HPQ-Silicon Resources Inc.

Unaudited Consolidated Interim Financial Statements
As at September 30, 2018

(In Canadian dollars)

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HPQ-Silicon Resources Inc.
Consolidated Statements of Financial Position (unaudited)

As at September 30, 2018
(in Canadian dollars)

	Notes	September 30, 2018	December31, 2017
		$	$
ASSETS			
Current			
Cash		837,076	314,103
Marketable securities in a quoted company		301,000	414,855
Goods and services tax receivable		211,610	105,940
Deposit on contract	24	1,950,000	-
Prepaid expenses		69,959	6,225
Assets held for distribution to the owners	6 - 8	1,505,000	1,505,000
Installmentson due to a company	7	126,053	123,251
Installments on due to directors, officers and companies owned by a director or an officer	7	380,775	373,992
		5,381,473	2,843,366
Non-current			
Exploration and evaluation assets	8	1,297,335	1,285,360
Property and equipment	9	3,999,334	3,268,499
Intangible assets	10	2,539,468	2,205,166
		7,836,137	6,759,025
Total assets		13,217,610	9,602,391
LIABILITIES			
Current			
Trade and other payables	11	235,563	170,755
Note payableclassified for distribution to the owners	6 - 12	180,000	180,000
Due to directors and officers	7	434,600	-
Royalties payable	10	144,928	129,713
		995,091	480,468
Non-current			
Due to directors, officers and a company owned by a director, without interest (effective rate of 1.88%; effective rate of 1,88% in 2017)	7	997,289	1,370,138
Interest of the convertible debentures payables		7,500	-
Component of the convertible debenture	13	931,138	-
Royalties payable	10	1,068,751	919,821
		3,004,678	2,289,959
Total liabilities		3,999,769	2,770,427
EQUITY			
Share capital	14	32,694,454	30,149,744
Equity component of convertible debentures	13	721,547	-
Contributed surplus		2,932,469	1,908,285
Retained deficit		(27,130,629)	(25,226,065)
Total equity		9,217,841	6,831,964
Total liabilities and equity		13,217,610	9,602,391

The accompanying notes are an integral part of the consolidated financial statements.
These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 29, 2018.

ON BEHALF OF THE BOARD

(s) Patrick Levasseur ,Director
(s) Bernard J. Tourillon ,Director

HPQ-Silicon Resources Inc.
Consolidated Statements of Comprehensive loss (unaudited)

September 30, 2018 and 2017
(in Canadian dollars)

	Notes	Quarter ending September, 30		Nine-month ending September, 30	
		2018	2017	2018	2017
		$	$	$	$
Expenses					
Salaries and employee benefits expense	15.1	107,636	107,938	362,735	351,068
Other operating expenses	17	179,837	197,207	539,112	641,788
Restructuring costs		63,192	80,734	139,784	80,734
Amortization of property and equipment		255	255	765	765
Write-off of exploration and evaluation assets		-	-	-	263,451
Operating loss		350,920	386,134	1,042,396	1,337,806
Other incomes					
Finance income	18	(43,577)	(263,567)	4,516	313,717
Financial costs	18	(75,797)	(61,964)	(214,245)	(185,684)
		(119,374)	(325,531)	(209,729)	128,033
Loss before income tax		(470,294)	(711,665)	(1,252,125)	(1,209,773)
Deferred income taxes		-	31,900	-	31,900
Net loss and total comprehensive loss of the period		(470,294)	(679,765)	(1,252,125)	(1,177,873)
Loss per share					
Basic and diluted net loss per share	19	(0.00)	(0.00)	(0.00)	(0.00)

The accompanying notes are an integral part of the consolidated financial statements.

HPQ-Silicon Resources Inc.
Consolidated Statements of Changes in Equity (unaudited)
September 30, 2018 and 2017
(in Canadian dollars)

	Notes	Share capital	Equity component of convertible debentures	Contribute d surplus	Retained deficit	Total equity
		$	$	$	$	$
Balance at January 1st, 2017		25,917,327	-	1,588,685	(22,470,311)	5,035,701
Units issued by private placements	14.1	2,023,000	-	-	-	2,023,000
Exercise of warrants	14.1	254,592	-	(26,183)	-	228,409
Issuance for the payment of accounts payable	14.1	42,375	-	-	-	42,375
Share-based payments		-	-	16,354	-	16,354
Expiration of warrants		-	-	(851)	851	-
Issuance cost of units	14.1	-	-	27,388	(93,594)	(66,206)
		28,237,294	-	1,605,393	(22,563,054)	7,279,633
total comprehensive loss for the period		-	-	-	(1,177,873)	(1,177,873)
Balance at September 30, 2017		28,237,294	-	1,605,393	(23,740,927)	6,101,760
Solde au 1 er janvier 2018		30,149,744	-	1,908,285	(25,226,065)	6,831,964
Units issued by private placements	14.1	1,462,500	-	487,500	-	1,950,000
Exercise of warrants	14.1	1,039,835	-	(99,192)	-	940,643
Issuance for the payment of accounts payable	14.1	42,375	-	-	-	42,375
Convetible debentures		-	721,547	-	-	721,547
Expiration of warrants		-	-	(730)	730	-
Expiration of broker's warrants		-	-	(10,888)	10,888	-
Expiration of broker's option		-	-	(11,078)	11,078	-
Expiration of option		-	-	(60,304)	60,304	-
Issuance cost of units	14.1	-	-	718,876	(735,439)	(16,563)
		32,694,454	721,547	2,932,469	(25,878,504)	10,469,966
Net loss and total comprehensive loss for the period		-	-	-	(1,252 125)	(1,252,125)
Balance at September 30, 2018		32,694,454	721,547	2,932,469	(27,130,629)	9,217,841

The accompanying notes are an integral part of the consolidated financial statements.

HPQ-Silicon Resources Inc.
Consolidated Statements of Cash Flows (unaudited)

September 30, 2018 and 2017
(in Canadian dollars)

	Notes	2018	2017
		$	$
OPERATING ACTIVITIES			
Net loss		(1,252,125)	(1,177,873)
Non cash items			
Amortization of property and equipment		765	765
Write-off of exploration and evaluation assets		-	263,451
Deferred income taxes		-	(31,900)
Share-based payments		-	16,354
Net change in fair value of marketable securities in a quotedcompany		5,069	(302,750)
Accretion expenses– due to directors, officers and a company owned by a director		8,251	17,236
Accretion revenues –installmentson due to directors, officers and companies owned by a director or an officer		(6,783)	(8,248)
Accretion revenues - installments on due to a company		(2,802)	(2,719)
Accretion expenses-royalties payable		164,145	134,544
Accretion expenses– installments on due to a company		-	1,629
Salaries and employee benefits expense		53,500	41,500
Financial costs		7,500	-
Changes in working capital items	19	(2,020,095)	371,402
Cash flows used to operating activities		(3,042,575)	(676,609)
INVESTING ACTIVITIES			
Addition to exploration and evaluationassets		(8,773)	(304,259)
Addition to property and equipment		(731,600)	(1,329,000)
Addition to assets held for sale		-	(12,961)
Addition to intangible assets		(329,630)	-
Acquisition of marketable securities in a quoted company		(175,000)	(873,000)
Disposal of marketable securities in a quoted company		283,786	895 750
Installments on due to a company		-	(28,000)
Cash flows used toinvesting activities		(961,217)	(1,651,470)
FINANCING ACTIVITIES			
Issuance of units by private placements and flow-through private		1,950,000	2,023,000
Exercise of warrants		940,643	228,409
Issuance of convertible debenture		1,800,000	-
Issuance cost of converttible debenture		(147,315)	-
Issuance cost of units		(16,563)	(66,206)
Cash flows from financing activities		4,526,765	2,185,203
Net change in cash		522,973	(142,876)
Cash beginning of the period		314,103	472,393
Cash end of the period		837,076	329,517

For additional cash flows information refer to Note 19.

Cash operations

Interests paid related to operating activities	34,349	33,904

The accompanying notes arean integral part of theconsolidated financial statements.

1. NATURE OF OPERATIONS

HPQ-Silicon Resources Inc. ("HPQ") and its subsidiary (hereinafter the "Company") specialize in the exploration of gold and quartz in mining sites located in Quebec.

2. GOING CONCERN AND STATEMENT OF COMPLIANCE WITH IFRS

We prepare our annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34). These interim consolidated financial statements follow the same accounting policies and methods of application as our most recent annual consolidated financial statements. Accordingly, they should be read in conjunction with our most recent annual financial statements and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Given that the Company has not yet determined whether its properties contain mineral deposits that are economically recoverable, the Company has not yet generated income or cash flows from its operations. As at September 30, 2018, the Company has cumulated retained deficit of $27,130,629 ($25,226,065 as at December 31, 2017). The liquidities of the Company arenot sufficient to fund its administrative andexploration and evaluation expenses of the nextyear. These material uncertainties cast a significant doubt on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon its ability to raise additional financing to further explore its mineral properties and continued support of suppliers and creditors. Even if the Company has been successful in the past in doing so, there is no assurance that it will manage to obtain additional financing in the future.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

3. GENERAL INFORMATION

HPQ is incorporated under the *Canada Business Corporations Act*.The address of the registered office and its principal place of business is 3000 Omer-Lavallee Street, office 306, Montreal, Quebec, Canada. HPQ shares are listed on the TSX Venture Exchange.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall considerations

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

4.2Principle consolidation

The Company's consolidated financial statements include the accounts of the parent company and its wholly owned subsidiary, Beauce Gold Fields Inc. ("BGF"), incorporated in August 2016 under the Canada Business Corporations Act.and specializes in the exploration of gold. The parent company controls a subsidiary if it is exposed, or has rights, tovariable returns from its involvement with the subsidiary and has the ability to influence these returns through its power over the subsidiary. All intra-group transactions, balances, revenues and expenses are eliminated upon consolidation. BGF's financial reporting date is September 30.

4.3 Functional and presentation currency

Theseconsolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

4.4 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the categories loans and receivables and financial assets at fair value through profit or lossupon initial recognition.

All income and expenses relating to financial assets that are recognizedin profit or loss are presented within financial costs or finance income,if applicable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash, advances for exploration expenses, installments on due to a company and instalments on due to directors, officers and companies owned by a director or an officer belong to this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. Marketable securities in a quoted company are classified into this category of financial instruments.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss.

Impairment of financial assets

All financial assets, except for those at fair value through profit or loss, are reviewed for impairment at least at each reporting date, to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

4.4 Financial instruments (continued)

Financial liabilities

The Company's financial liabilities include trade and other payables (excluding salaries and employee benefits expense),note payable classified for distribution to the owners, due to directors, officers and a company owned by a director (excluding salaries and employee benefits expense) androyalties payable.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges are reported in profit or loss within financial costs.

Compound financial instrument

The components of the compound financial instrument (convertible debenture) issued by the Company is classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. The conversion option that will be settled by the exchange of a fixed amount in cash for a fixed number of equity instruments of the Company is classified as an equity instrument.

At the issue date, the liability component is recognized at fair value, which is estimated using the effective interest rate on the market for similar nonconvertible instruments. Subsequently, the liability component is measured at amortized cost using the effective interest rate until it is extinguished on conversion or maturity.

The value of the conversion option classified as equity is determined at the issue date, by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This amount is recognized in equity, net of tax effects, and is not revised subsequently. When the conversion option is exercised, the equity component of the convertible debentures will be transferred to share capital. If the conversion option is not exercised at the expiry date of the convertible note, the equity component of the convertible debentures will be transferred to Retained deficit.

No profit or gain is recognized to the conversion or expiration of the conversion option.

Transaction costs related to the issuance of the convertible debenture are allocated to the liability and equity components in proportion to the initial carrying amounts. Transaction costs related to the equity component are recognized directly in equity.

Transaction costs related to the liability component are included in the carrying value of the liability component and amortized over the estimated useful life of the debentures using the effective interest rate method.

4.5 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to common equity holders of theCompany, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include share options, broker's options, broker's warrants, broker's units and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

4.6 Tax credits receivable

The Company is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. The tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.7 Exploration and evaluation assets and exploration and evaluation expenditures

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Costs incurred before the legal rights to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights and expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are recognized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase. Exploration and evaluation assets include a land recorded as non-amortizable fixed asset and carried at cost less any accumulated impairment losses.

Whenever a mining property is considered no longer viable, or is abandoned, the capitalized amounts are written down to their recoverable amounts (see Note 4.10), the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.10), and any impairment loss is recognized in profit or loss before reclassification.

Presently, neither the technical feasibility nor commercial viability of extracting a mineral resource has been demonstrated.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash or the shares consideration received directly from the acquirer are credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

4.8 Property and equipment

Property and equipment are held at cost less accumulated amortization and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs incurred subsequently to add to or replace part thereof. Recognition of costs in the carrying amount of an item of property and equipment ceases when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Upon the transfer of exploration and evaluation assets to property and equipment under Mining assets under construction, all subsequent expenditures on the construction, installation or completion of equipment and infrastructure facilities are capitalized within Mining assets under construction. When development stage is completed, all assets included in the mining assets under construction category are then transferred to Mining assets.

Amortization is recognized on a straight-line basis to write the cost to its estimated residual value, with a constant charge over the useful life of the asset. The periods generally applicable are as follows:

	Useful life
Computer equipment	3 years

Equipment under construction will be amortized using the straight-line basis over a period of 10 years when it will be ready for use.

The amortization expense for each period is recognized in profit or loss except for certain items of property and equipment related to exploration and evaluation activities where the amortization expense is included in the carrying amount of an exploration and evaluation asset when it relates to a specific exploration and evaluation project.

The residual value, amortization method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

4.9Intangible assets

Patents and intellectual property are intangible assets measured at historical cost less accumulated amortization and accumulated impairment losses, if any. The cost of patents consists of the cost of patent applications. The cost of intellectual property is initially comprised of the acquisition cost. Amortization is calculated on a straight-line basis over the estimated useful life of the patent and intellectual property, which is twenty years. The amortization period and amortization method are reviewed annually and adjusted prospectively as required.

4.10 Impairment of exploration and evaluation assets, property and equipment and intangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment. Intangible assets that are not yet ready for use must be tested for impairment annually.

Impairment reviews for exploration and evaluation assets are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment reviewis undertaken when indicators of impairment arise, but typically when one of the followingcircumstances apply:

- The right to explore the areas has expired or will expire in the near future with no expectation ofrenewal;
- No further exploration or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made todiscontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditurecarried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.11Assets held for distribution to the owners

Non-current assets classified as held for distribution to the owners are presented separately and are measured at the lower of their carrying amount immediately prior to their classification as held for distribution to the ownersand their fair value less costs to sell.

4.12 Provisions and contingent liabilities

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.Provisions are measured at the estimated expenditure required to settle the present obligation,based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

4.12 Provisions and contingent liabilities (continued)

Provisions are discounted when the time value of money is significant. The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. No provision was recognized in the consolidated statements of financial position at September 30, 2018 and December 31, 2017.

4.13 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 "Income Taxes" specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

Tax related to flow-through placements

According to the provisions of tax legislation relating to flow-through placements, the Company has to transfer its right to tax deductions for expenses related to exploration activities to the benefit of the investors. When the Company has fulfilled its obligation to transfer its right, which happens when the Company has incurred eligible expenditures and has renounced or has the intention to renounce to its right to tax deductions, a deferred tax liability is recognized for the taxable temporary difference that arises from difference between the carrying amount of eligible expenditures capitalized in the statement of financial position and its tax basis.

4.14 Equity

Share capital represents the amount received on the issue of shares. If shares are issued when share options, broker's options, broker's warrants, broker's units or warrants are exercised, the Share capital account also comprises the compensation costs or the value of the stock options, broker's options, warrants or broker's warrants previously recorded as Contributed surplus. In addition, if the shares are issued as consideration for the acquisition of a mineral property and other non-monetary assets, the shares were measured at fair value according to the quoted price on the day of the conclusion of the agreement.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Flow-through placements

Issuance of flow-through unitsrepresents in substance an issue of common shares, warrants and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as liability related to flow-through shares in the statement of financial position. The proceeds received from flow-through units are allocated between share

capital, warrants and the liability related to flow-through shares using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants according to the fair value at the date of issuance and the residual proceeds are allocated to the liability related to flow-through shares. The fair value of the warrants is determined using the Black-Scholes valuation model. The liability related to flow-through shares recorded initially on the issuance of units is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

Other elements of equity

Contributed surplus includes charges related to share options, broker's options, broker's units, warrants and broker's warrantsuntil such options and warrants are exercised. When they are cancelled or expired, the related compensation cost is transferred in decrease of retained deficit. When options and warrants are exercised, the related compensation cost is transferred to share capital.

Retained deficit includesall current and prior period retained profits or losses, plus issuance costs, net of any underlying income tax benefit from these issuance costs and compensation related to options and warrants cancelled or expired, transferred from Contributed surplus.

4.15 Equity-settled share-based payments

The Company operates equity-settled share-based payment plan for its eligible directors, officers, employees and consultants. TheCompany's plan does not feature any option for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measured the fair value of the services rendered by reference to the fair value of the equity instruments granted.

4.15 Equity-settled share-based payments (continued)

All equity-settled share-based payments (except broker's warrants,unit broker's andbroker's options) are ultimately recognized as an expense in profit or loss or capitalized as exploration and evaluation assets, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to contributed surplus, in equity.

The expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment was made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

4.16 Segmental reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the Chairman and the Board of Directors. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

4.17 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company'sconsolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

5.1 Significant management judgments

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements.

Recognition of deferred income tax assets and measurement on income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 4.13).

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meets its liabilities for the ensuing year,and to fund planned and contractual exploration programs,involves significant judgment based on historical experience andother factors including expectationof future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

5.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in any cases (see Note 4.10).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either future exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

See Notes 6 and 8 for the exploration and evaluation assets impairment analysis and assets held for distribution to the owners.

During the period, the Company recognized to profit or loss a write-off of exploration and evaluation assets of nil ($278,810 for the year ended December 31, 2017) and the assets held for distribution to the owners of $589,592 as at December 31, 2017. No reversal of impairment losses has been recognized for the reporting periods.

The remaining properties have not been tested for impairment as the Company has the ability to retainproperties as it has sufficient financial resources to meet its short-term obligations and expenditures are programmed over Future exercises. The rights to prospect for these properties will not expire in the near future and work has been carried out on these properties over the past three years.

Impairment of property, plant and equipment and intangible assets

An assessment of the facts and circumstances demonstrating the existence of any indication that an asset may have depreciated or recovered is a subjective process that involves judgment and often a number of estimates and assumptions.

Impairment of property, plant and equipment and intangible assets (continued)

In assessing impairment, management estimates the recoverable amount of each cash-generating asset or unit based on future cash flows and uses an interest rate to discount them. The uncertainty in the estimates is related to assumptions about future operating results and the determination of an appropriate discount rate. In As at September 30, 2018, $765 ($1,019 for the year ended December 31, 2017) was recorded on theproperty and equipment and no impairment on intangible assets.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options, broker's options, broker's units, broker's warrants and warrants granted and the time of exercise of those share options and warrants. The model used by the Company is the Black-Scholes valuation model (see Notes 14.2, 14.3, 14.4, 14.5 and 15.2).

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability and provisions involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are source of estimation uncertainty (see Note 24).

Royalties payable

Management uses its judgment to estimate the amount of royalties payable under the PUREVAP™ technology acquisition agreement (see Note 10). Unvertainty in estimates is relted to net revenue assumptions and the dertminantion of a suitable discount rate.

Tax credits receivable

The calculation of the Company's refundable tax credit on qualified exploration expenditure incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods. See Note 4.6 for more information.

6. ASSETS HELD FOR DISTRIBUTION TO THE OWNERS

The Company plans to sell its gold projects to its BGF subsidiary. These transfers should be paid by the issuance of common shares of BGF at a price of $0.10 each.

The Company also plans to grant BGF a right to explore and extract base and precious metals, other than quartz, on its Roncevauxproperty in consideration of a royalty of 5% (NSR) and the issue by BGF of 100,000 common shares of its share capital at a price of $0.10 each. This NSR may be redeemed in part by BGF by paying to the Company$100,000 for each 0.1% to a maximum of 4%.

These transactions will have to be accepted by the shareholders and materialized through a plan of arrangement under the Canada Business Corporations Act.

BGF has begun the process of listing on the TSX Venture Exchange ("TSX-V") and is consideringentering into a minimum funding of $550,000. HPQ expects to distribute approximately 80% of the shares ithas received from BGF to its shareholders, based on the approval already received from its shareholders at itsannual meeting in June 2016.

Property Beauce Placer

The Company holds a 100% interest in 152 claims (23 claims as at December 31, 2016).During the previous year, the Company purchased the royalty of 3.5% NSR on 5 claims for the amount of $50,000 in cash.

On October 8, 2014, the Company signed a definitive agreement transaction with Fancamp Exploration Ltd. (''Fancamp'')for the purchase of 29 claims located in the municipality of Saint-Simon-les-Mines in the region of Beauce in Quebec. Following the approval of regulatory authorities on January 22, 2015, the Company issued 8,000,000 units (for a total value of $591,762), each unit consisting of one common share and one warrant.

The Company must assume the payment to a third party of a royalty of 1.5% of which, at the option of the Company, 1% will be redeemable for an amount of $1,000,000.

The carrying value of the exploration and evaluation assets included in this transaction has been reclassified under the Assets held for distribution to the owners' category in the near termfor an amount of $1,505,000. During the last year, the management wrote off $589,592 to present exploration and evaluation expenses at fair value in accordance with a 43-101 technical report.

The note payable that will be part of these transactions has been reclassified in the short-term category of the note payable classified for distribution to the owners.

7. INSTALLMENTS ON DUE TO A COMPANY, TO DIRECTORS, OFFICERS AND COMPANIES OWNED BY A DIRECTOR OR AN OFFICER AND DUE TO DIRECTORS, OFFICERS AND A COMPANY OWNED BY A DIRECTOR

The installments on due are the amounts paid by the Company on the payments due to a company, to directors, officers and companies owned by a director or an officer. These installments have a total nominal value of $510,000 ($127,000 to a company and $383,000 to directors, officers and companies owned by a director or an officer; $510,000 at December 31, 2017 of which $127,000 to a company and $383,000 to directors, officers and companies owned by a director or an officer). On December 23, 2015, the parties have agreed that installments on due are without interest (effective rate of 3%). The creditors have until December 23, 2018 to determine how they wish that the installments on due had to be compensated otherwise compensation must inevitably be made at that time.

The Company due to directors, officers and a company owned by a director salaries and remuneration for a nominal value of $1,380,641($1,380,641 at December 31, 2017). The Company has obtained confirmation for said nominal value of $1,380,641 debts, that they will not request payment thereof prior to 12 months plus one day following December 31, 2017. These amounts are classified as current liabilities of $383,000 and non-current liabilities of $997,641, presented as due to directors, officers and a company owned by a director.

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Balance at January 1st, 2018	Additions	Tax credits	Write-off	Balance at September 30, 2018
	$	$	$	$	$
Quebec					
RoncevauxProperty					
Mining rights	14,185	-	-	-	14,185
Exploration and evaluationexpenses	850,027	11,975	-	-	862,002
	864,212	11,975	-	-	876,187
Martinville Property					
Mining rights	1,209	-	-	-	1,209
Exploration and evaluationexpenses	260,835	-	-	-	260,835
	262,044	-	-	-	262,044
Carrière Montpetit Property					
Mining rights	673	-	-	-	673
Exploration and evaluationexpenses	5,126	-	-	-	5,126
	5,799	-	-	-	5,799
Drucourt Property					
Mining rights	658	-	-	-	658
Exploration and evaluationexpenses	128,359	-	-	-	128,359
	129,017	-	-	-	129,017
MalvinaProperty					
Mining rights	220	-	-	-	220
Exploration and evaluationexpenses	5,126	-	-	-	5,126
	5,346	-	-	-	5,346
Silica-other Property					
Mining rights	3,586	-	-	-	3,586
Exploration and evaluationexpenses	12,251	-	-	-	12,251
	15,837	-	-	-	15,837

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at January 1st, 2018	Additions	Tax credits	Write-off	Balance at September 30, 2018
	$	$	$	$	$
Other-BeauceProperty					
Mining rights	3,105	-	-	-	3,105

	Balance at January 1st, 2018	Additions	Tax credits	Write-off	Balance at September 30, 2018
Sommary					
Mining rights	23,636	-	-	-	23,636
Exploration and evaluationexpenses	1,261,724	11,975	-	-	1,276,699
	1,285,360	11,975	-	-	1,297,335

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Balance at January 1st, 2017	Additions	Tax credits	Write-off	Balance at December 31, 2017
	$	$	$	$	$
Quebec					
RoncevauxProperty					
Mining rights	9,219	4,966	-	-	14,185
Exploration and evaluationexpenses	92,736	757,291	-	-	850,027
	101,955	762,257	-	-	864,212
Martinville Property					
Mining rights	440	769	-	-	1,209
Exploration and evaluationexpenses	260,835	-	-	-	260,835
	261,275	769	-	-	262,044
Carrière Montpetit Property					
Mining rights	440	233	-	-	673
Exploration and evaluationexpenses	5,126	-	-	-	5,126
	5,566	233	-	-	5,799
Drucourt Property					
Mining rights	658	-	-	-	658
Exploration and evaluationexpenses	128,359	-	-	-	128,359
	129,017	-	-	-	129,017
MalvinaProperty					
Mining rights	220	-	-	-	220
Exploration and evaluationexpenses	5,126	-	-	-	5,126
	5,346	-	-	-	5,346
Silica-other Property					
Mining rights	40,563	-	-	(36,977)	3,586
Exploration and evaluationexpenses	12,251	-	-	-	12,251
	52,814	-	-	(36,977)	15,837

(in Canadian dollars)

8. EXPLORATION AND EVALUATION ASSETS (continued)

	Balance at January 1st, 2017	Additions	Tax credits	Write-off	Balance at December 31, 2017
	$	$	$	$	$
Other Property					
Mining rights	15,225	-	-	(15,225)	-
Other-BeauceProperty					
Mining rights	61,172	-	-	(58,067)	3,105
Bellechasse-Timmins Gold Property					
Mining rights	101,112	-	-	(101,112)	-
Exploration and evaluationexpenses	37,189	30,241	-	(67,430)	-
	138,301	30,241	-	(168,542)	-
Sommary					
Mining rights	229,049	5,968	-	(211,381)	23,636
Exploration and evaluationexpenses	541,622	787,532	-	(67,430)	1,261,724
	770,671	793,500	-	(278,811)	1,285,360

All write-offs are included within Write-off of exploration and evaluation assets in profit or loss.

During the last year, management written-off mining rights for the Silica-otherProperty, OtherProperty, Bellchasse-TimminsPropertyand Other-BeauceProperty for following reason: abandon of mining claims.

8. EXPLORATION AND EVALUATION ASSETS (continued)

Quebec

Bellechasse-Timmins GoldProperty

During the last year, the Company has written off this property.

Other-BeauceProperty

During the last year, the Company has written off this property.

DrucourtProperty

The Company holds a 100% interest in 8 claimsacquired by staking.

RoncevauxProperty

The Company holds a 100% interest in 33 claims (33 claims as at December 31, 2017) acquired by staking.

MalvinaProperty

The Company holds a 100% interest in 2 claims acquired by staking.

MartinvilleProperty

The Company holds a 100% interest in 12 claims (12 claims as at December 31, 2017) acquired by staking.

CarrièreMontpetitProperty

The Company holds a 100% interest in 4 claims acquired by staking.

Silica-otherProperty

On March 5, 2015 the Company acquired 8 claims by the issuance of 400,000 units (for a total amount of $36,053). Each unit is consisting of one common share and one warrant. During the last year, the Company has written off this property.

Also, the Company holds a 100% interest in 16 claims (16 claims as at December 31, 2017) acquired by staking.

Other Property

On December 22, 2015, the Company acquireda 100% interest in 4 claims (Châteaux Richer property, located in the township of Côte de Beaupré).

(in Canadian dollars)

9. PROPERTY AND EQUIPMENT

Property and equipment of the Company are composed of computer equipment and assets under construction.The carrying amount is set out as follows:

	Property and equipment		
	Computer equipment	Equipment under construction	Total
	$	$	$
Gross carrying amount			
Balance at January 1st, 2018	3,058	1,266,800	3,329,499
Additions	-	731,600	731,600
Balance at September 30, 2018	3,058	3,998,400	4,001,458
Accumulated depreciation			
Balance at January 1st, 2018	1,359	-	1,359
Depreciation	765	-	765
Balance at September 30, 2018	2,124	-	2,124
Carrying amount at September 30, 2018	934	3,998,400	3,999,334

	Property and equipment		
	Computer equipment	Equipment under construction	Total
	$	$	$
Gross carrying amount			
Balance at January 1st, 2017	3,058	1,672,000	1,675,058
Additions	-	1,594,800	1,594,800
Balance at December 31, 2017	3,058	3,266,800	3,269,858
Accumulated depreciation			
Balance at January 1st, 2017	340	-	340
Depreciation	1,019	-	1,019
Balance at December 31, 2017	1,359	-	1,359
Carrying amount at December 31, 2017	1,699	3,266,800	3,268,499

All depreciation and amortization expenses are presented in Amortization of property and equipment.

10. INTANGIBLE ASSETS

(in Canadian dollars)

The Company acquired the technology PUREVAP™ for the transformation of quartz into silicon metal high purity. Pursuant to the purchase agreement, the Company is committed to pay to the seller the greater of an annual royalty equal to 10% of the net revenues (as defined in the agreement) generated from the exploitation of the acquired technology or the minimum annual amounts per the agreement. The minimum annual amounts under the agreement are as follows:

	$
2018	150,000
2019	200,000
2020 and after	250,000

The intellectual property and its related liability, royalties payable, were recognized upon acquisition for a total amount of $815,427 and were calculated based on estimated cash flows under the agreement over a period of 20 years at a rate of 22%. The amount of $50,000 recorded as a deposit in 2015 was reversed at the cost of the intellectual property. During the last year, an amount of $1,000,000 paid in cash was also recorded at the cost of the intellectual property.

The Company's intangible assets include patents and intellectual property. The carrying amount is as follows:

	Intangible assets		
	Patents	Intellectual property	Total
	$	$	$
Gross carrying amount			
Balance at January 1st, 2018	39,739	2,165,427	2,205,166
Additions	67,002	267,300	334,302
Balance at September 30, 2018	106,741	2,432,727	2,539,468
Accumulated depreciation			
Balance at January 1st, 2017 and at September 30, 2018	-	-	-
Carrying amount at September 30, 2018	106,741	2,432,727	2,539,468

10. INTANGIBLE ASSETS (continued)

(in Canadian dollars)

	Intangible assets		
	Patents	Intellectual property	Total
	$	$	$
Gross carrying amount			
Balance at January 1st, 2017	32,635	1,865,427	1,898,062
Additions	7,104	300,000	307,104
Balance at December 31, 2017	39,739	2,165,427	2,205,166
Accumulated depreciation			
Balance at January 1st, 2017 and at December 31, 2017	-	-	-
Carrying amount at December 31, 2017	39,739	2,165,427	2,205,166

All amortization expense will be reported in Amortization of intangible assets at the time the technology will be ready to be used.

11. TRADE AND OTHER PAYABLES

	September 30, 2018	December 31 2017
	$	$
Trade accounts	146,796	60,379
Other	88,767	110,376
	235,563	170,755

12. NOTE PAYABLE CLASSIFIED FOR DISTRIBUTION TO THE OWNERS

On February 6, 2012, the Company signed an estate mortgage to secure a loan for a sum of $180,000 bearing interest at compound rate of25% annually and secured by the land on Beauce Placer’s property.On June 30, 2014, the Company signed a new note payable of $50,000 for unpaid interest on capital. On January 6, 2015, the Company extended the maturity of the note of a value of $230,000 until February 6, 2017. During the year 2016, the Company repaid the $50,000 note. On October 6, 2017, the Company agreed with the Mortgage to extend the term to July 31, 2019.

13. DEBENTURE

In August 2018, the Company completed the offering of an unsecured convertible debenture in the amount of

(in Canadian dollars)

$ 1,800,000 bearing interest at an annual rate of 5%, compounded monthly and payable on the debenture maturity date of August 20, 2023. Jointly, the Company issued 15,000,000 warrants. Each warrant entitles the holder thereof to purchase one common share at a price of $ 0.17 per share, until August 20, 2021 (see note 14.2). The principal of that debenture is convertible, in all time, at the option of the holder, into common shares of the Company at a price of $ 0.12 per share. At the date of conversion or of maturity, the unpaid interests will be converted into common shares of the Company at a price equal to the lowest discounted market price permitted by the policies of the TSX Venture Exchange, conditionally upon the exchange approval. Failing obtening such approval, the interests will be payable in cash. Effective August 21, 2021, the Company may refund the convertible debenture in cash and all unpaid interests by paying a 20% annual compounded return on the debenture capital. The effective interest rate for the accounting of that convertible debenture is 12.16%.

	$
Issuance of convertible debenture	1,800,000
Issuance costs of convertible debenture	(147,315)
Equity component of convertible debenture net of costs	(721,547)
Carrying amount at September 30, 2018	931,138

During the period, the Company recorded interest expense in the amount of $ 7,500.

14. EQUITY

14.1 Share capital

The share capitalof the Company consists only of common shares and an unlimited number of shareswithout par value.All shares are participating and are equally eligible to receive dividends and the repayment of capital, and represent one vote each at the shareholder's meeting of HPQ.

	September 30, 2018	December 31, 2017
	Number of shares	Number of shares
Shares issued at the beginning	192,145,349	154,699,336
Private placements (a) (c) (g) (k)	16,250,000	24,401,000
Issuance for the payment of issuance cost of units (g)	-	175 000
Issuance for the payment of accounts payable (b)(d)(e)(h)(i)(j)	450,954	3,279,750
Exercise of warrants	13,437,750	9,424,087
Total shares issued and fully paid	222,284,053	191,979,173
Shares to be issued (f)	-	166,176
Total shares at the end	222,284,053	192,145,349

14.1Share capital (continued)

(a) On February 23, 2017, the Company completed a private financing for an amount of $1,600,000. The Company issued 9,411,766 units consisting of one common share and one warrant. Each full warrant entitles the holder thereof to subscribe for an equivalent number of common shares of the Company at a price of $0.25 per share, during a period of 24 months following the closing of the financing.No amount related to warrants was recorded.

In addition, the Company recorded an amount of $28,305 commission fees as units'issue costs. The Company issued to the agent 166,500 warrants (for a value of $14,792).Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.25 per share for a period of 24 months from the date of closing of the financing and the Company issued to the agent 136,000 warrants (for a value of $12,596).Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.23 per share for a period of 24 months from the date of closing of the financing.No amount related to the warrants was recorded.

(b) On March 3, 2017, the Company has settled a debt supplier of $14,125 by the issuance of 88,280 common shares. No profit or loss was recorded on this transaction.

(c) On March 7, 2017, the Company completed a private financing for an amount of $423,000. The Company issued 2,488,234 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe for an equivalent number of common shares of the Company at a price of $0.25 per share, during a period of 24 months following the closing of the financing.No amount related to the warrants was recorded.

(d) On September 12, 2017, the Company has settled a debt supplier of $28,250 by the issuance of 191,470 common shares. No profit or loss was recorded on this transaction.

(e) On October 2, 2017, the Company has settled a debt supplier of $300,000 by the issuance of 3,000,000 units consisting of one common share and one warrant. Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.20 per share, during a period of 36 months following the closing of the financing. An amount of $15,000 related to the warrants was recorded as an increase ofcontributed surplusandon profit or loss was recorded on this transaction.

(f) On October 15, 2017, the Company has settled a debt supplier of $14,125 by the issuance of 166,176 common shares.No profit or loss was recorded on this transaction.The common shares are to be issued on December 31, 2017.

(g) On December 7, 2017, the Company completed a private financing for an amount of $1,250,100. The Company issued 12,501,000 units consisting of one common share and onewarrant. Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.15per share, during a period of 36 months following the closing of the financing.An amount of $125,010 related to the warrants was recorded as an increase of contributed surplus.

In addition, as commission costs, the Company recorded an amount of $76,475 commission fees as units'issue costs. The Company issued to the agent 414,750 broker's warrants (for a value of $18,825).Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.15 per share for a period of 36 months from the date of closing of the financing. The Company issued to the agent 175,000 common shares (for a value of $15,750) and 175,000 broker's units (for a value of $17,208). Each unit is composed of one common share and one warrant.Each broker's unit entitles the holder to acquire one common share of the Company at a price of $0.10 per share and each warrant entitles the holder to subscribe to one common shares of the Company at a price of $0.15 per share, for 36 months following the closing of the financing.

14.1Share capital (continued)

(h) On March 1, 2018, the Company has settled a debt supplier of $14,125 by the issuance of 117,708 common shares. No profit or loss was recorded on this transaction.

(i) On April 15, 2018, the Company has settled a debt supplier of $14,125 by the issuance of 156,684 common shares.No profit or loss was recorded on this transaction.

(j) On July 15, 2018, the Company has settled a debt supplier of $14,125 by the issuance of 176,562 common shares.No profit or loss was recorded on this transaction.

(k) On August 20, 2018, the Company completed a private financing for an amount of $1,950,000. The Company issued 16,250,000 units consisting of one common share and onewarrant. Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.17 per share, during a period of 36 months following the closing of the financing.An amount of $487,500 related to the warrants was recorded as an increase of contributed surplus.

During the period ended September 30, 2018, 13,437,750 common shares were issued following the exercise of warrants. The weighted average share price at the exercise was $0.07 per share

14.2 Warrants

During the month of June, the Company has put in place an incentive program to encourage the exercise of 6,674,600 of its outstanding warrants . The warrants gave to the holder thereof the right to purchase one common share at the price of $0.07 per of which 3,034,000 warrants were exercisable until August 27, 2018 and 3,640,600 warrants until December 24, 2018. In accordance with the Incentive Program which started June 18, 2018 and terminated July 17, 2018, for a twenty-nine-day period,upon exercise of each warrant at the price of $0.07 per share, the holder thereof received one common share and an additional warrant giving the right to subscribe for one common share at the price of $0.17 per share during the period of 18 months following the date of the issuance of the such warant. In connection with the incentive program , 4,152,000 warrants were exercised for gross proceeds of $ 290,640. The Company recorded an amount of $87,200 as shareholders' equity instruments when the warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained deficit.

During the month of August 2018, the Company completed the offering of an unsecured convertible debenture and simultaneously issued 15,000,000 warrants. Each of the warrants entitles the holder thereof to purchase one common share at a price of $ 0.17 per share. The Company recorded an amount of $631,676 as shareholders' equity instruments when the warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained deficit.

For this period, the Company recorded an amount of $718,876 (nil as at December 31, 2017) as shareholders' equity instruments when the warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained deficit.

14.2 Warrants (continued)

The weighted average fair value $0.038 (nil as at December 31, 2017) of the warrants granted was estimated on the grant date using the Black-Scholes option pricing model, based on the following weighted average assumptions:

(in Canadian dollars)

	2018
Average share price at date of grant	$0.088
Expected Dividends yield	0 %
Expected weighted volatility	96%
Average risk-free interest rate	2.03 %
Expected average life	2.67 years
Average exercise price at date of grant	$0.17

The underlying expected volatility was determined by reference to historical data the Company shares over the expected average life of the warrants.

Outstanding warrants entitle their holders to subscribe to an equivalent number of common shares, as follows:

	September 30, 2018		December 31, 2017	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning of reporting year	75,233,370	-	57,396,956	-
Granted	35,402,000	0.17	27,401,000	0.20
Exercised	(13,437,750)	0.07	(9,424,087)	0.07
Expired	(7,808,500)	0.27	(140,499)	0.10
Balance, end of reporting period	89,389,120	-	75,233,370	-

14.2 Warrants (continued)

(in Canadian dollars)

Outlined below are theoutstanding warrants which could be exercised for an equivalent number of common shares:

	September 30, 2018		December 31, 2017	
Expiration date	Number	Exercise price	Number	Exercise price
		$		$
February, 2018	-	-	1,800,000	0.07
March, 2018	-	-	1,462,500	0.35
June, 2018	-	-	3,740,750	0.07
July, 2018	-	-	6,200,000	0.25
August, 2018	-	-	5,959,000	0.07
October, 2018	2,840,909	0.30	2,840,909	0.30
December, 2018	4,922,000	0.07	7,006,000	0.07
December, 2018	6,448,211	0.25	6,448,211	0.25
February, 2019	4,375,000	0.12	4,375,000	0.12
February, 2019	9,411,766	0.25	9,411,766	0.25
March, 2019	2,488,234	0.25	2,488,234	0.25
January, 2020	4,152,000	0.17	-	-
January, 2020	8,000,000	0.30 to 0.40	8,000,000	0.30 to 0.40
October, 2020	3,000,000	0.20	3,000,000	0.20
December, 2020	12,501,000	0.15	12,501,000	0.15
August, 2021	31,250,000	0,17	-	-
	89,389,120	-	75,233,370	-

14.3 Broker's options

Outstanding broker's options entitle their holder to subscribe to an equivalent number of common shares, as follows:

	September 30, 2018		December 31, 2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning of reporting year	89,172	0.14	89,172	0.14
Expired	(89,172)	0.14	-	-
Balance, end of reporting period	-	-	89,172	0.14

(in Canadian dollars)

14.3 Broker's options (continued)

Outlined below are the outstanding broker's options which could be exercised for an equivalent number of commonshares:

	September 30, 2018		December 31, 2017	
Expiration date	Number	Exerciseprice	Number	Exercise price
		$		$
July, 2018	-	-	89,172	0.14
	-	-	89,172	0.14

14.4 Broker's warrants

Outstanding the broker's warrants entitle their holder to subscribe to an equivalent number ofcommon shares, as follows:

	June 30, 2018		December 31,2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning of reporting year	752,690	0.19	35,440	0.25
Granted	-	-	717,250	0.19
Balance, end of reporting year	752,690	0.19	752,690	0.19

For the last year, the Company recorded an amount of $46,213 as shareholders' equity instruments when the broker's warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained deficit.

(in Canadian dollars)

14.4Broker's warrants (continued)

The weighted average fair value $0.064 of the broker's warrants granted was estimated on the grant date using the Black-Scholes option pricing model, based on the following weightedaverage assumptions:

	2017
Average share price at date of grant	$0.13
Expected dividend yield	0%
Expected weighted volatility	99%
Average risk-free interest rate	1.30%
Expected average life	2.58 years
Average exercise price at date of grant	$0.19

The underlying expected volatility was determined by reference to historical data the Company shares over the expected average life of the broker's warrants.

Outlined below are the outstanding broker's warrants which could be exercised for an equivalent number of ordinary shares:

	September 30, 2018		December 31, 2017	
Expiration date	Number	Exerciseprice	Number	Exercise price
		$		$
December, 2018	35,440	0.25	35,440	0.25
February, 2019	302,500	0.24	302,500	0.24
December, 2020	414,750	0.19	414,750	0.19
	752,690	0.19	752,690	0.19

14.5 Broker's units

Broker's units during the year 2017 entitle the holder to subscribe at a price of $0.10 to an equivalent number of units composed of one common share and one warrant.Each warrant entitles the holder to subscribe to one common shares of the Company at a price of $0.15 per share, for 36 months following the closing of the financing.

(in Canadian dollars)

14.5 Broker'sunits (continued)

Broker's units are detailed as follows:

	September 30, 2018		December 31, 2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning of reporting year	261,000	0.13	86,000	0.19
Granted	-	-	175,000	0.10
Expired	(86,000)	0.19	-	-
Balance, end of reporting year	175,000	0.10	261,000	0.13

For the last year, the Company recorded an amount of $17,208 as issuance cost of equity instruments when the broker's units were grantedand was recorded as an increase to contributed surplus and a decrease to retained deficit.

The weighted average fair value of $0.053 of the broker's units granted was estimated on the grant date using the Black-Scholes option pricing model based on the following weightedaverage assumptions:

	2017
Average share price at date of grant	$0.09
Expected dividend yield	0%
Expected weighted volatility	97%
Averagerisk-free interest rate	1.71%
Expected average life	3.0 years
Average exercise price at date of grant	$0.10

The underlying expected volatility was determined by reference to historical data the Company shares over the expected average life of the broker's units.

Broker's units are detailed as follows:

	September 30, 2018		December 31, 2017	
Expiration date	Number	Exerciseprice	Number	Exerciseprice
		$		$
March, 2018	-	-	86,000	0.19
December, 2020	175,000	0.10	175,000	0.10
	175,000	0.10	261,000	0.13

(in Canadian dollars)

15. EMPLOYEE REMUNERATION

15.1 Salaries and employee benefits expense

Salaries and employee benefits expense are analysed below:

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
	$	$	$	$
Salaries and benefits	59,636	59,938	196,735	197,068
Managements fees	37,500	37,500	112,500	112,500
Remuneration of director	10,500	10,500	53,500	41,500
Salaries and employee benefit expenses	107,636	107,938	362,735	351,068

15.2 Share-based payments

On September13, 2016, the Company adopted a new share-based payment plan under which the Board of Directors may award to directors, officers, employees and consultants, share options entitling its holder to purchase common shares of the Company. The maximum number of shares issuable under the plan is 14,000,000 common shares (14,000,000 as at December 31, 2017).

The exercise price of each share option is determined by the Board of Directors and cannot be less than the market price of common shares as defined by TSX Venture Exchange policies on the day prior the award, and the term of the options cannot exceed ten years.

The maximum number of common shares that can be issued to a beneficiary, during any 12-month period is limited to 5% of issued and outstanding shares.

The maximum numbers of shares that can be issued toa consultant during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the share options granted to consultants performing investor relations activities maybe exercised by stages over a 12-month periodafter the grant, at a rate of 25% per quarter.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle theshare options in cash.

(in Canadian dollars)

15.2 Share-based payments (continued)

The Company's share options are as follows for the reporting periods presented:

	September 30, 2018		December 31, 2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Outstanding,beginning of reporting year	13,200,000	0.18	11,650,000	0.19
Granted	-	-	3,500,000	0.12
Expired	(800,000)	0.14	(1 950 000)	0.12
Outstanding, end of reporting period	12,400,000	0.19	13,200,000	0.18
Exercisable, end of reporting period	12,400,000	0.19	13,200,000	0.18

The table below summarizes the information related to outstanding share options as at September 30, 2018:

Outstanding options		
Number of options	Weighted average exercise price	Weighted average remaining contractual life
	$	(years)
3,200,000	0.07	1.95
3,500,000	0.12	4.25
100,000	0.15	2.73
400,000	0.19	3.00
5,200,000	0.30	3.01
12,400,000	0.19	3.08

(in Canadian dollars)

15.2 Share-based payments (continued)

The table below summarizes the information related to outstanding share options as at December 31, 2017:

Outstanding options		
Number of options	Weighted average exercise price	Weighted average remaining contractual life
	$	(years)
3,200,000	0.07	2.70
3,800,000	0.12	4.64
600,000	0.15	0.97
400,000	0.19	3.75
5,200,000	0.30	3.76
13,200,000	0.18	3.63

The weighted fair value of the granted options of $0.072 as at December 31, 2017 was determined using the Black-Scholes option pricing model, based on the following weighted average assumptions:

	2017
Average share price at date of grant	$0.10
Expected dividend yield	0%
Expected weighted volatility	100%
Average risk-free interest rate	1.82%
Expected average life	5 years
Average exercise price at date of grant	$0.12

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the share options. No special features inherent to the share options granted were incorporated into measurement of fair value.

In total, an amount of $253,493 as at December 31, 2017 of employee remuneration expenses (all of which related to equity-settled share-based payment transactions) were included in profit or loss ($228,144 as salaries and employee benefits expense and $25,349 as professional and consultation fees as at December 31, 2017) and credited to contributed surplus.In addition, the Company granted 500,000 options to a consultant for a total value of $32,708 as at December 31, 2017.

An amount of $16,354 as at December 31,2017 was recorded in profit or loss and credited to contributed surplus for the 250,000 share options that were acquired during thie last year.

(in Canadian dollars)

16. FAIR VALUE MEASUREMENT

16.1 Financial instruments measured at fair value

The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy levels are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The fair value of the marketable securities in a quoted company was estimated based on the market price at the closing date.

Marketable securities in a quoted company measured at fair value in the consolidated statement of financial position as at September 30, 2018 are classified as Level 1.

16.2 Financial instruments measured at amortized cost for which a fair value is disclosed

The fair value of installments on due to directors, officers and companies owned by a director or officer, installments on due to a company, due to directors, officers and a company owned by a director, officer in non-current, royalties payable and convertible debenture was estimated using an analysis of discounted cash flows with an interest rate for similar financial instruments. The fair value approximates the carrying value at the end of the period. Financial instruments are classified in Level 2 of the fair value hierarchy, except for royalties payable and convertible debenture which are classified in Level 3 of the fair value hierarchy.

17. OTHER OPERATING EXPENSES

Other operating expenses are detailed as follows:

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
	$	$	$	$
Professionnal fees	114,660	121,054	377,263	413,781
Investors relations fees (1)	-	21,750	-	81,604
Traveling expenses	18,059	27,801	51,068	39,658
Office expenses	21,027	15,765	49,374	48,744
Information to shareholders and registration fees	25,795	10,314	59,933	53,988
Bank charges	296	523	1,474	2,384
Change in the present value of the installments on due to a company, at the effective rate (2)	-	-	-	1,629
	179,837	197,207	539,112	641,788

(1) including share-basedpayments of $16,354 in 2017

(2) Relating to professional and consultation fees

(in Canadian dollars)

18. FINANCE INCOME AND FINANCIAL COSTS

Finance income may be analyzed as follows for the reporting periods presented:

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
	$	$	$	$
Net change in fair value of marketable securities in a quoted company	(46,730)	(267,250)	(5,069)	302,750
Amortization change in the present value of the installments on due to directors, officers and companies owned by a director or an officer for the effective rate	2,212	2,770	6,783	8,248
Amortization change in the present value of the installments on due to a company, effective rate	941	913	2,802	2,719
Finance income	(43,577)	(263,567)	4,516	313,717

Financial costs may be analyzed as follows for the reporting periods presented:

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
	$	$	$	$
Interest charge on note payable	(11,342)	(11,342)	(34,349)	(33,904)
Interest charge on convertible debenture	(7,500)	-	(7,500)	-
Amortization change of the present value of royalties payable	(54,715)	(44,848)	(164,145)	(134,544)
Amortization change of the present value of the due to directors, officers and companies owned by a director or an officer for the effective rate	(2,240)	(5,774)	(8,251)	(17,236)
	(75,797)	(61,964)	(214,245)	(185,684)

(in Canadian dollars)

19. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, dilutive potential common shares such as warrants, agent's options, broker's warrants, broker's units and share options have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details ofshare optionsand warrants issued that could potentially dilute earnings per share in the future are given in Notes 14.2 to 14.5 and 15.2.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss were necessary in 2018 and 2017.

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
Net loss attributable to common shareholders	(470,294)	(679,765)	(1,252,125)	(1,177,873)
Weighted average number of outstanding shares	205,190,147	169,819,022	197,778,225	167,186,813
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.00)

20. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

	As at September 30,	
	2018	2017
	$	$
Goods and services tax receivable	(105,670)	229,657
Prepaid expenses	(63,734)	109,767
Deposit on contract	(1,950,000)	-
Advance for exploration expenses	-	45,600
Trade and other payables	99,309	(13,622)
	(2,020,095)	371,402

Non-cash balance sheet transactions are detailed as follows:

	2018	2017
	$	$
Issuance of shares for payment of an account payable	42,375	42,375
Issuance of equity instruments for issuance cost of units	-	27,388
Issuance of equity instruments for issuance of the warrants	718,876	-
Trade and other payables included in exploration and evaluation assets	6,577	54,129
Trade and other payables included in Property and equipment	-	265,800
Trade and other payables included in intangible assets	7,209	300,000

(in Canadian dollars)

21. RELATED PARTY TRANSACTIONS

The Company's related parties include key management and a company held by a director or an officer, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

21.1 Transactions with key management personnel

Key management personnel of the Company are members of the Board of Directors and officers. Key management personnel remuneration includes the following expenses:

	Quarter ending September, 30		Nine-month ending September, 30	
	2018	2017	2018	2017
	$	$	$	$
Short-term employee benefits				
Salaries and benefits	59,636	59,938	196,735	197,068
Managements fees	37,500	37,500	112,500	112,500
Remuneration of director	10,500	10,500	53,500	41,500
Consultation fees	14,200	-	14,200	-
Total remuneration	121,836	107,938	376,935	351,068

On September 30, 2018, the installments to directors, officers and companies owned by a director or an officer total $380 775 ($373,992 as at December 31, 2017) (see Note 7).

Trade and other payables include and amount of $2,759 due to directors and to a company owned by a director ($27,895 as at December 31, 2017).

On September 30, 2018, due to directors, officers and acompany owned by a director total $1,431,889 ($1,370,138 as at December 31, 2017).

22. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to owners of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues a flow-through placement for which an amount should be used for exploration work. See all the details in Note 24.

The Company finances its exploration and evaluation activities mainly by seeking additional capital either through private placements or public placements. When funding conditions are not optimal, the Company can sign option agreements or other agreements to be able to continue its exploration and evaluation activities or can slow down its activities until conditions funding improves.

23. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks are marketrisk, credit risk and liquidity risk.

The Company risk management is coordinated in close cooperation with the Board of Directors. The Company's risk management focuses on actively securing the Company short-term to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

23.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is exposed to other price risk.

Other price risk sensitivity

The Company was exposed to fluctuations in the market prices of its holding marketable securities in a quoted company. The maximum risk to which the shares were exposed is equal to their fair value.

If the quoted share price for these shares had changed by ± 15% as at September 30, 2018 (± 13% as at December 31, 2017), the profit or loss and equity would have changed by $45,000 ($51,857 as at December 31, 2017).

23.2 Credit risk

Credit risk is the risk than another party to a financial instrument fails to its obligations and, therefore, leads the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of cash, instalments on due to a company and installments on due to directors, officers and companies owned by a director or an officer for an amount of $1,343,904 as at September 30, 2018 ($811,346 as at December 31, 2017).

The credit risk for installments on due to a company and installments on dueto directors, officers and companies owned by a director or an officer is considered limited. The Company continuously monitors default of counterparties. No impairment loss has been recognized in the periods presented.

The Company's management considers that all the above financial assets, for each of the reporting dates under review are of good credit quality.

The credit risk for cash is considered negligible, since the counterparty is a reputable bank with high quality external credit ratings.

23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations with financial liabilities that are settled by cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the period, the Company has financed its exploration programs, its working capital requirements and acquisitions of mining properties through private placements.

The Company expects to respect its obligations with its cash flows related to placements.

23.3 Liquidity risk (continued)

Trade and other payables for an amount of $235,563 ($170,755 as at December 31, 2017), the note payable classified for distribution to the owners for an amount of $180,000 ($180,000 as at December 31, 2017), the due to directors of $53,500 (nil as at December 31,2017) and royalties payable in the current liabilities of $150 000 ($150 000 as at December 31, 2017) (see Note 10) have contractual maturities ofless than twelve months. The due to directors, officers and a company owned by a director of $1,380,641($1,380,641 as at December 31, 2017) have maturities until December 31, 2018. The convertible debenture including interest of 1,807,500 (nil as at December 31, 2017) has a maturity date to August 21, 2023 For maturities of royalties payable in the non-current liabilities, see Note 10.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash.

24. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through units and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the first of the following dates:

- Two years following the flow-throughfinancings;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

The Company entered into agreements with subscribers whereby the Company had to incur $245,000 of Canadian Exploration Expenses ("CEE") before December 31, 2012. The Company had incurred $163,875 in CEE before December 31, 2012 and an approximate balance of $77,000 of CEE renounced to the investors was not been incurred as at December 31, 2012 and was used for other purposes than exploration expenses. The maximal contingency for the Company, in relation to non-compliance with its obligations with subscribers, is approximately $55,000. As at February 28, 2014, the Company had produced the reductions forms related to the amount of $77,000 in CEE renounced to the investors and that have not been incurred as at December 31, 2012.As at December 31, 2016, an amount of $8,131 pertaining to part XII.6 taxes is included in trade accounts.

The Company entered into agreements with subscribers whereby the Company had to incur $1,245,000 of Canadian Exploration Expenses ("CEE") before December 31, 2017. The Company had incurred $919,296 in CEE before December 31, 2017 and an approximate balance of $293,000 of CEE renounced to the investors was not been incurred as at December 31, 2017 and was used for other purposes than exploration expenses. The maximal contingency for the Company, in relation to non-compliance with its obligations with subscribers, is approximately $220,000. As at February 28, 2018, the Company has produced the reductions forms related to the amount of $293,000 in CEE renounced to the investors and that have not been incurred as at December 31, 2017. As at December 31, 2017, an amount of $40,482 pertaining to part XII.6 taxes is included in trade accounts.

24. CONTINGENCIES AND COMMITMENTS (continued)

The Company agreed to continue the contract for another year under the same terms and conditions asstipulated inthe agreement signed on July 15, 2014 with AGORACOM. The Companywill issue shares for services rendered by AGORACOM in exchange for the online advertising, marketing and branding services. The number of shares to be issued at the end of each period will be determined by using the closing price of the shares of the Company on the TSX Venture Exchange at the date of issue invoice.The term of the agreement is 12 months starting on July 15, 2017 and the services totalizing $50,000 must be paid by the Company at the end of each quarter for the amount of $12,500 plus TVH.

As at September 30, 2018, in addition to the royalties payable mentioned in Note 10, the Company is committed for the purchase of the pilot equipment which was about $2,540,000 of this amount, a deposit was made $ 1 950 000.

The TSX venture exchange has approved the $ 1,500,000 Equity Line of credit PyroGenesis has granted to the Company. The equity line of credit can only be used to cover unexpected project cost over runs that could potentially occur after then end of planned test period in 2019 until December 31, 2020.

To be acceptable under the terms of the Equity Line of Credit, Cost Over runs shall be considered as such by both Parties and approved before they are incurred. Upon approval, the Company must send a written thirty days (30) notice of it's intent to drawdown the Equity Line of Credit to pay for the Cost Overruns. Once the approved work is completed, PyroGenesis shall remit to HPQ an invoice covering the completed work and the Company will organize the payment of the invoice by means of issuance of common shares of its capital stock, as prescribed by TSX Venture Exchange policies, for a number of shares totalling the amount of the applicable invoice at an issuance price equal to the share quote on the invoice date, less a ten percent (10%) discount.

On November 17, 2017, the Company entered into a service agreement with Apollon Solar in the development of its Silicon SoG production project. Under this agreement, the Company undertakes to pay fees of € 188,000 over a period of 10 months from January, 2018.