

### Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)

(Expressed in Canadian Dollars)

Three Months Ended September 30, 2018

Unaudited

	Rockstar	Gaffney	Goudreau	Kenwest	Total
<b>Acquisition costs</b>					
Property taxes/carrying costs	\$ -	\$ -	\$ -	\$ 53	\$ 53
<b>Exploration expenditures</b>					
Analysis and lab work	-	-	6,242	-	6,242
Drilling	-	-	-	520	520
Field preparation	-	-	(16,179)	-	(16,179)
Field supplies and consumables	-	-	11,118	(372)	10,746
Legal	-	-	1,421	-	1,421
Line cutting	-	-	167	-	167
Mine engineering	-	-	-	50,613	50,613
Travel and accommodation	-	-	15,566	-	15,566
Wages and benefits	-	-	56,516	15,197	71,713
Exploration rebate	-	-	(295)	-	(295)
	-	-	74,556	65,958	140,514
Total exploration and evaluation expenditures	\$ -	\$ -	\$ 74,556	\$ 66,011	\$ 140,567

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**Manitou Gold Inc.****Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures****(Expressed in Canadian Dollars)****Nine Months Ended September 30, 2017****Unaudited**

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	<b>Goudreau</b>	<b>Kenwest</b>	<b>Total</b>
<b>Acquisition costs</b>			
Property taxes	\$ -	\$ 3,567	\$ 3,567
	-	3,567	3,567
<b>Exploration expenditures</b>			
Consultants	1,080	38,570	39,650
Field supplies and consumables	-	5,448	5,448
Mining engineering	-	26,538	26,538
Travel and accommodation	4,346	15,306	19,652
Wages and benefits	10,084	28,907	38,991
	15,510	114,769	130,279
<b>Total exploration and evaluation expenditures</b>	<b>\$ 15,510</b>	<b>\$ 118,336</b>	<b>\$ 133,846</b>

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**Manitou Gold Inc.****Condensed Consolidated Interim Schedule of Exploration and Evaluation Expenditures (Continued)****(Expressed in Canadian Dollars)****Three Months Ended September 30, 2017****Unaudited**

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	<b>Goudreau</b>	<b>Kenwest</b>	<b>Total</b>
<b>Acquisition costs</b>			
Property taxes	\$ -	\$ 122	\$ 122
<b>Exploration expenditures</b>			
Consultants	1,080	23,072	24,152
Field supplies and consumables	-	2,181	2,181
Mine engineering	-	26,538	26,538
Travel and accommodation	4,346	7,453	11,799
Wages and benefits	10,084	6,291	16,375
	15,510	65,535	81,045
<b>Total exploration and evaluation expenditures</b>	<b>\$ 15,510</b>	<b>\$ 65,657</b>	<b>\$ 81,167</b>

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