ARCTIC STAR EXPLORATION CORP.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE PEROD ENDED JUNE 30, 2018

1.1 DATE OF REPORT August 29, 2018

1.2 OVERALL PERFORMANCE

General

The following Management Discussion and Analysis of Arctic Star Exploration Corp. ("the Company") has been prepared as of August 29, 2018, should be read in conjunction with the audited financial statements for the years ended December 31, 2017 and 2016 and related notes attached thereto, which are prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Description of Business

The Company is a junior natural resource company engaged in the acquisition, exploration and development of mineral properties. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange under the symbol ADD. The Company does not have any subsidiaries.

The Company has yet to receive any revenue from its natural resource exploration operations. Accordingly, the Company has no operating income or cash flows. Its continued existence has relied almost exclusively upon equity financing activities, which is not expected to significantly change in the immediate future.

Forward Looking Information

Certain statements in this Management Discussion and Analysis constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically containing statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose" or similar words suggesting future outcomes or statements regarding, and outlook. Forward-looking statements or information in this Management Discussion and Analysis include, but are not limited to, statements regarding:

- Business objectives, plans and strategies;
- Exploration objectives, plans and strategies; and,
- Certain geological interpretations and expectations.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this Management Discussion and Analysis, assumptions have been made regarding, among other things:

- The ability of the Company to continue to fund its operations through financings, options and joint ventures;
- The ability of the Company to obtain equipment, services and supplies in a timely manner to carry out its activities;
- The level of exploration activities and opportunities;
- The ability of the Company to retain access and develop its mineral claims; and
- Current and future mineral commodity prices.

Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Company can give no assurance that such expectations will prove correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- The ability of management to execute objectives, plans and strategies;
- Exploration, development and operational risks inherent in the mining industry;
- Market conditions;
- Risks and uncertainties inherent in geology and exploration for deposits;
- Potential delays and changes in plans;
- The Company's ability to retain land tenure;
- Uncertainties regarding financings and funding;
- General economic and business conditions;
- Possibility of governmental policy changes;
- Changes in First Nations policies;
- Other risks and uncertainties described within this document.

The forward-looking statements or information contained in this Management Discussion and Analysis are made as of the date hereof and the Company undertakes no obligation to update publically or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.

Significant Acquisitions and Dispositions

Acquisitions

The Company has Diamond and Niobium/Rare Earth exploration properties in North America and diamond exploration in Finland. Through-out the company's history, the prime focus has been diamonds. However, the company has remained opportunity driven and has diversified into other commodities, from time to time. The company also has a policy of joint venturing properties when appropriate. The company acquires projects, either by using the mining law in each particular jurisdiction or by negotiation with other parties. As described below.

Timantti Project, Diamondiferous kimberlite field play, Finland.

The Timantti project owned 100% by the Company, consists of a 243 Ha Exploration Permit and a 193,700 Ha Exploration Reservation in Finland. The exploration permit covers the diamondiferous Wolf Kimberlites on which Arctic plans to evaluate. There is evidence from public data based on diamond indicator minerals in the regional tills that the Wolf kimberlites are part of a larger kimberlite field. The company also plans to explore for more kimberlites in this field.

The Company entered an agreement to acquire a 100% interest in a 243 Ha Exploration Permit over the Black Wolf and the White Wolf diamond-bearing kimberlites (together the "Wolf kimberlites") in northern Finland, through the purchase of Finland company Foriet Oy. The combined regional exploration and diamondiferous kimberlite property has been named the Timantti Project (Timantti is Finnish for "diamond").

The Company has issued 14,500,000 common shares at a deemed price of $0.14 per share for all the right, title and interest to Foriet Oy, a Finnish company that has the 243 Ha Exploration Permit over the Wolf kimberlites in North-Eastern Finland. 10,000,000 of the Arctic Star shares are being issued to Dragon Equities Ltd., a UK company, which indirectly owns Foriet Oy, and 4,500,000 shares are being issued to the beneficial owners of a joint venture partner of Foriet Oy. Foriet Oy has become a wholly owned subsidiary of the Company.

Of the 4,500,000 shares issued to the beneficial owners of a joint venture partner of Foriet Oy, 1,767,858 or 12.2% are being issued to 3 directors of the Company, Patrick Power, Buddy Doyle and Thomas Yingling, for their interest as beneficial owners of a joint venture interest in the Timantti Project granted by Foriet Oy to a private company in 2015.

In addition to the 4 month hold period imposed by securities regulation, all shares issued in the transaction will be subject to a Value Securities Escrow Agreement whereby the shares are released over a 3 year period. Closing of the Share Exchange Agreement has received TSX-V approval.

As part of the due diligence The Company processed 67.55kg of float and core and receive the following encouraging diamond results.

Table 1: Total Micro-diamond assay results for the White Wolf kimberlite

Kimberlite	Sample Weight Kg	+0.106 mm	+0.15 mm	+0.212 mm	+0.3 mm	+0.425 mm	+.60 mm	+.85 mm	+1.18 mm	Total Stones
White Wolf	67.55	70	61	24	15	3	5	0	1	169

- Microlithics Laboratories Inc., of Thunder Bay, ON ("Microlithics") is independent of the issuer, and is not ISO accredited. Kevin Kivi, P.Geo. has audited Microlithics to verify sample preparation and analytical methods for diamond recovery were appropriate.
- SRC of Saskatoon, SK is independent of the Issuer and is ISO accredited.
- There was a chain of custody in use for these samples, supervised by GTK.
- Diamonds results reported using CIM guidelines.

Microdiamonds are used throughout the industry as a predictive guide to commercial diamond grade. Commercial diamond grades can be estimated from relatively small samples by constructing graphs of size (Carats or mm) versus frequency (number of stones). The majority of diamondiferous kimberlites around the world show an exponential relationship between the number of small diamonds and large diamonds, with there being orders of magnitude more small diamonds than large. The goal of total diamond extraction by caustic fusion is to gather enough information to result in a smooth size frequency curve that can give guidance on the commercial (>1.18mm) grade which in turn can help design the size of future bulk samples. Such bulk samples are required to get a more precise grade and an average price per carat estimate, necessary for 43-101 classified resources.

The company applied for and received title on two Exploration Reservations that surrounds and dramatically extends our exploration title. The Exploration Reservations now covers 193,700 Ha and gives the company exclusive right to take out Exploration Permits in the area for two years. There is good evidence based on regional till samples with kimberlitic indicator minerals that there is a larger kimberlite field in the area. The southern reservation extends over 15 kilometers south of the Wolf Kimberlite discoveries and it contains the Kasma group of kimberlites discovered by Sunrise Diamonds in 2006 and were shown to have trace diamonds. It is possible the Kasma kimberlites are part of a large kimberlite field of multiple eruptive events that also includes the Wolf group.

Ground Geophysics commenced in December 2017 and drilling and excavator till sampling and bedrock exposure began. This work has revealed two new kimberlites, the Vassa Dyke swarm and the Grey Wolf kimberlite. Both were discovered by the excavator and have been followed up by drilling. Diamond results have been received from the excavator pits, and these are shown below in Table 2.

Table 2: Caustic Fusion Trench Results Timantti Project

Kimberlite	Sample Weight (Kg1,2,3)	+0.106 mm	+0.15 mm	+0.212 mm	+0.3 mm	+0.425 mm	+.60 mm	+.85 mm	+1.18 mm
Grey Wolf	99.98	28	18	20	8	1	2	0	1
Vasa Dykes	25.74	1	5	5	0	0	0	0	0
White Wolf	67.55	70	61	24	15	3	5	0	1
Total Wolves	**167.53**	**98**	**79**	**44**	**23**	**4**	**7**	**0**	**2**

Notes:

1. *Samples processed at Microlithics Laboratories Inc., of Thunder Bay, ON ("Microlithics"). Microlithics is independent of the issuer*
2. *Dry weights*
3. *The samples followed a chain of custody and were received sealed at the laboratory*

4. *Diamond results as per CIM guidelines*

In total 680m of drilling was completed in Spring 2018 and the results for the drilling completed on the White Wolf kimberlite have been returned. These are shown in Table 3.

Table 3: Caustic Fusion Drill Hole Results White Wolf Kimberlite

Kimberlite	Sample Weight (Kg)	+0.106 mm	+0.15 mm	+0.212 mm	+0.3 mm	+0.425 mm	+.60 mm	+.85 mm	+1.18 mm
White Wolf	409.93	516	253	136	81	27	16	7	5

These results prove that this kimberlite is significantly mineralized in diamond.
Results from the drilling at Black Wolf and Grey Wolf are awaited.

DIAGRAS JV, formerly T-Rex property, Lac De Gras NT

The Company Staked 54,000 Ha of ground in an area previously held by other diamond explorers in the Lac de Gras kimberlite field, 20km North of Diavik and 24 km East of Ekati. The property is surrounded by those leases on three sides. According to the government database there are 13 known kimberlites within the property boundary, discovered by previous workers in the 1990's. Most of these kimberlites only have one drill hole into them, testing the magnetic portion of the kimberlite. Experience has shown that many of the Slave Craton kimberlites are multi-phase volcanic events and often there are other non-magnetic phases present. These would have been missed by the one drill hole into a magnetic anomaly approach.

Kennady Lake diamonds with their recent discoveries around the Faraday and Kelvin kimberlite is a good recent example of the successful use to this strategy.

In 2016, The Company decided to JV this project to Margaret Lake Diamonds (MLD) where MLD earned a 60% interest by posting a bond and keeping the claims in good standing for two years. In the summer of 2017 the JV conducted ground geophysical surveys over several of the known kimberlites. At the Black Spruce target ground magnetics and ground gravity were conducted in the vicinity of the approximate 4 Ha known magnetic Kimberlite. The gravity work revealed a string of gravity lows, made up of three centres to the south of the known target. One in particular is the cause in a break in a Diabase dykes, magnetic signature, which is characteristic of many other kimberlites in the Lac de Gras field. It is our working hypothesis that this gravity lows represent untested yet to be drilled, kimberlite/kimberlites. Also, at the Jack Pine Kimberlite ground magnetic, EM and gravity surveys confirmed that this is a large 1.5km long Kimberlite complex, made up of three previously drilled eruption centers. From our detail ground data there appears to be a coincident gravity and EM anomaly that falls to the west of a magnetic anomaly that has not been drilled tested. The JV is excited that our exploration methodology is generating untested Kimberlite like targets in one of the worlds riches and prolithic Kimberlite fields close to operating mines. The next step is to continue to conduct surveys on the yet to be reviewed known kimberlites and drill test the targets generated in Spring 2018.

Stein Property Nunavut.

The 100 % owned property is located 85 km NW of Taloyoak, Nunavut and consists of 4 contiguous prospecting permits covering an area of 105,637 Ha on the Boothia Peninsula.

The Stein property is an advanced diamond exploration project, with diamond indicator minerals hosting excellent chemistry. The property is complemented by the discovery of distinct geophysical targets immediately up-ice of these mineral grains.

The property was acquired as part of the Company on-going strategic analysis of exploration data in the public domain. The diamond rush, that was triggered by the discovery of the Ekati and Diavik mines in Northern Canada, was curtailed by the Global financial crisis in 2008 and basically completed by 2011 with the rush of capital out of the resource sector. Many highly prospective diamond exploration programs where halted at that time and received little to no advancement afterwards. This is exactly what happened to The Stein property.

Starting in 2004 past diamond explorers conducted extensive regional heavy mineral sampling. This work revealed diamond indicator minerals on the peninsula proving direct evidence that there was a possible kimberlite field in the area. Furthermore, electron microprobing of these indicator mineral grains demonstrated the existence of high Chrome, low Calcium G10 Pyrope garnets that are indicative of the presence of diamonds.

Several iterations of sampling narrowed down the region to a small area believed to be the source of the diamond indicator minerals, at which point airborne magnetic surveys were conducted. The surveys successfully identified discrete circular magnetic anomalies up to 200m in diameter at the up-ice terminus of the diamond indicator minerals. This is good evidence that they were on the cusp of discovering a new kimberlite field. The nearest known kimberlite field is some 250 km away and not believed to be the source of these mineral grains. The company has acquired the existing digital exploration database.

Several years later the Company, by acquiring this ground, is now poised to continue advancing the project area in anticipation of drill testing these magnetic anomalies to determine firstly if they are kimberlites and the source of the diamond indicator mineral trains, and secondly, to take enough sample to get a view of the diamond content.

Redemption project, Lac De Gras NT

In late 2012 the company acquired the "Redemption project" which covers what is now thought to be the source of the diamond mineral indicator trains in till that the company has been investigating since 2004. (Credit Lake Project). After staking the Redemption ground, the Company approached GGL diamonds, owners of the adjacent property and purchased these mining leases (4,200 Ha) for \$50,000 and a 1.5% royalty. This had the effect of consolidating the play. On the 15th of April 2013 the Company mobilised a light drill rig to test up to eight targets on the Redemption project. On the 23rd of April the Company reported that it had attempted to test two EM targets on the property with negative results in part due to the light weight drill rig having difficulty penetrating the overburden. The company decided to curtail the program and test no further targets until more data collection had been completed and the permitting for use of a larger drill rig was completed.

The Company then entered into an option agreement with North Arrow Mineral Inc. ("North") whereby North Arrow could earn 55-per-cent interest in the Redemption property (including the GGL ground), by incurring \$5,000,000 in exploration expenditures prior to July 1, 2017, including a firm commitment to spend \$1,000,000 prior to July 1, 2014. Management felt this was the best way to ensure continued exploration work on the Redemption property whilst decreasing the fiscal risk on our shareholders and at the same time bringing valuable oversight and opinion from the excellent diamond exploration team at North Arrow.

In July 2013 Fugro Airborne Surveys flew a 1,374 km HeliFALCON Airborne Gravity Gradiometer ("AGG") survey in order to highlight isolated gravity anomalies. This type of survey has been successful in locating kimberlites elsewhere in the Lac de Gras field that do not reveal themselves in other data sets, such as magnetics and electromagnetics. This relatively new technology is particularly effective at finding kimberlites as the upper eruptive phases of a kimberlite tend to be less dense (≤2.0-2.5 g/cm3) where as the surrounding country or host rock is more dense (~2.67 g/cm3). Kimberlites identified by the Falcon AGG system on other projects in the NWT appear as circular to sub-circular gravity gradient lows.

The final data set from the Falcon AGG survey was delivered in early September. The Company is pleased to note that the Falcon AGG survey originally delineated 37 anomalies that could be caused by kimberlites. These anomalies are currently being prioritized using the following criteria:

1. Shape, strength and size. Circular or elliptical anomalies that are pipe-like, greater than 30 Eötvös (gravity gradiometry units), that are in the order of 100 m to 800 m in diameter.
2. Those that are on land or, if they are under a lake, the water depth is not sufficient to explain the anomaly.
3. Those gravity anomalies that have coincident magnetic and or electromagnetic anomalies.
4. Those anomalies that are directly up ice of indicator mineral trains. Detailed bathymetry (sonar) data over 13 key lakes that contained gravity anomalies was obtained either from field crews dispatched in September 2013 or by data transfer from GGL.

Christopher Campbell, Geophysicist, has been using the bathymetry data to model the effect of the water (having a density ~1.0 g/cm3). 3D models of the lakes have been constructed, with their gravity gradient responses modeled; if the observed Falcon AGG responses are fully explained by the gravity field of the modeled lake, then the target is significantly downgraded. However, if the water depth does not explain the anomaly partially or completely, then a kimberlite pipe-like body is modeled to best fit the data. This modeling is based on Encom's ModelVision Pro software. This software is unique in that it uses all the outputs from AGG system to optimize the best model fit.

Modeling the bathymetry over the 13 lake targets has resulted in 9 targets that model a kimberlite-like body under the lake. Four targets were eliminated as the water depth explained the gravity response over the lake target. There now remain 32 targets in total, 24 of which have no bathymetry data yet but may be collected in the future.

In addition to the gravity and bathymetry work, 350 heavy mineral till samples were collected. The till sampling was designed to test up ice and down ice of specific priority targets as well as fill in gaps in the till sampling on the property to better define indicator mineral trains. Results have been received and they confirm the termination of the South Coppermine indicator train.

North Arrow completed a spring 2014 ground geophysics program at the Redemption Diamond Project. Base. The ground geophysical program was designed to confirm and better define high priority targets identified from a 2013 airborne gravity gradiometry survey as well as from a review of various airborne and ground magnetic and electromagnetic geophysical datasets. Surveys were completed over a total of twenty-one grids, covering approximately 40 individual targets.

In July/August 2014 seven of these targets where tested with a total of 799.8 m of drilling the targets included various combinations of gravity, magnetic and electromagnetic geophysical responses that were identified based on results of a detailed data compilation and new airborne and ground geophysical surveys. These targets were also selected as being drill accessible in summer. No definite kimberlite was intersected.

In 2016, North Arrow entered into an agreement with Umgeni, to fund the next round of exploration drilling.

Under the terms of the agreement with Umgeni, Umgeni has agreed to pay North Arrow $800,000 to acquire the following royalty interests in North Arrow's Redemption Diamond Project:

1.5% gross overriding royalty on diamonds ("GOR") and a 1.5% net smelter returns royalty on base and precious metals ("NSR") for three mineral claims owned 100% by North Arrow;

1.25% GOR and 1.25% NSR on 12 mineral claims and 5 mining leases (the "ADD Claims") that are currently under option from Arctic Star Exploration Corp. These 1.25% royalties will be payable from North Arrow's ultimate interest in the ADD claims and NAR will have sole responsibility for paying them. Under the option agreement with Arctic Star, North Arrow can earn a 55% interest in the properties by incurring $5 million in exploration expenditures prior to July 1, 2017. If North Arrow decides not to proceed beyond 2016 with further exploration under the option agreement with Arctic Star, Umgeni has the right to acquire North Arrow's interest in the option. If Umgeni does not acquire North Arrow's interest in the option agreement and the option agreement terminates, then Umgeni will have no further right to receive royalties for any ADD Claims in which North Arrow does not retain an interest. Arctic Star has consented to the granting of these 1.25% royalties on the Company's Claims and the possible future transfer to Umgeni of North Arrow's interest in the option agreement.

It is a further term of the agreement with Umgeni that North Arrow must conduct a minimum $800,000 exploration program at the Redemption Project before August 2016.

North Arrow has completed a spring 2016 exploration drilling program at the **Redemption Diamond Project** in the Northwest Territories. A total of 1,577 m of drilling in 28 drill holes tested targets within the central part of the property near the up-ice termination of the South Coppermine kimberlite indicator mineral (KIM) train. Drilling consisted of ten diamond drill holes (951 m) and eighteen reverse circulation (RC) drill holes (626 m). The RC drilling was completed during the latter half of the program, using a lightweight, reverse circulation drill rig that proved effective at rapidly evaluating a higher number of targets.

None of the drill holes definitively encountered a bedrock kimberlite source for the South Coppermine KIM train.

The majority of geophysical targets were explained by intersections of granitoid intrusive units, particularly pegmatites, or by variable metasedimentary rocks.
In July 2016 North Arrow notified the Company that they desired not to elect to earn in to the option agreement. The property is now again 100% owned by the Company. The claims are in good standing for a number of years. Recent work conducted by the Geological survey has mapped the till and conducted till drill testing in the area, and Arctic intends to review this work prior to making future plans.

The Cap Property, Carbonatite Exploration, BC

The CAP Property consists of five contiguous mineral tenures, covering an area of 2,353.83 ha within central British Columbia. The property is located approximately 85 km northeast of Prince George and is accessible during the summer months by 4x4 truck and/or ATV by following a network of logging roads. Alternatively, the property may be accessed year-round by helicopter from Prince George, which is the most expedient option.

The Company owns the property 100%. The property vendors 877384 and Zimtu will retain a 2-per-cent net smelter royalty. In summer 2017 the company undertook a $300,000 drilling program to test the outcrops and magnetic anomalies in the area.
The exploration program focused within an area measuring approximately 3 kilometres by 1 kilometres, and included four drill holes, geologic mapping and sampling, and prospecting. The program was highly successful, resulting in the discovery of an exposure of carbonatite and related rocks with greater than 90-m strike-length and an estimated thickness exceeding 50 m. To date, the discovery has been tested by only a single drill.
Prospecting highlights are summarized as follows:

- The strike-length of carbonatite and related rock types encountered in outcrop and drilling totals approximately 3 kilometres;
- Five samples contained >0.20% Nb_2O_3 with a peak value of 0.96% Nb_2O_3; and
- Three samples contained >0.20% TREO (Total Rare Earth Element Oxides) with a peak value of 0.39% TREO; and
- Three samples contained >5.00% P_2O_5 with a peak value of 12.62% P_2O_5.

The samples referred to above are all selected grab samples, and they are not necessarily representative of the mineralization hosted on the property.

Highlights from Drill Hole CAP17-004 are summarized as follows:

- 24 to 95.66 metres: 0.35% Nb_2O_5 across 10.42 metres, and including 2.26 metres of **0.63% Nb_2O_5**;
- 87 to 118.50 metres: 19.63 metres of 9.94% P_2O_5, including 2.55 metres of **20.97% P_2O_5**; and
- 1 to 138.5 metres: 2.4 metres of 0.81% TREO.

The CAP Carbonatite Complex remains an early staged discovery with potential for a wide variety of commodities. Initial surface and drill hole samples demonstrate a strong potential for niobium, rare earth element, and phosphate. Moreover, as this new carbonatite has only been tested by a single drill hole, there exists a significant potential for further discovery.

Of additional interest are some anomalous concentrations of gold encountered within carbonatite and alkaline rocks during the 2017 exploration. A peak value of 69 ppb Au was noted from a pyrrhotite-bearing, calcio-carbonatite sample at 136.1 metres depth; this interval also contained in excess of 1% TREO's.

According to Jody Dahrouge, P.Geo. and President of Dahrouge Geological (consultant to Arctic Star):
"The discovery of highly anomalous concentrations of Niobium, Phosphate and REO's at such an early stage in the exploration of the CAP project should be considered highly encouraging. Future exploration at CAP will follow up on surface samples that contained highly anomalous concentrations of Niobium and which may be related to drill hole CAP17-004."

Mineralized carbonatite systems have been mined for and/or are potential sources for commodities such as REE's, niobium, tantalum, copper, nickel, iron, titanium, zirconium, platinum group elements (PGEs), gold, fluorspar, lime, sodalite, and vermiculite. Strong demand growth, stemming in part from a number of green energy solutions, has placed upward price pressure on a number of those commodities associated with carbonatites

Some of the more notable active and past producing carbonatite deposits known worldwide include Palabora (Cu, Ni, Au, PGE's, other), South Africa; Bayon Obo (REE's, Fe, Nb, fluorspar), China; Araxa (Nb), Brazil; Cargill (Phosphate), Canada; Niobec (Nb), Canada; Mountain Pass (REE's), United States; and Mount Weld (REE's), Australia.

Property Exploration Plans and Work Programs Status

The Company plans to continue exploration work on its currently held resource properties, subject to availability and timing of financing (including the ability to meet cash calls from the property operator) and data analysis from work programs. The Company to focus primarily focuses on North American diamonds.
Technical reports and news releases discussing progress on the Company's properties can be viewed on the SEDAR website at www.sedar.com.

Highlights

- Work began on the Timantti project with immediate success, the discovery of the Vassa Dyke swarm and the Grey wolf kimberlite, both diamondiferous. These are the best micro-diamond results at this stage of exploration in the public record from Finland to date.
- On the Timantti project in Finland, the company obtained 100% rights to the diamondiferous Wolf kimberlites. Due Diligence sampling of 67.5 kg of Kimberlite float and core returned 169 diamonds greater than 0.106mm in size with one diamond greater than 1mm in size. Public data shows an eighty kilometer wide zone of kimberlitic indicator minerals on the Russian border, thirty kilometers to the east of the Wolf discoveries. Wolf is on the Southern edge of this indicator zone and suggest more kimberlites will be found.
- I n Spring 2018 excavator trenching and drilling intersected four separate kimberlites. The known Black and White Wolf, kimberlites and the newly discovered Grey Wolf and Vaasa Dykes. All are diamondiferous.
- A 2018 Spring and Summer program of obtaining till samples and ground and airborne (utilizing a UAV) has continued to progress the Timantti project generating a series of kimberlite lie drill targets set for the next round of drilling.
- With the discovery of diamondiferous kimberlites which appear to be the first in a new kimberlite field, the Timantti project is now the companies premier project. Set in Finland voted by the industry as the best mining jurisdiction in 2017.
- Our next priority project, Diagras, NT Canada is a JV 60/40 with MLD. The JV has spent $680K conducting ground geophysics around known kimberlites found in the 1990's in the prolific Lac De Gras Kimberlite field. It has been shown that the Lac de Gras kimberlites can form multiple eruption center complexes. Each eruptive episode can have a different geophysical signature and in the 90's the focus was on magnetic targets. The ground geophysical work has highlight at least six gravity and EM targets that to the best of our knowledge have not been previously drill tested. The plan is to test these, and any new targets generates in Spring 2019. The project is nestled between the active Diavik and Ekati mines.
- The company acquired by exploration permit the Stein property in Nunavut. Where there are drill ready geophysical targets at the head of an indicator mineral train. These permits where extended by bond for another year. The company has recently announced a JV to GGL company, where this company can earn 60% in the event that a kimberlite is interested in a drill program on the property. In this manner Arctic can focus its resources on the Timantti project.
- On the Cap project the company drill confirmed the first mineralized Carbonatite discovery in BC in over a decade. The Carbonatite contains small meterage economic grade intercepts of Niobium and Phosphate and hints of gold. This is an encouraging first result. More work is required to understand the economic ramifications. Highlights include 2.26 metres of **0.63% Nb2O5**; 0.96% Nb2O3 in float, and 0.81% TREO and up too **20.97% P2O5. See details in the text.**

- The Company re-acquired 100% of the Redemption project in the North West Territories after North Arrow elected not to earn in to a JV.

Overall Performance

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol ADD. The Company is a development stage company engaged in the acquisition and exploration of diamond and other mineral properties in Canada. These properties and the work completed on them are described below.

In the past the Company directed most of its funds conducting several aggressive exploration programs in various areas within Canada. This aggressiveness reflects our great desire to make a discovery. It is tempered by results, fiscal realities and decisions from a team seasoned with technical managers who are familiar with exploration success.

a) **Stein Property Nunavut.** Is a 100 % owned property is located 85 km NW of Taloyoak, Nunavut and consists of 4 contiguous prospecting permits covering an area of 105,637 hectares on the Boothia Peninsula was acquired early 2015.

The Stein property is an advanced diamond exploration project, with diamond indicator minerals hosting excellent chemistry. The property is complemented by the discovery of distinct geophysical targets immediately up-ice of these mineral grains.

The company has recently optioned the property for JV.

b) **DIAGRAS JV/ T-Rex NT** the Company Staked 54,000 hectares of ground in an area previously held by other diamond explorers in the Lac de Gras kimberlite, Field 20km North of Diavik and 24 km East of Ekati. The property is surrounded by those leases on three sides. According to the government database there are 13 known kimberlites within the property boundary, discovered by previous workers in the 1990's. Most of these kimberlites only have one drill hole into them, testing the magnetic portion of the kimberlite. Experience has shown that many of the Slave Craton kimberlites are mulit-phase volcanic events and often there are other non-magnetic phase present. These would have been missed by the one drill hole into a magnetic anomaly approach.

Kennady Lake diamonds with their recent discoveries around the Faraday and Kelvin kimberlite is a good recent example of the successful use to this strategy. Arctic decided to JV this property with Margaret Lake Diamonds 60/40% in exchange for Margaret bonding 18400 hectares of claims. Ground geophysical work was completed in spring 2017 and 2018 these surveys demonstrate several kimberlite like anomalies neat but separate to the known kimberlites which are panned to be drill tested in 2019.

c) **Redemption, NT:** In October 2012 the company staked mineral claims in the NT to cover a geophysical anomaly at the apex of a diamond indicator mineral train, the claims are owned 100%. The company purchased the adjacent "Shoe" mineral lease from GGL Diamonds for $50K and a 1.5% royalty. Two EM targets have been drill tested on this property which lie in the source area of a prominent indicator mineral train. Many other targets remain to be tested. Targets will be enhanced and or generated by the airborne gradient gravity survey recently completed and the targets where modelled generating at numerous drillable targets. An agreement with North Arrow Mineral Inc. ("North") was signed, consisting of an option for North to earn a 55-per-cent interest in the Redemption property by incurring $5 million in exploration expenditure prior to July 1, 2017, including a firm commitment to spend $1,000,000 prior to July 1, 2014.

During the period ended September 30, 2013, an additional lease has been added from GGL Diamond for a consideration of $17,500 and 1.5% royalty.

In summer 2014 a total of 799.8 m of drilling tested seven targets located in the central part of the property near the up-ice termination of the South Coppermine kimberlite indicator mineral (KIM) train. The targets included various combinations of gravity, magnetic and electromagnetic geophysical responses that were identified based on results of a detailed data compilation and new airborne and ground geophysical surveys.

In Spring 2016 a total of 1,577 m of drilling in 28 drill holes tested targets within the central part of the property near the up-ice termination of the South Coppermine kimberlite indicator mineral (KIM) train. Drilling consisted of ten diamond drill holes (951 m) and eighteen reverse circulation (RC) drill holes (626 m). The RC drilling was completed during the latter half of the program, using a lightweight, reverse circulation drill rig that proved effective at rapidly evaluating a higher number of targets.

None of the drill holes definitively encountered a bedrock kimberlite source for the South Coppermine KIM train. The majority of geophysical targets were explained by intersections of granitoid intrusive units, particularly pegmatites, or by variable metasedimentary rocks.

During the quarter North Arrow returned the property 100% to Arctic electing not to earn-in the option agreement. Recently the Geological survey completed till mapping, sampling and drill testing in the area and the results of this work will be reviewed and evaluated prior to planning further work.

d) **Cap & Seebach, BC:** The CAP Property consists of five contiguous mineral tenures, covering an area of 2,353.83 Ha within central British Columbia. The property is located approximately 85 km northeast of Prince George and is accessible during the summer months by 4x4 truck and/or ATV by following a network of logging roads. Alternatively, the property may be accessed year-round by helicopter from Prince George, which is the most expedient option.

The Company owns the property 100%. The property vendors 877384 and Zimtu will retain a 2-per-cent net smelter royalty.

Subsequent to the reporting period Arctic Commenced a drilling program which has resulted in the discovery of a new Carbonatite-Syenite Complex.

Mineralized carbonatite systems have been mined for and/or are potential sources for commodities such as REE's, niobium, tantalum, copper, nickel, iron, titanium, zirconium, platinum group elements (PGEs), gold, fluorspar, lime, sodalite, and vermiculite. Strong demand growth, stemming in part from a number of green energy solutions, has placed upward price pressure on a number of those commodities associated with carbonatites.

Some of the more notable active and past producing carbonatite deposits known worldwide include Palabora (Cu, Ni, Au, PGE's, other), South Africa; Bayon Obo (REE's, Fe, Nb, fluorspar), China; Araxa (Nb), Brazil; Cargill (Phosphate), Canada; Niobec (Nb), Canada; Mountain Pass (REE's), United States; and Mount Weld (REE's), Australia.

To date, exploration at CAP has focused on an approximate 3,000 by 1,000 metre area, which was highlighted by prior geophysical survey's as well as a number of anomalous Nb-REE geochemical rock and soil samples. The 2017 work has included the completion of four drill holes, geologic mapping and sampling, and prospecting. Highlights include:

Carbonatite and/or alkaline rock types intersected in 2 of 4 drill holes,
an approximate 90-m mapped strike-length of carbonatite in outcrop with apparent estimated thickness of >50 m; and the discovery of numerous additional outcrops of carbonatite, and related rocks, across an area measuring approximately 800 by 200 m.

The most significant drill hole to date, CAP17-004 with an orientation of (163°/-55°) intersected:
53 m to 75 m -- Calcite Carbonatite, Fenite, Syenite, Country Rock
75 m to 152 m --Carbonatite (variable composition)
152 m to 219 m -- Syenite and Fenite; EOH.
The true thickness of these intersections is uncertain at this time.

The Company cautions, that although a diverse mineral assemblage is present throughout the core, it is too early to determine if any metals or minerals may be present in significant concentrations. Samples are currently being collected and are expected to arrive at the lab shortly.

Given the discovery of a new carbonatite complex at the CAP Property, the Company has staked an additional 15 claims totaling 7,657 hectares. The claims cover a north to northwest trending ridge which extends from CAP towards the Wicheeda REE Deposit, some 50 km to the northwest. The total Property now exceeds 10,482 hectares.

e) ***Timantti Diamond Project, Finland***

The Company acquired 100% interest in a 243 Ha Exploration Permit over the Black Wolf and the White Wolf diamond bearing kimberlites (together the "Wolf kimberlites") in northern Finland. The Exploration Permit is being acquired via a Share Exchange Agreement with the Finnish holding company (transaction details below).

The Company also filed an application for an Exploration Reservation centered on the acquired Exploration Permit. The Reservation is approximately 193,700 hectares in size, and it provides Arctic Star with exclusive rights to acquire additional exploration permits for a 2 year period.

The combined regional exploration and diamondiferous kimberlite property has been named the Timantti Project (Timantti is Finnish for "diamond").

There is good evidence, based on data in the public domain, for the existence of a kimberlite field in this area. This data shows regional distribution of kimberlitic indicator minerals and diamonds in surficial tills. The Exploration Reservation will allow Arctic Star to explore the entire region".

A 43-101 technical report titled, "Geological Report on the Foriet Diamond Property, Finland" authored by Kevin R. Kivi, P.Geo, of KIVI Geoscience Inc. has been filed by the Company on SEDAR. The author confirmed the diamond-bearing nature of the Wolf kimberlites by submitting samples collected from kimberlite float in overburden during a due diligence site visit. Microdiamond results are shown in ("Microlithics") is independent of the issuer, and is not ISO accredited. Kevin Kivi, P.Geo. has audited Microlithics to verify sample preparation and analytical methods for diamond recovery were appropriate.

The Black and White Wolf kimberlites were discovered by European Diamonds PLC in 2005. The discovery team was led by Mr. Spencer. European Diamonds made the discoveries by drilling a low-magnitude magnetic high anomaly at the head of a prominent G10 pyrope garnet-bearing kimberlitic indicator mineral ("KIM") train they had traced over 30km. In total eight (8) angled diamond drill holes were completed on the bodies. Some 41.2kg of kimberlite, were collected. In September 2005 European reported "micro-diamond analysis at the laboratories of Kennecott Canada Exploration in Thunder Bay, Canada, identified a total of 42 small diamonds between 0.15 and 0.88 mm in size from 4 samples totaling 41.2kg in weight. Sample processing was performed to the ISO/IEC17025 standard. Eleven of the 42 diamonds have a longest axis equal to or greater than 0.5mm with the largest stone having a long axis of 0.88mm. Approximately 26% of the stones were white and some 38% were octahedrons".

In 2006 European Diamonds changed its name to Kopane Diamond PLC. An 8.8t kimberlite sample was extracted from the Wolf kimberlites from two shallow backhoe trenches. These samples were run through a gravity separation circuit at the Finnish government facility in Outokumpu. 1.25 carats of stones greater than 1mm were recovered. The largest stone recovered was 0.09 carats. Mr. Spencer, now a director and geological consultant to Arctic has cast some doubt on this result, stating that the above result was obtained after running the sample through the Outukumpu plant twice, obtaining the same amount of diamonds from each run. Whereas the first pass should have recovered all the diamonds present if the processing circuit had been configured correctly. The microdiamond results from the White Wolf pipe recovered to date suggest a superior grade to that obtained in this test.

The Wolf kimberlites occur on the Fennoscandian Shield which hosts the world class (multi-billion dollar revenue) diamond mines at the Arkhangelskaya kimberlite (Lomonosov Mine) and Grib kimberlite (Grib Mine), both near Arkhangelsk Russia (450km East of Wolf). In Finland the diamond bearing Kuopio kimberlite field occurs on the exposed Archaean Karelian Craton segment of the Fennoscandian Shield, 250 kilometers south of the Timantti Project.

The Company believes that the diamond bearing Wolf kimberlites signify the first discoveries in a new diamond bearing kimberlite field. The Spring 2018 diamond drill program discovered two new kimberlites, the Grey Wolf and the Vassa Dykes. Further till and geophysical work has delineated new kimberlite like targets to be tested in the next round of drilling.

Operating Hazards and Risks: Exploration for natural resources involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. Although the Company has or will obtain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Title to Assets: Although the Company has or will receive title options for any concessions in which it has or will acquire a material interest, there is no guarantee that title to such concessions will not be challenged or impugned. In some countries, the system for recording title to the rights to explore, develop and mine natural resources is such that a title opinion provides only minimal comfort that the holder has title. Also, in many countries, claims have been made and new claims are being made by aboriginal peoples that call into question the rights granted by the governments of those countries.

Management: The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company.

Requirement of New Capital: As an exploration company without revenues, the Company typically needs more capital than it has available to it or can expect to generate through the sale of its products. In the past, the Company has had to raise, primarily by way of equity financing, considerable funds to meet its capital needs. There is no guarantee that the Company will be able to continue to raise funds needed for its business. Failure to raise the necessary funds in a timely fashion will limit the Company's growth.

Value of Company: The Company's assets are of indeterminate value. For further particulars see the financial statements filed on www.sedar.com.

1.3 SELECTED FINANCIAL INFORMATION

	December 31, 2017	December 31, 2016	December 31, 2015
Total revenues	$ -	$ -	$ -
Income (loss) before other items	(2,826,554)	(1,127,482)	(1,014,238)
Net income (loss) before income taxes	(2,826,967)	(1,164,679)	(2,107,370)
Income (loss) per share basic and diluted	(0.05)	(0.05)	(0.10)
Total assets	6,122,306	3,056,555	1,891,898

1.4 RESULTS OF OPERATIONS

These interim consolidated financial statements, as at and for the six months ended June 30, 2018, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

Currently the Company has no producing properties and consequently no sales and earns no revenue. To date the Company has been entirely dependent on equity markets to finance all of its activities and it is anticipated that it will continue to rely on this source of funding for its exploration expenditures and to meet its ongoing working capital requirements.

The Company recorded a net loss for the period ended June 30, 2018 of $(954,057) ($0.01) per share) as compared to $(579,604) ($0.01) per share) for the period ended on June 30, 2017.

The Company had cumulative deficit of $52,784,893 as compared to cumulative deficit of $51,830,836 for the year ended December 31, 2017.

Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

The total expenses were $1,034,484 an increase of $497,189 compared to $537,295 for the comparable period of the prior year. The overall expenses have been increased due to an acquisition of wholly owned subsidiary Foriet Oy in Finland.

Accounting and audit expenses were increased by $9,799 due to an acquisition of wholly owned subsidiary in Finland.

Advertising and promotional expenses were increased by $18,935. This increase is due to marketing campaign in Europe.

The consulting fees were increased by $326,284 as a result of increased activities in business development, marketing development and in administration services.

Filing fees were increased by $17,188 as a result of listing in OTC market.

The foreign exchange gain was $5,317. The change resulted from changes in the Canadian $ and Euro relative values.

The legal fees were increased by $38,854 as a result of acquisition of Finland property.

Office expenses were increased by $18,613 due to an acquisition of wholly owned subsidiary in Finland.

The shareholder information expenses were increased by $8,104 due to increased costs in dissemination of news releases.

During the period, the Company granted 350,000 options to its consultants and recorded $66,107 stock based compensation expenses.

The trade show expenses were decreased by $9,167.

The travel expenses were increased by $35,369. Travel expenses fluctuate significantly from period to period depending on the initiatives underway.

The Company earned $21. This compared to $986 in last year.

The Company recovered $7,000 regarding rent from share office space with other companies.

The Company also recovered $73,406 for the payment of bond.

Three Months Ended June 30, 2018 Compared to Three Months Ended June 30, 2017

The total expenses were $560,873 an increase of $280,527 compared to $280,346 for the comparable period of the prior year. The overall expenses have been increased due to an acquisition of wholly owned subsidiary Foriet Oy in Finland.

Accounting and audit expenses were increased by $5,567 due to an acquisition of wholly owned subsidiary in Finland.

Advertising and promotional expenses were increased by $18,935. This increase is due to marketing campaign in Europe.

The consulting fees were increased by $117,772 as a result of increased activities in business development, marketing development and in administration services.

Filing fees were increased by $16,822 as a result of listing in OTC market.

The foreign exchange loss was $15,546. The change resulted from changes in the Canadian $ and Euro relative values.

Office expenses were increased by $7,458 due to an acquisition of wholly owned subsidiary in Finland.

The shareholder information expenses were increased by $5,330 due to increased costs in dissemination of news releases.

During the period, the Company granted 350,000 options to its consultants and recorded $66,107 stock based compensation expenses.

The travel expenses were increased by $27,415. Travel expenses fluctuate significantly from period to period depending on the initiatives underway.

The Company earned $8. This compared to $246 in last year.

The Company recovered $3,500 regarding rent from share office space with other companies.

The Company also recovered $73,406 for the payment of bond.

1.5 SUMMARY OF QUARTERLY RESULTS

The following table presents certain selected financial information on a quarterly basis:

Quarter ended	Revenue $	Net loss $	Net loss per share $
June 30, 2018	0	(483,959)	(0.00)
March 31, 2018	0	(470,098)	(0.00)
December 31, 2017	0	(1,974,043)	(0.02)
September 30, 2017	0	(273,320)	(0.01)
June 30, 2017	0	(330,704)	(0.01)
March 31, 2017	0	(248,900)	(0.00)
December 31, 2016	0	(794,025)	(0.03)
September 30, 2016	0	(141,957)	(0.00)

Largely due to stock based compensation expense of $835,055 and consulting fees of $765,570, the net loss for the quarter ended December 31, 2017 was $1,974,043.

Largely due to stock based compensation expense of $299,762, the net loss for the quarter ended December 31, 2016 was $794,025.

1.6 LIQUIDITY

At June 30, 2018, the Company had a working capital of (which excludes prepaid) of $370,662 (December 31, 2017 – deficiency of $584,219).

Cash Flow from Operations

During the period ended June 30, 2018, the Company had cash out-flow of $(1,304,472) from operations compared to an outflow of $(554,326) in the comparable period of the previous year.

During the period, accounts receivable increased by $11,687, due from related parties increased by $270,549, prepaid expenses decreased by $17,803, and accounts payable decreased by $153,252.

During the quarter ended June 30, 2018, the Company had cash out-flow of $(664,745) from operations compared to an outflow of $(321,735) in the comparable quarter of the previous year.

During the quarter, accounts receivable decreased by $75,308, due from related parties increased by $143,050, prepaid expenses increased by $39,318, and accounts payable decreased by $140,415.

Investing Activities

During the period ended June 30, 2018, the net cash from investing activities were $(774,358) compared to $(287,590) in the comparable period of the previous year.

During the period, other assets increased by $5,167, exploration advances increased by $73,406 and resource property expenses increased by $695,785.

During the quarter ended June 30, 2018, the net cash from investing activities were $(362,356) compared to $(233,455) in the comparable quarter of the previous year.

During the quarter, exploration advances increased by $73,406 and resource property expenses increased by $288,950.

Financing Activities

During the period ended June 30, 2018, the net cash from financing activities were 1,397,541 compared to $539,690 in the comparable period of the previous year.

During the period ended June 30, 2018, the Company raised $1,500,506 through private placements, and exercise of warrants and options. The share issued cost was $70,720. Due to related parties were decreased by $32,245.

During the quarter ended June 30, 2018, the net cash from financing activities were $450,857 compared to $433,904 in the comparable quarter of the previous year.

During the quarter ended June 30, 2018, the Company raised $692,519 through private placements, and exercise of warrants and options. The share issued cost was $13,600. Due to related parties were decreased by $87,062. Shares subscription decreased by $141,000

Since incorporation, the Company's capital resources have been limited. The Company has to rely primarily upon the sale of equity securities for cash required for administration, acquisitions and exploration programs, among other things. While there are presently no known specific trends, events or uncertainties that are likely to result in the Company's liquidity decreasing in any material way over the next year, it is unlikely that significant cash will be generated from operations over this period. Since the Company is unlikely to have significant cash flow, the Company will have to continue to rely upon equity financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

The Company is engaged in the acquisition, exploration and development of natural resource properties. The Company has entered into agreements to acquire interests in the properties described above under the heading "Overall Performance".

The main business risks facing the Company over the next several years relate to the availability of equity capital to finance the acquisition, exploration and development of existing and future exploration and development projects. The availability of equity capital to junior resource companies is affected by commodity prices, global economic conditions, and economic conditions and government policies in the countries of operation, among other things. These conditions are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise equity capital.

The Company's working capital and liquidity fluctuate in proportion to its ongoing equity financing activities. The Company requires a certain amount of liquid capital in order to sustain its operations and in order to meet various obligations as specified under the Company's resource property acquisition agreements. Should the Company fail to obtain future equity financing due to reasons as described above, it will not be able to meet these obligations and may lose its interests in the properties covered by the agreements. Further, should the Company be unable to obtain sufficient equity financing for working capital, it may be unable to meet its ongoing operational commitments.

Exploration and development of natural resources involve substantial expenditures and a high degree of risk. Few properties which are explored are ultimately developed into producing properties. Accordingly, the Company has no material revenue, writes off its natural resource properties from time to time, and operates at a loss. Continued operations are dependent upon ongoing equity financing activities.

1.7 CAPITAL RESOURCES

During the period ended June 30, 2018, the Company raised $165,486 through exercise of 1,833,333 warrants.

During the period ended June 30, 2018, the Company raised $90,000 through exercise of 500,000 options.

On March 29, 2018, closed private placements of 4,200,000 units @ $0.17 for gross proceed of $714,000. Each unit consist one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.25 per warrant share for a period of two years from the date of closing. The Company paid cash finder's fee $57,120 and issued 336,000 finder's warrants at a price of $0.17 per warrant share for a period of two years from the date of closing.

On April 12, 2018, closed private placements of 1,993,647 units @ $0.17 for gross proceed of $338,920. Each unit consist one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.25 per warrant share for a period of two years from the date of closing. The Company paid cash finder's fee $13,600 and issued 80,000 finder's warrants at a price of $0.17 per warrant share for a period of two years from the date of closing.

On June 04, 2018, closed private placements of 1,130,000 units @ $0.17 for gross proceed of $192,100. Each unit consist one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.25 per warrant share for a period of two years from the date of closing.

On August 29, 2018, the Company returned 500,000 shares at $0.10 due to non-payment.

The Company will use the funds for exploration and working capital.

COMMITMENTS

During the year ended December 31, 2016, the Company completed a private placement of flow-through shares for gross proceeds of $300,000 (Note 9). There was no flow-through share premium liability resulting from the issuance. The flow-through funds are required to be spent on qualified exploration programs no later than December 31, 2017. As at December 31, 2017, the Company had spent $300,000 (2016 - $nil) of the flow-through fund on qualified programs. Under the look-back rules, effective from February 1, 2017, any flow-through funds spent in 2017 were charged a floating interest tax, which was set at 1% per annum and resulted in flow-through taxes payable of $1,236.

During the year ended December 31, 2017, the Company completed a private placement of flow-through shares for gross proceeds of $350,000 (Note 9). There was no flow-through share premium liability resulting from the issuance. The flow-through funds are required to be spent on qualified exploration programs no later than December 31, 2018.

As at December 31, 2017, the Company had spent $nil of the flow-through fund on qualified programs and under the look-back rules permitted by Canadian tax authorities expects to spend the remaining funds in 2018.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

1.9 RELATED PARTY TRANSACTIONS

(a) During the period ended June 30, 2018, the Company incurred consulting fees of $192,750 (June 30, 2017: $107,500) with directors and companies owned by directors.

(b) During the period ended June 30, 2018, the Company incurred accounting fees of $42,000 (June 30, 2017: $42,000) with an officer of the Company.

(c) During the period ended June 30, 2018 payment of rent of $25,388 (June 30, 2017: $25,388) pertains to rent paid to a company related by a common director for shared office premises.

(d) During the period ended June 30, 2018 recovery of rent of $7,000 (June 30, 2017: $15,617) pertains to rent collected from companies related by a common officer for shared office premises.

(e) During the period ended June 30, 2018, the Company incurred trade shows expenses of $nil (June 30, 2017: $2,500) with a company related by a common director.

(f) During the period ended June 30, 2018, the Company incurred public relation expenses of $nil (June 30, 2017: $49,590) with a company related by a common director

(g) During the period ended June 30, 2018, the Company incurred deferred exploration expenditures and consulting fees of $78,018 (June 30, 2017: $nil) with a director of the Company and a company.

(h) As at June 30, 2018 due from related parties include $288,203 (December 31, 2017: $17,654) due from a Company controlled by a director of the Company.

(i) As at June 30, 2018, $99,638 (December 31, 2017 - $131,883) was owing to companies controlled by directors and officers of the Company.

The amounts due from or to the related parties are unsecured and without interest or stated terms of repayment.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

During the period ended June 30, 2018, nil stock options (June 30, 2017 – 250,000) were granted to directors and officers.

The aggregate values of transactions relating to key management personnel were as follows:

	June 30, 2018	June 30, 2017
Consulting fees	**$ 192,750**	$ 107,500
Accounting fees	**42,000**	42,000
Stock based compensation	-	21,573
Rent	**25,388**	25,388
Trade shows	-	2,500

Public relations	-	49,590

1.11 PROPOSED TRANSACTIONS

N/A

1.12 CRITICAL ACCOUNTING ESTIMATES

Critical Accounting estimates represent estimates that are highly uncertain and for which changes in those estimates could materially impact the Company's financial statements. Critical accounting estimates are as follows:

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;
- the estimated fair value of the loans receivable;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- the determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

1.13 CHANGES IN ACCOUNTING POLICIES

New standards

Effective for annual periods beginning on or after January 1, 2017

There are no new accounting pronouncements adopted which had a significant impact on the Company's consolidated financial statements.

Effective for annual periods beginning on or after January 1, 2018

IFRS 9 Financial Instruments:

Partial replacement of IAS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact of this standard.

IFRS 16 Leases:

This standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard.

BASIS OF PRESENTATION

(a) Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All financial information in these consolidated financial statements is presented in Canadian dollars which is the functional currency of the parent Company and its subsidiary. The accounting policies set out below have been applied consistently by the Company and its subsidiary.

These consolidated financial statements include the financial statements of the Company and of the entities it controls, its wholly-owned subsidiaries, Foriet Oy. All significant inter-company balances and transactions have been eliminated.

(b) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of policies and reported amounts of assets and liabilities and disclosures of assets and liabilities at the date of the consolidated financial statements, along with reported amounts of expenses and net losses during the period. Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments:

- the Company is entitled to refundable input tax credits and tax credits on qualified resource expenditures incurred in Canada. Management's judgment is applied in determining whether expenditures are eligible for claiming such credits;
- the Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualified expenditures have been incurred. Differences in judgment between management and regulatory authorities can materially increase the flow-through premium liability and outstanding commitments;
- the recoverability of mineral properties and exploration and evaluation expenditures incurred on its Canadian projects; the Company capitalizes acquisition, exploration and evaluation expenditures on its statement of financial position, and evaluates these amounts at least annually for indicators of impairment; and
- the Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.
- The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to asses at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting.

Estimates:

- the estimated useful lives and residual value of property, plant and equipment which are included in the statement of financial position and the related amortization included in the statement of loss and comprehensive loss;
- the estimated fair value of the loans receivable;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- the determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(c) Foreign currency translation

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiary, as determined by management, is the Canadian dollar and this is also the currency in which it presents these consolidated financial statements. The Company recognizes transactions in currencies other than the Canadian dollar (foreign currencies) at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the consolidated statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Mining properties and exploration and evaluation expenditures

Acquisition costs of resource properties together with direct exploration and evaluation expenditures thereon are recorded in the accounts at costs. These are classified as intangible assets. Once a project has been established as commercially viable and technically feasible, mineral properties are reclassified as tangible assets and related development expenditures are capitalized. When production is attained these costs will be amortized using the unit of production method based upon estimated proven recoverable reserves. When deferred expenditures on individual producing properties exceed the estimated net realizable value, the properties are written down to the estimated value. Costs relating to properties abandoned are written off when the decision to abandon is made. The Company recognizes in income costs recovered on exploration and evaluation assets when amounts received, or receivable are in excess of the carrying amount.

The amounts shown for mining properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Other assets

Other assets are reported at cost. Amortization is provided over the assets' estimated useful life using the declining balance method at the following rates per annum.

Computer equipment	45%	Machinery and equipment	20%

Subsequent costs

The cost of replacing part of an item within property, plant and equipment is capitalized or deferred when the cost is incurred if it is probable that the future economic benefits will flow to the company and the cost of the item can be measured reliably. All other costs are recognized as an expense as incurred.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the period.

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(b) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary Foriet Oy. Subsidiaries are entities controlled by the Company, and are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiary have been changed where necessary to align them with policies adopted by the Company.

(c) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting period.

(d) Common shares

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the TSX Venture Exchange on the date of the agreement to issue the shares or the date of share issuance, whichever is more appropriate. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as contributed surplus.

Common shares designated by agreement as flow-through shares, may be issued at a premium to non-flow-through common shares. On issuance, the Company allocates the flow-through share into i) fair value of capital stock and ii) the residual as a flow-through share premium, which is recognized as a liability. On issuance of a flow-through unit when no comparable non flow-through units have been issued, the Company allocates the flow-through unit into i) fair value of capital stock, ii) fair value of a warrant and iii) the residual as a flow-through share premium, which is recognized as a liability. Upon expenses being incurred, the Company derecognizes the liability and recognizes a credit to deferred tax expense. The Company is required to spend the proceeds received from issuance of flow-through shares on Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received, but not yet expended at the end of the Company's period.

(e) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options granted to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized immediately that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The fair value of the options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

(f) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of mining properties and other assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision.

The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss. The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

(g) Financial instruments

Financial Assets

Financial assets are initially recorded at fair value and designated upon inception into one of the following categories: available-for-sale, loans and receivables or at fair value through profit or loss ("FVTPL").

Financial assets at FVTPL include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognized in profit or loss. Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company has classified cash as FVTPL.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. Financial assets classified as loans and receivables are measured at amortized cost less impairment. The Company has classified its loan receivables, due from related parties and other receivables as loans and receivables.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized or determined to be impaired at which time the cumulative gain or loss previously recorded in equity is recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Company has classified its short-term investment as available-for-sale.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method. The Company has classified its accounts payable and accrued liabilities and due to related parties as other financial liabilities.

(h) Agent warrants and warrants

Warrants issued to agents in connection with a financing are recorded at fair value and charged to share issue costs associated with the offering with an offsetting credit to contributed surplus in shareholders' equity.

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method whereby proceeds are first allocated to the fair value of the shares and the excess if any, allocated to the warrants.

(i) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CAPITAL DISCLOSURES

(a) Fair value of financial instruments

As at June 30, 2018, the Company's financial instruments consist of cash, loans receivable, accounts payable and accrued liabilities, and due to and due from related parties.

IFRS requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS prioritizes the inputs into three levels that may be used to measure fair value.

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the net asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

	Level 1	Level 2	Level 3	Total
June 30, 2018				
Cash	**$ 388,687**	**$ -**	**$ -**	**$388,687**
	$ 388,687	**$ -**	**$ -**	**$ 388,687**
December 31, 2017				
Cash	$1,069,976	$ -	$ -	$ 1,069,976
	$ 1,069,976	$ -	$ -	$ 1,069,976

The fair value of cash is determined based on Level 1 inputs which consist of quoted prices in active markets for identical assets. The fair value of loans receivable at December 31, 2016 was determined based on Level 2 inputs and estimated using the trading value of the equity-linked publicly traded instrument. As at June 30, 2018, the Company believes that the carrying values of accounts receivable, loan receivable, accounts payable and accrued liabilities and due to and due from related parties approximate the fair values because of their nature and relatively short maturity dates or durations.

(b) Risk Management

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. Credit risk is primarily related to the Company's cash and loans receivable. To minimize this risk, cash has been placed with major Canadian financial institutions. The maximum exposure to credit risk for cash is $388,687 (December 31, 2017 – 1,069,976),

The Company has loaned money to smaller companies to provide assistance. The maximum exposure to credit risk for loans receivable is $9,000 (December 31, 2017 - $9,000).

Interest Rate Risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

Liquidity Risk

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, and cash and cash equivalent holdings. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

Commodity Price Risk

The Company's ability to raise capital to find exploration or development activities is subject to risk associated with fluctuations in the market prices of gold, silver, nickel, diamonds and copper.

(c) Capital management

The Company considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable. The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

1.14 FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

It is management's opinion that the fair value of the Company's cash, accounts payable and accrued liabilities and due to related parties, approximate their carrying value due to the relatively short periods to the maturity of the instruments. The fair value of loans receivable are estimated using the trading value of the equity-linked publicly traded instrument

None of the Company's financial instruments are denominated in U.S. dollars, and the Company does not use foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

1.15 OTHER MD&A REQUIREMENTS

Financial and Disclosure Controls and Procedures

During the period ended June 30, 2018, there has been no significant change in the Company's internal control over financial reporting since last year.

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, reliable and timely. They are also responsible for establishing adequate internal controls over financial reporting to provide sufficient knowledge to support the representations made in this MD&A and the Company's interim financial statements for the period ended June 30, 2018 (together the "Annual Filings"). The Chief Executive Officer and Chief Financial Officer of the Company have filed the Venture Issuer Basic Certificate with the Annual Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.

Outstanding Share Data

a) The Company's authorized share capital consists of unlimited common shares without par value. The Company has only one kind and class of shares and there are no unusual rights or restrictions attached to that class.

b) As at August 29, 2018, the Company had a total of 104,946,464 (December 31, 2017: 95,789,484) common shares issued and outstanding.

c) As at August 29, 2018, the Company had 43,708,767 (December 31, 2017: 40,233,703) warrants outstanding.

d) As at August 29, 2018, the Company had 9,341,661 (December 31, 2017: 9,460,411 stock options outstanding.

Additional Disclosure for Venture Issuers without Significant Revenue

Schedule of General and Administrative costs:

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Expenses				
Accounting and audit	**$ 26,567**	$ 21,000	**$ 51,799**	$ 42,000
Advertisement and promotional	**25,520**	6,585	**25,520**	6,585
Amortization	**582**	557	**1,163**	1,113
Bank charges	**270**	254	**478**	605
Consulting fees	**250,593**	132,821	**569,782**	243,498
Filing fees	**24,167**	7,345	**31,317**	14,129
Foreign exchange	**15,546**	-	**(5,317)**	-
Legal	**19,159**	20,829	**64,403**	25,549
Office and administration	**12,589**	5,131	**31,643**	13,030
Public relations	**42,807**	43,431	**88,781**	86,551
Rent	**12,694**	12,694	**25,388**	25,388
Shareholders' information	**5,432**	102	**8,617**	513
Stock-based compensation	**66,107**	-	**66,107**	30,202
Trade shows	**-**	-	**2,373**	11,540
Transfer agent fees	**4,133**	2,305	**6,189**	5,720
Travel	**54,707**	27,292	**66,241**	30,872
	$ 560,873	$ 280,346	**$ 1,034,484**	$ 537,295

Schedule of Exploration and Development Costs:

	Diagras	Redemption	Cap	Stein	Timantti	Total
Deferred Exploration Expenditures:						
Balance on December 31, 2017	$ 553,082	$ 979,999	$ 640,358	$ 128,947	$ 40,992	$ 2,343,378
Drilling	-	-	-	-	450,975	450,975
Travel	-	-	-	-	44,742	44,742
Field and camp	-	-	-	-	-	-
Consulting	-	-	-	-	66,089	66,089
Assays and lab processing	-	-	-	-	-	-
Freight	-	-	-	-	16,550	16,550
Rental	-	-	-	-	-	-
Claims	-	-	-	105,631	-	105,631
Aircraft – fixed wings	-	-	-	-	-	-
Helicopter	-	-	-	-	-	-
Others	-	-	-	-	11,798	11,798
	553,082	979,999	640,358	234,578	631,146	3,039,163
Property Acquisitions:						
Balance on December 31, 2017	246,460	50,000	-	33,970	2,023,403	2,353,833
Additions	-	-	-	-	-	-
Write-down	-	-	-	-		-
	246,460	50,000	-	33,970	2,023,403	2,353,833
Balance on June 30, 2018	**$ 799,542**	**$ 1,029,999**	**$ 640,358**	**$ 268,548**	**$ 2,654,549**	**$ 5,392,996**

Additional information about the Company can be found on www.sedar.com

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Shares Listed

TSXV : ADD
Frankfurt Stock Exchange: 82A1
OTCQB: ASDZF